CITY OF EL PASO MUNICIPAL MANAGEMENT DISTRICT NO. 1

(El Paso County, Texas)

PRELIMINARY OFFICIAL STATEMENT

DATED: NOVEMBER 11, 2026

$4,945,000

UNLIMITED TAX AND TAX INCREMENT CONTRACT REVENUE ROAD BONDS

SERIES 2026

BIDS TO BE SUBMITTED BY:

10:00 A.M., CENTRAL TIME

WEDNESDAY, NOVEMBER 18, 2026

BIDS TO BE OPENED:

12:00 P.M., CENTRAL TIME

WEDNESDAY, NOVEMBER 18, 2026

CEDAR CREEK
MUNICIPAL ADVISORS

Financial Advisor

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 11, 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, INTEREST ON THE BONDS IS EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES UNDER EXISTING LAW AND IS NOT INCLUDED IN THE ALTERNATIVE MINIMUM TAXABLE INCOME OF INDIVIDUALS; HOWEVER, SUCH INTEREST IS TAKEN INTO ACCOUNT IN DETERMINING THE ANNUAL ADJUSTED FINANCIAL STATEMENT INCOME OF APPLICABLE CORPORATIONS FOR THE PURPOSE OF DETERMINING THE ALTERNATIVE MINIMUM TAX IMPOSED ON CORPORATIONS. SEE "TAX MATTERS" FOR A DISCUSSION OF BOND COUNSEL'S OPINION

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 NOT RATED

CITY OF EL PASO MUNICIPAL MANAGEMENT DISTRICT NO. 1
(A political subdivision of the State of Texas, located within El Paso County)

$4,945,000
Unlimited Tax and Tax Increment Contract Revenue Road Bonds
Series 2026

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

Interest Accrues: Delivery Date

The $4,945,000 Unlimited Tax and Tax Increment Contract Revenue Road Bonds, Series 2026 (the "Bonds"), are obligations of City of El Paso Municipal Management District No. 1 (the "District") and are not obligations of the State of Texas; El Paso County, Texas (the "County"); the City of El Paso, Texas (the "City"); or any entity other than the District. Neither the full faith and credit nor the taxing power of the State of Texas; the County; the City; nor any entity other than the District is pledged to the payment of the principal of or interest on the Bonds.

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

Principal of the Bonds is payable to the registered owner(s) of the Bonds at the principal payment office of the Paying Agent/Registrar upon surrender of the Bonds for payment at maturity or upon prior redemption. The Bonds are dated December 1, 2026, and interest on the Bonds accrues from the initial date of delivery (on or about December 16, 2026) (the "Delivery Date"), and is payable on May 1, 2027, and each November 1 and May 1 (each an "Interest Payment Date") thereafter until maturity or prior redemption to the person in whose name the Bonds are registered as of the 15th day of the calendar month next preceding each Interest Payment Date. The Bonds are issuable in principal denominations of $5,000 or any integral multiple thereof in fully registered form only.

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

The Bonds, when issued, will be payable from Pledged TIRZ Revenues (as defined herein) and the proceeds of a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within the District. Investment in the Bonds is subject to certain risk factors as described herein. See "RISK FACTORS" herein.

The Bonds are offered, when, as and if issued by the District to the winning bidders of the Bonds (the "Initial Purchaser") subject, among other things, to the approval of the Attorney General of Texas and of Coats Rose, P.C., Bond Counsel. Delivery of the Bonds through the facilities of DTC is expected on or about December 16, 2026.

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.

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

$4,945,000 Unlimited Tax and Tax Increment Contract Revenue Road Bonds, Series 2026

Maturity (November 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. ___ (b)	Maturity (November 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. ___ (b)
2028	$ 105,000	___%	___%	___	2040 (c)	$ 200,000	___%	___%	___
2029	120,000	___%	___%	___	2041 (c)	205,000	___%	___%	___
2030	130,000	___%	___%	___	2042 (c)	215,000	___%	___%	___
2031	140,000	___%	___%	___	2043 (c)	220,000	___%	___%	___
2032	150,000	___%	___%	___	2044 (c)	230,000	___%	___%	___
2033 (c)	165,000	___%	___%	___	2045 (c)	240,000	___%	___%	___
2034 (c)	175,000	___%	___%	___	2046 (c)	245,000	___%	___%	___
2035 (c)	170,000	___%	___%	___	2047 (c)	255,000	___%	___%	___
2036 (c)	180,000	___%	___%	___	2048 (c)	265,000	___%	___%	___
2037 (c)	185,000	___%	___%	___	2049 (c)	275,000	___%	___%	___
2038 (c)	185,000	___%	___%	___	2050 (c)	340,000	___%	___%	___
2039 (c)	195,000	___%	___%	___	2051 (c)	355,000	___%	___%	___

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

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

(c) Bonds maturing on November 1, 2033, and thereafter, shall be subject to redemption and payment at the option of the District, in whole or from time to time in part on December 1, 2032, or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. See "THE BONDS – Redemption Provisions."

USE OF INFORMATION IN OFFICIAL STATEMENT

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission ("SEC"), 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 SEC 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 SEC 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.

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

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

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

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SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

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

Prices and Marketability

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

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

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

Securities Laws

No registration statement relating to the Bonds has been filed with the United States Securities and Exchange Commission ("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 jurisdictions.

MUNICIPAL BOND INSURANCE

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

RATINGS

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

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OFFICIAL STATEMENT SUMMARY

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

THE BONDS

The District	City of El Paso Municipal Management District No. 1 (the "District"), a political subdivision of the State of Texas, is located within the city limits of the City of El Paso, Texas (the "City") in El Paso County, Texas (the "County"). See "THE DISTRICT."
The Bonds	The District is issuing its $4,945,000 Unlimited Tax and Tax Increment Contract Revenue Road Bonds, Series 2026 (the "Bonds"). The Bonds are dated December 1, 2026 and mature on November 1 in each of the years and principal amounts set forth on the inside cover page. Interest accrues from the initial date of delivery (expected to be on or about December 16, 2026) (the "Delivery Date"), at the rates per annum set forth on the inside cover page and is payable on May 1, 2027, and on each November 1 and May 1 thereafter until maturity or earlier redemption. The Bonds are offered in fully registered form in integral multiples of $5,000 for any one maturity. See "THE BONDS – General."
Redemption Provisions	Bonds maturing on and after November 1, 2033, are subject to redemption, in whole or from time to time in part, at the option of the District, on December 1, 2032, and on any date thereafter at a price of par plus accrued interest from the most recent interest payment date to the date of redemption. See "THE BONDS – Redemption Provisions."
Book-Entry-Only System	The Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York, 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 (hereinafter defined) thereof. Principal of and interest on the Bonds will be payable by the Paying Agent/Registrar (hereinafter defined) to Cede & Co., which will make distribution of the amounts so paid to the participating members of The Depository Trust Company for subsequent payment to the Beneficial Owners of the Bonds. See "THE BONDS – Book-Entry-Only System."
TIRZ Agreement	On March 30, 2020, the City entered into an Entitlement Agreement (as amended, the "TIRZ Agreement") with the Developer (defined herein), relating to the financing of public improvements within Tax Increment Reinvestment Zone No. 13, City of El Paso, Texas (the "TIRZ"). The District became a party to the TIRZ Agreement by a joinder dated June 3, 2020. Under the TIRZ Agreement, the City pays to the District 75% of the ad valorem taxes the City levies and collects on the captured appraised value of real property within each of four development pods of the Property (as defined herein under "TAX INCREMENT REINVESTMENT ZONE NO. 13, CITY OF EL PASO, TEXAS"). Payments for a pod begin in the year a certificate of occupancy is issued for the first permanent building in that pod and continue for 25 years. Total payments are limited by a cap (the "Reimbursement Cap"). Captured appraised value is the taxable value of the real property for a year in excess of its taxable value as of January 1, 2018, the year in which the TIRZ was designated under Chapter 311 of the Texas Tax Code (the "TIRZ Act"). The First

Amendment to the TIRZ Agreement excludes an approximately 45-acre parcel in Pod 3 from the calculation. Pursuant to the TIRZ Agreement, the Contract Payments (as defined below) will be used by the District to pay debt service on bonds issued by the District, including the Bonds. See "THE BONDS – Source of Payment" and "TIRZ AGREEMENT."

Source of Payment ..... Principal of and interest on the Bonds is payable from Pledged TIRZ Revenues (herein defined) and the proceeds of a continuing direct annual ad valorem tax, levied upon all taxable property within the District, without legal limitation as to rate or amount. The Bonds are obligations solely of the District and are not obligations of the State of Texas; the County; the City; or any entity other than the District. See "THE BONDS – Source of Payment."

The District has created the "District Tax Increment Fund" and all Contract Payments (herein defined) from the City will be deposited in the District Tax Increment Fund. Additionally, the District has created the "TIRZ Debt Service Fund" for transfer of certain Contract Payments, as determined below. After making the required transfer to the TIRZ debt Service Fund, the District reserves the right to use any remaining Contract Payments in the District Tax Increment Fund reimburse the Developer for infrastructure costs.

Unlimited Tax: The Bonds are secured by the proceeds of a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within the District. In addition, the Bonds are secured by the Pledged TIRZ Revenues.

Pledged TIRZ Revenues: The City has agreed to deposit to a special tax increment fund heretofore established by the City (the "City TIF Fund") 75% of the incremental ad valorem tax revenues received by the City from taxable real property located within the TIRZ (the "Tax Increment Payments"). The Tax Increment Payments paid to the Tax Increment Fund by the City are referred to herein as "TIRZ Revenue." The City has entered into a TIRZ Agreement, pursuant to which it has agreed to pay to the District during the months of March and September each calendar year certain TIRZ Revenue, net of any operating costs of the TIRZ (the "Contract Payments"). The District will deposit the Contract Payments into the District Tax Increment Fund. On or before September 15 of each year, the District will determine the amount of money necessary to pay the ensuing annual debt service on all bonds in which such monies are pledged and will transfer that amount to the TIRZ Debt Service Fund, if available. The monies held in the TIRZ Debt Service Fund are referred to herein as "Pledged TIRZ Revenues." See "TIRZ Agreement."

Authority for Issuance ..... At an election held within the District on May 1, 2021, voters of the District authorized the District's issuance of $498,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the water, sewer, and drainage facilities to serve the District (the "Utility System"); $390,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing roads and improvements in aid thereof to serve the District (the "Road System"); $747,000,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Utility System; and $585,000,000 principal amount of unlimited

tax bonds for the purpose of refunding bonds issued by the District for the Road System.

The Bonds are issued pursuant to (i) an order authorizing the issuance of the Bonds (the "Bond Order"); (ii) Article III, Section 52 of the Texas Constitution and the general laws of the State of Texas, particularly Chapters 49 and 54 of the Texas Water Code, as amended; (iii) Chapter 375 of the Local Government Code; (iv) Section 4(c) of the TIRZ Agreement; and (v) an election held within the District on May 1, 2021.

Payment Record — The District has never defaulted on the debt service payments on its prior bond indebtedness.

Outstanding Bonds — The District has previously issued the following series of unlimited tax bonds: $7,590,000 Unlimited Tax and Tax Increment Contract Revenue Road Bonds, Series 2024 and $3,865,000 Unlimited Tax and Tax Increment Contract Revenue Road Bonds, Series 2025. As of delivery of the Bonds, $11,455,000 principal amount of such previously issued bonds will remain outstanding (the "Outstanding Bonds"). See "THE BONDS – Outstanding Bonds."

Use of Proceeds of the Bonds — Proceeds from sale of the Bonds will be used to reimburse the Developer (herein defined) for the construction costs set out herein under "THE BONDS – Use and Distribution of Bond Proceeds." Proceeds of the Bonds will also be used to pay developer interest, six (6) months of capitalized interest, and general costs of issuance associated with the Bonds. See "THE BONDS – Use and Distribution of Bond Proceeds" for further information.

Qualified Tax-Exempt Obligations — The District will designate the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265 of the Internal Revenue Code of 1986, as amended. See "TAX MATTERS – Qualified Tax-Exempt Obligations."

Municipal Bond Insurance — The District has made applications to Build America Mutual Assurance Company and Assured Guaranty Inc. for a commitment for municipal bond guaranty insurance on the Bonds. The purchase of such insurance, if available, and the payment of all associated costs, including the premium charged by the insurance company and fees charged by rating companies, will be at the option and expense of the Initial Purchaser.

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

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

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

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

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

THE DISTRICT

Description — The District was created by House Bill 4730 of the 86th Legislature of the State of Texas, 2019, Regular Session, effective January 1, 2020, codified as Chapter 3972 of the Texas Special District Local Laws Code (the "District Act"). The District was created as a Municipal Management District under Section 52, Article III, and Section 59, Article XVI, of the Texas Constitution and operates under

Chapter 375 of the Texas Local Government Code, and Chapters 49 and 54 of the Texas Water Code, as amended. See "THE DISTRICT – General."

Location ..... The District is located in El Paso County, approximately 14 miles north-northeast of downtown El Paso. The District is bounded by Martin Luther King Jr Blvd to the west, Loma Real Ave to the south, and Gateway Blvd S to the southeast and is located entirely within the corporate limits of the City. The District is located entirely within the El Paso Independent School District. See "THE DISTRICT."

The Developer and Major Landowner ..... FSW Investments, L.P. ("FSW"), a Texas limited partnership, is a landowner within the district that owns land planned for future single family, commercial and multi-family uses. FSW owns approximately 1,888 acres within the District. Franklin Mountain Communities LLC ("FMC"), a Texas limited liability company, owns approximately 162 acres of land intended for development within the District. FMC purchases land from FSW as needed for its development. To date, FMC has developed approximately 1,067 lots as the single-family subdivisions of Campo del Sol, Sections 1A, 1B and 2B. FMC is referred to herein as the "Developer." See "THE DEVELOPER."

Development of the District is managed by Scarborough Services LLC, a third-party management company controlled by James R. Feagin and Ryan Burkhardt.

Campo Del Sol Rental Holdings LP ("CDS Rental"), a Texas limited partnership, purchased 300 lots from FMC within Campo Del Sol, Section 1A for the purpose of constructing homes and holding those properties as rental income properties. CDS Rental was created as a joint venture led by TLC El Paso I LLC ("TerraLane Communities"), a Delaware limited liability company. TerraLane Communities is a build for rent developer and operator with more than 1,200 for rent residences across Arizona and Texas. See "THE DEVELOPER."

Status of Development ..... The District consists of approximately 2,296.47 total acres. To date, approximately 225.53 acres have been developed as 1,067 single-family lots within Campo del Sol, Sections 1A, 1B and 2B. As of October 1, 2026, the District included approximately 505 completed homes (approximately 474 occupied, 23 unoccupied, and 8 model homes); approximately 123 homes under construction; and approximately 439 vacant developed lots.

The homes being constructed within Campo Del Sol, Section 1A are being constructed for the purpose of build-to-rent. The homes being constructed within Campo Del Sol, Section 1B and 2B are being constructed for the purpose of being sold to homebuyers.

The remaining land in the District includes approximately 92.18 acres under development, approximately 1,974.34 acres undeveloped but developable land, approximately 4.42 acres for an amenity center, and approximately 0 undevelopable acres. See "DEVELOPMENT OF THE DISTRICT."

Homebuilders ..... The homebuilders currently active in the District are Edwards Homes, Desert View Homes, Tropicana Homes and Classic American Homes. New homes being constructed in the District range in price from approximately $276,000 to $428,000 and range in size from approximately 1,388 square feet to 2,950 square feet. Homes for rent within the District range in size from approximately 1,445 square feet to 2,076 square feet. The median rental rate per square

foot within the District is approximately $1.34 per square foot. See "DEVELOPMENT OF THE DISTRICT – Homebuilders within the District."

RISK FACTORS

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

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SELECTED FINANCIAL INFORMATION
(UNAUDITED)

2026 Taxable Assessed Valuation	$	124,270,270	(a)
Estimate of Value as of September 1, 2026	$	173,527,267	(b)
Gross Direct Debt:			
The Outstanding Bonds	$	11,455,000	
The Bonds		4,945,000	
Total Gross Direct Debt	$	16,400,000	
Estimated Overlapping Debt	$	9,129,836	(c)
Total Gross Direct and Estimated Overlapping Debt	$	25,529,836	
Gross Direct Debt Ratios:			
As a percentage of 2026 Taxable Assessed Valuation		13.20	%
As a percentage of Estimate of Value as of September 1, 2026		9.45	%
Gross Direct and Estimated Overlapping Debt Ratios:			
As a percentage of 2026 Taxable Assessed Valuation		20.54	%
As a percentage of Estimate of Value as of September 1, 2026		14.71	%
Net Direct Debt:			
The Outstanding Bonds	$	11,455,000	
The Bonds		4,945,000	
Less: Portion of the Bonds Supported by Pledged TIRZ Revenues		(14,475,000)	(d)
Total Net Direct Debt	$	1,925,000	
Estimated Overlapping Debt	$	9,129,836	(c)
Total Net Direct and Estimated Overlapping Debt	$	11,054,836	
Net Direct Debt Ratios:			
As a percentage of 2026 Taxable Assessed Valuation		1.55	%
As a percentage of Estimate of Value as of September 1, 2026		1.11	%
Net Direct and Estimated Overlapping Debt Ratios:			
As a percentage of 2026 Taxable Assessed Valuation		8.90	%
As a percentage of Estimate of Value as of September 1, 2026		6.37	%
Road System Debt Service Fund Balance (as of October 28, 2026)	$	499,471	(e)
General Operating Fund Balance (as of October 28, 2026)	$	17,526	(f)
2026 Tax Rate			
Utility System Debt Service		$0.000	
Road System Debt Service		$0.120	
Maintenance & Operation		$0.150	
Total		$0.270	
Estimated Average Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2027-2051)	$	1,109,736	(g)
Less: Pledged TIRZ Revenue:		(979,612)	(h)
Net Estimated Average Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2027-2051)	$	130,124	
Estimated Maximum Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2036)	$	1,169,288	(g)
Less: Pledged TIRZ Revenue:		(979,612)	(h)
Net Estimated Maximum Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2036)	$	189,676	
Combined Debt Service Tax Rate per $100 of Assessed Taxable Valuation Required to Pay Net Estimated Average Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2027-2051)			
Based on 2026 Taxable Assessed Valuation	$	0.12	
Based on Estimate of Value as of September 1, 2026	$	0.08	
Combined Debt Service Tax Rate per $100 of Assessed Taxable Valuation Required to Pay Net Estimated Maximum Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2036)			
Based on 2026 Taxable Assessed Valuation	$	0.17	
Based on Estimate of Value as of September 1, 2026	$	0.12	

(a) Represents the certified assessed valuation of all taxable property in the District as of January 1, 2026, as provided by the El Paso County Appraisal District (the "CAD").
(b) Provided by CAD for informational purposes only. This amount is an estimate of the taxable value of all taxable property located within the District as of September 1, 2026, and includes an estimate of additional taxable value resulting from the construction of taxable improvements from January 1, 2026, through September 1, 2026. No taxes will be levied on this estimated value. See "TAX DATA" and "TAXING PROCEDURES."
(c) See "DISTRICT DEBT – Direct and Estimated Overlapping Debt Statement."
(d) For illustrative purposes only. This amount reflects the principal amount of the Outstanding Bonds and the Bonds supported by the Pledged TIRZ Revenue.
(e) Six (6) months of capitalized interest will be deposited into the Road System Debt Service Fund (defined herein) upon closing of the Bonds. Neither Texas law nor the Bond Order require that the District maintain any particular sum in the Road System Debt Service Fund. Funds in the Road System Debt Service Fund are not available to pay debt service on bonds issued for the purpose of acquiring or constructing the Utility System.
(f) See "RISK FACTORS – Operating Funds."
(g) Debt service on the Bonds is estimated assuming an interest rate of 5.50%. See "DISTRICT DEBT – Estimated Debt Service Requirement Schedule."
(h) See "RISK FACTORS – Factors Affecting Taxable Values and Tax Payments," "- Dependence on Collection of TIRZ Contract Revenue Payments," and "THE BONDS – TIRZ Agreement."

OFFICIAL STATEMENT

relating to

CITY OF EL PASO MUNICIPAL MANAGEMENT DISTRICT NO. 1

(a political subdivision of the State of Texas, located within El Paso County)

$4,945,000
Unlimited Tax and Tax Increment Contract Revenue Road Bonds
Series 2026

INTRODUCTION

This Official Statement provides certain information with respect to the issuance by City of El Paso Municipal Management District No. 1 (the "District") of its $4,945,000 Unlimited Tax and Tax Increment Contract Revenue Road Bonds, Series 2026 (the "Bonds").

The Bonds are issued pursuant to (i) an order authorizing the issuance of the Bonds (the "Bond Order"); (ii) Article III, Section 52 of the Texas Constitution and the general laws of the State of Texas, particularly Chapters 49 and 54 of the Texas Water Code, as amended; (iii) Chapter 375 of the Local Government Code; (iv) Section 4(c) of the TIRZ Agreement; and (v) an election held within the District on May 1, 2021.

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

RISK FACTORS

General

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

Tax and Collection Rates May Decline

The amount of Tax Increment (herein defined) available to pay principal of and interest on the Bonds is determined by the taxable value of real property in the Tax Increment Reinvestment Zone No. 13, City of El Paso, Texas (the "TIRZ"), the tax rate of the City, and the percentage of taxes actually collected from taxpayers in the TIRZ and paid into the Tax Increment Fund (herein defined). Tax Increment does not result from any increase in the appraised value of personal property (such as equipment and inventory) in the TIRZ. The City is not required under Texas law to set a tax rate sufficient to assure any certain dollar amount of Tax Increments; rather, Texas law only requires the City to contribute the Tax Increment actually collected by it and only to the extent provided in the applicable interlocal agreement. The City will set its tax rate in accordance with the Texas Tax Code and other applicable law, which contain various limitations on the rate at which taxes may be levied. If the City's tax rate decreases, the amount of Tax Increment available to pay debt service on the Bonds may decrease.

The creation of Tax Increment is also dependent on the City successfully collecting the taxes that it levies in a timely manner. If the percentage of taxes collected by the City in the TIRZ declines, the amount of Tax

Increments available to pay debt service on the Bonds may decrease. Historical tax collection rates may not accurately predict future tax collection rates. See "TAX DATA."

The collection of, and accounting for, Tax Increment involve extensive administration and are subject to error. Errors in the collection of (or accounting for) Tax Increment could delay or reduce the Tax Increment available for the payment of debt service on the Bonds.

Taxable Value in the Zone May Decline

Each year the then-current market value of all taxable real property and improvements in the TIRZ compared to the base year market value of all taxable real property and improvements in the TIRZ will determine the Captured Appraised Value (herein defined).

The District cannot make any representation that the property and improvements within the TIRZ will achieve or maintain any certain value. Generally, property owners have the right to protest the appraised value of their property in the TIRZ and are not required to render their property for ad valorem taxation at any agreed upon level. The appraised value of the property and improvements will finally be determined and certified by the Appraisal District (herein defined) in accordance with the procedures described in "TAXING PROCEDURES," and may be at a value lower than projected. The appraisal method or combination of methods that the Appraisal District uses within the TIRZ is within the discretion of its Chief Appraiser and may change from time to time. The use of a particular method or combination of methods of appraisal with respect to property in the TIRZ may, over time, cause a decrease in the Captured Appraised Value in the TIRZ and, therefore, result in a reduction in the amount of Tax Increment available to pay debt service on the Bonds.

Several factors can adversely or positively affect the taxable value of one or more specific properties within the TIRZ, which can either individually, or in the aggregate, affect the Captured Appraised Value in the TIRZ. A discussion of several such factors follows but is not intended to be an exhaustive list of all factors that could potentially affect the taxable value within the TIRZ.

First, the market value of the commercial and residential development within the TIRZ is affected by the demand for such commercial establishments and housing. Demand is affected by many factors, such as interest rates, credit availability, construction costs, energy availability, mobility and the general economic conditions and demographic characteristics of the United States and the State of Texas, and the specific economic conditions and demographic characteristics of the District and the surrounding area.

Second, the Texas Tax Code allows certain property to be appraised at less than its market value. Upon application of the owner, houses or lots held for sale by a developer or builder which remain unoccupied, are not leased or rented and produce no income are required to be appraised at the price for which they would sell as a unit to a purchaser who would continue the owner's business. A landowner in the TIRZ may apply for and receive a designation that his land is being used for agricultural, open-space, timber, or certain other purposes. The value of land held for these purposes may be much less than land used for industrial, commercial or residential purposes. If a landowner receives the agricultural use, open space or timberland designation and later loses it by changing the use of the property or selling it to an unqualified owner, the City can collect taxes based on the new use, including taxes for the previous five years, unless the property was owned by an individual farmer whose primary occupation is farming, in which case the City can collect taxes based on the new use for the previous three years. In this circumstance, both the base year tax value and the current year tax value of property may increase, thereby changing the previously established Captured Appraised Value for each year.

Third, under State law, the City has the right on a year to year basis to grant various exemptions from taxation, including a 20% general homestead exemption or an exemption for residential homesteads of persons 65 years of age or disabled. See "TAXING PROCEDURES" herein. An increase in tax exemptions available in the TIRZ may result in a reduction in the amount of Tax Increments available to pay debt service on the Bonds.

Fourth, owners of property in the TIRZ may sell their properties to entities which do not pay ad valorem taxes on their property or convert their property to a use which is exempt from ad valorem taxes. Development of property for certain types of multi-family housing may result in the property becoming exempt from ad valorem taxes. See "TAXING PROCEDURES."

Fifth, taxes on property in the TIRZ may be abated. The Texas Tax Code, Chapter 311, as amended (the "TIRZ Act") allows any taxing unit that is not a school district to enter into a tax abatement agreement with an owner of real property in the TIRZ for a term not to exceed ten years, if the board of directors of the TIRZ (the "Zone Board") approves the agreement and the governing body of the taxing unit approves the agreement. Under

such a tax abatement agreement, increases in value in the real property subject to the agreement are not considered in determining the taxable value in the TIRZ. Finally, natural disasters or other events could damage or completely destroy property in the TIRZ. See "Potential Impact of Natural Disaster" below.

A Decrease in Taxable Value Produces a Greater Decrease in Captured Appraised Value and Can Reduce Tax Increment Significantly

A percentage decrease in taxable values results in a larger percentage decrease in the Captured Appraised Value (which subtracts the base year value). For instance, if the TIRZ had a taxable value of $100 and a Captured Appraised Value of $50, then a reduction in taxable value to $95 would be a 5% decrease in taxable values and a 10% decrease in Captured Appraised Value. If the TIRZ had a taxable value of $100 and a Captured Appraised Value of $25, then a reduction in taxable value to $95 would be a 5% decrease in taxable values and a 20% decrease in Captured Appraised Value. Thus, a low ratio of Captured Appraised Value to taxable value could result in significant decreases in the Tax Increments produced in the event that there is a decrease in taxable value within the TIRZ.

Dependence on Contract Payments

In the case of a default by the City, enforcement of its contractual obligations would be dependent upon judicial redress, which is subject to discretion and delay. Enforcement of these agreements would be limited or prohibited if the defaulting party filed for bankruptcy under the United States Bankruptcy Code or similar state laws. The City may also have various defenses to any litigation, including, without limitation, the defense of sovereign immunity. Moreover, the City may be very reluctant to pursue judicial redress against another governmental entities, with which it may be engaged in many transactions.

Risk of Higher Priority Debt

The obligations of the City to pay Tax Increment into the Tax Increment Fund are subject to the rights of any of the holders of bonds, notes or other obligations that have been issued by the City that are payable from and secured by a general levy of ad valorem taxes throughout the taxing jurisdiction of the City. If taxable values in the City decline so that it cannot pay its outstanding tax-supported indebtedness without use of Tax Increment, there may be insufficient remaining Tax Increment to pay the Bonds.

Changes in Tax Increment Legislation

Current law may change so as to directly or indirectly reduce or eliminate the amount of Tax Increments available to pay debt service on the Bonds. The Texas Legislature meets biennially in odd numbered years and may make changes to the TIRZ Act.

Dependence on Collection of TIRZ Contract Revenue Payments

The City has agreed, pursuant to the TIRZ Agreement, to pay to the District 75% of the ad valorem taxes the City levies and collects on the increase in taxable value of real property within the Property over its taxable value as of January 1, 2018 (the "Captured Appraised Value"). Tax revenue collected on personal property is not included. Contract Payments are calculated separately for each of four development pods. Payments for a pod begin in the year a certificate of occupancy is issued for the first permanent building in that pod and continue for 25 years. As of the date of this Official Statement, such a certificate of occupancy has been issued only in Pod 1, and Contract Payments attributable to Pod 1 are expected to end after tax year 2048. No Contract Payments are generated by the remaining pods until such a certificate is issued. The approximately 45-acre parcel in Pod 3 excluded by the First Amendment to the TIRZ Agreement does not generate Contract Payments, and the State's completion of its facility on that parcel does not begin the Pod 3 period. Total Contract Payments are limited by the Reimbursement Cap. The amount of the Contract Payments is closely related to the taxable assessed value of the Property as certified annually by the Appraisal District.

Pursuant to the TIRZ Agreement, the City has agreed to transfer to the District the Tax Increments semiannually (the "Contract Payments"). On or before September 15 of each year, the District will determine the amount of money necessary to pay the ensuing annual debt service on the Bonds and the Outstanding Bonds, after consideration of anticipated ad valorem debt service tax revenue and other funds on deposit in the Debt Service Fund, and will transfer that amount from the District Tax Increment Fund to the TIRZ Debt Service Fund, if available, and after accounting for other District obligations payable from the District Tax Increment Fund, including, without limitation, other bonds issued by the District, such as additional utility and road bonds. The monies held in the District's Debt Service Fund derived from the Contract Payments constitute the "Pledged TIRZ Revenue," and are irrevocably pledged to payment of the Outstanding Bonds, the Bonds, and any

additional parity bonds. Monies remaining in the District Tax Increment Fund and not transferred to the TIRZ Debt Service Fund are not pledged to payment of the Bonds. The Pledged TIRZ Revenues are a significant source of payment for the Bonds. The Bonds are secured by a first lien on and pledge of the Pledged TIRZ Revenues. See "TAX INCREMENT REINVESTMENT ZONE NO. 13, CITY OF EL PASO, TEXAS."

The Contract Payments are expected to be sufficient in amount to pay the majority of the principal and interest on the Bonds and the District will levy an annual ad valorem tax in connection with the remaining debt service on the Bonds over the life of the Bonds; however, while the Bonds or any part of the principal thereof or interest thereon remain outstanding and unpaid, the District covenants to levy, assess and collect in due time, form and manner, and at the same time as other District taxes are appraised, levied and collected, a continuing direct annual ad valorem tax, without limit as to rate or amount, upon all taxable property in the District sufficient to pay the principal and interest on the Bonds with full allowance being made for inadequate Contract Payments, delinquencies and costs of collection. In the Bond Order, the District covenants that said taxes are irrevocably pledged to the payment of the interest on and principal of the Bonds and to no other purpose. The District reserves the right to use any remaining Contract Payments in the Tax Increment Fund from year to year for any other purpose allowed by law and the TIRZ Agreement.

Term of TIRZ and of Contract Payments

The TIRZ is scheduled to terminate on December 31, 2070, but may terminate earlier by subsequent ordinance of the City, or when all project costs and obligations of the TIRZ have been paid (City Ordinance No. 019039). In addition, Contract Payments attributable to each pod are limited to 25 years and, in the aggregate, to the Reimbursement Cap. Contract Payments attributable to Pod 1 are expected to end after tax year 2048, before the final maturity of the Bonds in 2051. After Contract Payments end, the Bonds will be payable solely from the District's ad valorem taxes.

Benchmark Tax Rate

Before the District issues bonds secured by Contract Payments, the TIRZ Agreement requires the District to certify to the City that the debt service on those bonds and on the District's other outstanding bonds is projected to be payable from a debt service tax that does not exceed the "Benchmark Tax Rate" when combined with the District's then-current maintenance tax rate and taking into account projected Contract Payments. The Benchmark Tax Rate is $0.30 per $100 of assessed value, increased each year by the percentage increase, if any, in the City's combined tax rate. It is not reduced if the City's rate decreases. The TIRZ Agreement also limits the District's maintenance tax so that, combined with its debt service tax, it does not exceed the Benchmark Tax Rate. The Benchmark Tax Rate for 2026 is $0.30.

Dissolution of the District by the City

Because the District lies wholly within the City, the City may dissolve the District. Upon dissolution, the City would succeed to the District's property and assets and assume its bonds, debts, obligations and liabilities, including the Bonds. Under the TIRZ Agreement, until all developable land in the District is served by TIRZ Improvements and the Developer has been reimbursed, the City must provide 180 days' written notice of its intent to dissolve the District. The District cannot predict whether the City will dissolve the District.

Factors Affecting Taxable Values and Tax Payments

Credit Markets and Liquidity in the Financial Markets: Interest rates and the availability of mortgage and development funding have a direct impact on construction activity, particularly on short-term interest rates at which developers are able to obtain financing for development costs.

Interest rate levels may affect the ability of a landowner with undeveloped property to undertake and complete construction activities within the District. Because of the numerous and changing factors affecting the availability of funds, the District is unable to assess the future availability of such funds for continued construction within the District. In addition, since the District is located approximately 14 miles from the central downtown business district of the City, the success of development within the District and growth of District taxable property values are, to a great extent, a function of the City metropolitan and regional economies and the national financial and credit markets. A downturn in the economic conditions of the City and the nation could adversely affect development plans in the District and restrain the growth of the District's property tax base.

Competition: The demand for and construction of single-family homes in the District could be affected by competition from other residential developments, including other residential developments located in the

northern portion of the EL Paso area market. In addition to competition for new home sales from other developments, there are numerous previously owned homes in the area of the District. Such homes could represent additional competition for new homes proposed to be sold within the District. The competitive position of a builder in the sale of single-family residential houses within the District is affected by most of the factors discussed in this section. Such a competitive position directly affects the growth and maintenance of taxable values in the District and tax revenues to be received by the District.

Economic Factors: The rate of development within the District is directly related to the vitality of the residential housing development industry in the El Paso metropolitan area. New construction can be significantly affected by factors such as interest rates, construction costs, and consumer demand. New construction can also be affected by energy availability and costs, including oil and gasoline prices, upon which the Texas economy is heavily dependent. Decreased levels of such construction activity would restrict the growth of property values in the District. The District cannot predict the pace or magnitude of any future development in the District.

Dependence on Major Taxpayers and the Developer: The District's tax base is concentrated in a small number of taxpayers. As reflected in this Official Statement under the caption "TAX DATA – Principal Taxpayers," the District's top ten principal taxpayers as of January 1, 2026, owned approximately 38.40% of the assessed value of property located in the District. The District cannot represent that its tax base will in the future be (i) distributed among a significantly larger number of taxpayers or (ii) less concentrated in property owned by a relatively small number of property owners than it is currently. Failure by the Developer or one or more of the District's principal property owners to make full and timely payments of taxes due may have an adverse effect on the investment quality or security of the Bonds. If any one or more of the principal District taxpayers did not pay taxes due, the District might need to levy additional taxes or use other debt service funds available to meets its debt service requirements, the availability of which is uncertain. See "RISK FACTORS – Tax Limitations" below and "THE DEVELOPER" herein.

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.

Developer Under No Obligation to the District: The Developer has informed the District of its current plans to continue to develop land in the District for residential purposes. However, the Developer is not obligated to implement such plan on any particular schedule or at all. Thus, the furnishing of information related to the proposed development by the Developer should not be interpreted as such a commitment. The District makes no representation about the probability of development continuing in a timely manner or about the ability of the Developer, or any other subsequent landowners to whom a party may sell all or a portion of their holdings within the District, to implement any plan of development. Furthermore, there is no restriction on the Developer's right to sell their land. The District can make no prediction as to the effects that current or future economic or governmental circumstances may have on any plans of the Developer. Failure to construct taxable improvements on developed lots and tracts and failure of the Developer to develop their land would restrict the rate of growth of taxable value in the District. The District is also dependent upon the Developer (see "TAX DATA – Principal Taxpayers") for the timely payment of ad valorem taxes, and the District cannot predict what the future financial condition of the Developer will be or what effect, if any, such conditions may have on their ability to pay taxes. See "THE DEVELOPER" and "DEVELOPMENT OF THE DISTRICT."

Maximum Impact on District Tax Rate: Assuming no further development or construction of taxable improvements, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of property owners within the District to pay their taxes. The 2026 Taxable Assessed Valuation of all taxable property located within the District is $124,270,270 and the Estimate of Value as of September 1, 2026, is $173,527,267. See "TAX DATA." After issuance of the Bonds, the net estimated maximum annual debt service requirement on the Outstanding Bonds and the Bonds (2036) is $189,676, and the net estimated average annual debt service requirement on the Outstanding Bonds and the Bonds (2027-2051) is $130,124. Assuming no decrease to the District's 2026 Taxable Assessed Valuation, combined debt service tax rates of $0.17 and $0.12 per $100 of assessed valuation at a 95% tax collection rate would be necessary to pay the net estimated maximum annual debt service requirement and the net estimated average annual debt service requirement, respectively. Assuming no decrease from the Estimate of Value as of September 1, 2026, combined debt service tax rates of $0.12 and $0.08 per $100 of assessed valuation at a 95% tax collection rate would be necessary to pay the net estimated maximum annual debt service requirement and the net estimated average annual debt service requirement, respectively. See "DISTRICT DEBT – Estimated Debt Service Requirement Schedule" and "TAX DATA – Tax Rate Calculations."

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

Increase in Costs of Building Materials and Labor Shortages

As a result of low supply and high demand, shipping constraints, and ongoing trade disputes (including tariffs and retaliatory tariffs), there have been substantial increases in the cost of lumber and other materials, causing many homebuilders and general contractors to experience budget overruns. Further, the federal administration's unpredictable tariff policy (including the threatened impositions of tariffs) may impact the ability of the Developer or homebuilders in the District to estimate costs. The federal administration's immigration policies may additionally impact the State's workforce, particularly in construction. Mass deportations or immigration policies that make it challenging for foreign workers to work in the United States may result in labor shortages that impact the Developer's ability to construct utility and road facilities homebuilders' ability to construct homes within the District. Decreased levels of construction activity would tend to restrict the growth of property values in the District or could adversely impact existing values. The District makes no representations regarding the probability of development or homebuilding continuing in a timely manner or the effects that current or future economic or governmental circumstances may have on any plans of the Developer or homebuilders.

Vacant Developed Lots

As of October 1, 2026, approximately 439 developed lots within the District remained available for construction. Failure of the Developer and/or builders to construct taxable improvements on developed lots could result in substantial increases in the rate of taxation by the District during the term of the Bonds to pay debt service on the Bonds and any other tax supported debt of the District issued in the future. Future increases in value will result primarily from the construction of homes by builders. The District makes no representation that the lot sales and building program will be successful.

Build-To-Rent

300 lots within Campo del Sol, Section 1A were developed as single-family homes for rent. Such homes are owned by CDS Rental, the top taxpayer in the District (23.58%). Failure by CDS Rental to pay ad valorem taxes on such property could result in substantial increases in the rate of taxation by the District during the term of the Bonds to pay debt service on the Bonds and any other tax supported debt of the District issued in the future. It is anticipated that CDS Rental will continue to own all of the homes in Campo del Sol, Section 1A, and will continue to be a principal taxpayer in the District. As the owner of the homes in Campo del Sol, Section 1A, CDS Rental is responsible for payment of property taxes, maintenance of the homes and landscape maintenance.

Operating Funds

The District's only source of operating revenue is maintenance tax revenue. The District does not collect water and wastewater revenues from its residents. The District levied a 2026 maintenance tax of $0.15 per $100 of assessed valuation. The District's general fund balance as of October 28, 2026, was $17,526. The revenue produced from a $0.15 maintenance tax in 2026 or a reduced maintenance tax in subsequent years may not be sufficient to offset the operating expenses of the District. Continued maintenance of a positive general fund balance will depend upon (1) cash subsidies from the Developer and (2) continued development and increased amounts of maintenance tax revenues. If funds from these sources are not forthcoming, the District would have to increase its maintenance tax rate.

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 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, or (c) market conditions affecting the marketability of taxable property within the District and limiting the proceeds from a foreclosure sale of such property. Moreover, the proceeds of any sale of property within the District available to pay debt service on the Bonds may be limited by the existence of other tax liens on the property, by the current aggregate tax rate being levied against the property, and by other factors (including the taxpayers' right to redeem property within six

(6) months of foreclosure unless the property is his residence homestead or designated for agricultural use, in which case the taxpayer may redeem the property within two years of foreclosure). Finally, any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the District pursuant to the Federal Bankruptcy Code could stay any attempt by the District to collect delinquent ad valorem taxes assessed against such taxpayer. The District's lien on taxable property within the District for taxes levied against such property can be foreclosed only in a judicial proceeding.

Registered Owners' Remedies

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

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

Bankruptcy Limitation to Registered Owners' Rights

The enforceability of the rights and remedies of Registered Owners may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. Texas law requires a district, such as the District, to obtain the approval of the TCEQ as a condition to seeking relief under the Federal Bankruptcy Code.

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

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

The District may not be placed into bankruptcy involuntarily.

Future Debt

At an election held within the District on May 1, 2021, voters of the District authorized the District's issuance of $498,000,000 principal amount of unlimited tax bonds for the purpose of acquiring and/or constructing water, sewer and drainage facilities to serve the District (the "Utility System"); $390,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing roads and improvements in aid thereof to serve the District (the "Road System"); $747,000,000 principal amount of unlimited tax bonds for the purpose

of refunding bonds issued by the District for the Utility System; and $585,000,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Road System.

Following the issuance of the Bonds, $498,000,000 principal amount of unlimited tax bonds for the Utility System; $373,600,000 principal amount of unlimited tax bonds for the Road System; $747,000,000 principal amount of unlimited tax bonds for the purpose of refunding bonds previously issued for the Utility System; and $585,000,000 principal amount of unlimited tax bonds for the purpose of refunding bonds previously issued for the Road System will remain authorized but unissued.

Based on current calculations and information available and provided to date, after reimbursement with the proceeds of the Bonds, the District will still owe the Developer approximately $28,100,000 for the current expenditures related to the construction of the Utility System and $15,750,000 for the current expenditures related to the construction of the Road System on behalf of the District.

Based on present engineering costs estimates and on development plans supplied by the Developer, in the opinion of the Engineer (hereinafter defined), following the issuance of the Bonds, the remaining principal amount of authorized but unissued bonds will be sufficient to fully reimburse the Developer for the existing facilities.

All of the remaining bonds that have heretofore been authorized by the voters of the District may be issued by the District from time to time as needed. The issuance of such bonds for the Utility System is subject to the prior approval of the TCEQ; however; the District's issuance of bonds for the Road System, including the Bonds, is not subject to approval of the TCEQ.

Continuing Compliance with Certain Covenants

The Bond Order 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."

Future and Proposed Legislation

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

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

The 90th Texas Legislature

The regular 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.

Marketability of the Bonds

The District has no understanding with the winning bidder for the Bonds (the "Initial Purchaser") regarding the reoffering yields or prices of the Bonds and has no control over trading of the Bonds in the secondary

market. Moreover, there is no assurance that a secondary market will be made in the Bonds. If there is a secondary market, the difference between the bid and asked price may be greater than the difference between the bid and asked price of bonds of comparable maturity and quality issued by more traditional issuers, since such bonds are more generally bought, sold and traded in the secondary market.

Approval of the Bonds

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

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.

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

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

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

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

limitations and requirements to comply with the Texas water quality standards. Any water quality-based limitations and requirements with which a municipal utility district must comply may have an impact on the municipal utility district's ability to obtain and maintain compliance with TPDES permits.

The TCEQ issued the General Permit for Phase II (Small) Municipal Separate Storm Sewer Systems (the "MS4 Permit") on January 24, 2019. The MS4 Permit authorizes the discharge of stormwater to surface water in the state from small municipal separate storm sewer systems. While the District is currently not subject to the MS4 permit, if the District's inclusion were required at a future date, the District could incur substantial costs to develop, implement, and maintain the necessary plans as well as to install or implement best management practices to minimize or eliminate unauthorized pollutants that may otherwise be found in stormwater runoff in order to comply with the MS4 Permit.

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

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

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

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.

Potential Impact of Natural Disaster

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

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

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.

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 purchase of such insurance, if available, will be at the option and expense of the Initial Purchaser. 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 "Insurance 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 Insurance Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds by the issuer which is recovered by the issuer from the bond owner as a voidable preference under applicable bankruptcy law is covered by the insurance policy, however, such payments will be made by the provider of the policy, if any (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 Insurance Policy, the Bonds are payable solely from the moneys received pursuant to the applicable bond documents. In the event the Bond Insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

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

The obligations of the Bond Insurer are contractual obligations and in an event of default by the Bond Insurer, the remedies available may be limited by applicable bankruptcy law or state law related to insolvency of insurance companies. Neither the District nor the Initial Purchaser have made independent investigation into the claims paying ability of the Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal and interest on the Bonds and the claims paying ability of the Bond Insurer, particularly over the life of the investment. See "MUNICIPAL BOND INSURANCE" herein for further information provided by the Bond Insurer and the Insurance Policy, which includes further instructions for obtaining current financial information concerning the Bond Insurer.

THE BONDS

General

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

Description

The Bonds are dated December 1, 2026, with interest payable on May 1, 2027, and each November 1 and May 1 thereafter (each an "Interest Payment Date") until the earlier of maturity or redemption. The Bonds mature on November 1 of the years and in the amounts shown on the inside cover page of the Official Statement and interest on the Bonds accrues from the initial date of delivery (on or about December 16, 2026) (the "Delivery Date"), and thereafter from the most recent Interest Payment Date to which interest has been paid.

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

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

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

Book-Entry-Only System

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

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

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be required by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of each series of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations.

DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a rating of AA+ from S&P Global Ratings. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

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

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

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

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

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

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

Use of Certain Terms in Other Sections of this Official Statement

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

Successor Paying Agent/Registrar

Provisions are made in the Bond Order 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 the State of Texas; or other entity duly qualified and legally authorized to serve and perform the duties of the Paying Agent/Registrar for the Bonds.

Record Date

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

Registration, Transfer and Exchange

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

Mutilated, Lost, Stolen or Destroyed Bonds

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

Redemption Provisions

Bonds maturing on November 1, 2033, and thereafter shall be subject to redemption and payment at the option of the District, in whole or from time to time in part, on December 1, 2032, or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. Notice of the exercise of the reserved right of redemption will be given at least thirty (30) days prior to the redemption date by sending such notice by first class mail to the Registered Owner of each Bond to be redeemed in whole or in part at the address shown on the bond register. If less than all of the Bonds are redeemed at any time, the series and maturities of the Bonds to be redeemed shall be selected by the District. If less than all of the Bonds of a certain series and 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.

Source of Payment

Principal of and interest on the Bonds is payable from Pledged TIRZ Revenues and the proceeds of a continuing direct annual ad valorem tax, levied upon all taxable property within the District, without legal limitation as to rate or amount. The Bonds are obligations solely of the District and are not obligations of the State of Texas; the County; the City; or any entity other than the District.

The District has created the District Tax Increment Fund and all Contract Payments from the City will be deposited in the Tax Increment Fund. Additionally, the District has created the "TIRZ Debt Service Fund" for transfer of certain Contract Payments, as determined below. The District reserves the right to use any remaining Contract Payments in the Tax Increment Fund for any other purpose allowed by law and the TIRZ Agreement.

Unlimited Tax: The Bonds are secured by the proceeds of a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within the District. In addition, the Bonds are secured by the Pledged TIRZ Revenues.

Pledged Revenues: The City has agreed to deposit to a special tax increment fund heretofore established by the City (the "City TIF Fund") 75% of the incremental ad valorem tax revenues received by such entity from taxable real property located within the TIRZ (the "Tax Increment Payments"). The Tax Increment Payments paid to the City TIF Fund by the City are referred to herein as "TIRZ Revenue." The City has entered into a TIRZ Agreement, pursuant to which it has agreed to pay to the District during the months of March and September each calendar year its TIRZ Revenue, net of any operating costs of the TIRZ (the "Contract Payments"). The District will deposit the Contract Payments into the District's Tax Increment Fund. On or before September 15 of each year, the District will determine the amount of money necessary to pay the ensuing annual debt service on the Bonds and Outstanding Bonds and will transfer that amount to the TIRZ Debt Service Fund, if available. The monies held in the TIRZ Debt Service Fund are referred to herein as "Pledged TIRZ Revenues."

Defeasance

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

Registered Owners' Remedies

If the District defaults in the payment of principal, interest, or redemption price on the Bonds when due, or if it fails to make payments into any fund or funds created in the Bond Order, or defaults in the observation or

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

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

Authority for Issuance

The Bonds are issued pursuant to (i) the Bond Order; (ii) Article III, Section 52 of the Texas Constitution and the general laws of the State of Texas, particularly Chapters 49 and 54 of the Texas Water Code, as amended; (iii) Chapter 375 of the Texas Local Government Code; (iv) Section 4(c) of the TIRZ Agreement; and (v) an election held within the District on May 1, 2021.

Issuance of Additional Debt

The Bonds constitute the third series of unlimited tax bonds issued by the District for the Road System. At an election held within the District on May 1, 2021, voters of the District authorized the District's issuance of $498,000,000 principal amount of unlimited tax bonds for the Utility System; $390,000,000 principal amount of unlimited tax bonds for the purpose of the Road System; $747,000,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Utility System; and $585,000,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Road System.

Following the issuance of the Bonds, $498,000,000 principal amount of unlimited tax bonds for the purpose of acquiring and/or constructing the Utility System; $373,600,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Road System; $747,000,000 principal amount of unlimited tax bonds for the purpose of refunding bonds previously issued for the Utility System; and $585,000,000 principal amount of unlimited tax bonds for the purpose of refunding bonds previously issued for the Road System, will remain authorized but unissued. According to the Engineer the remaining bonds authorized will be sufficient to fully finance the reimbursable costs to fully develop the District.

Based on current calculations and information available and provided to date, after reimbursement with the proceeds of the Bonds, the District will still owe the Developers approximately $15,750,000 for the current expenditures related to the construction of the Road System and $28,100,000 for the current expenditures related to the construction of the Utility System on behalf of the District.

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

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

Election Date	Purpose	Amount Authorized	Issued to Date	Remaining Unissued
May 1, 2021	Utility System	$ 498,000,000	$ –	$ 498,000,000
May 1, 2021	Road System	390,000,000	16,400,000 (a)	373,600,000
May 1, 2021	Utility System Refunding	747,000,000	–	747,000,000
May 1, 2021	Road System Refunding	585,000,000	–	585,000,000

(a) Includes the Bonds.

No Arbitrage

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

Funds

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

Amendments to the Bond Order

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

indebtedness of a political subdivision as are reasonable and necessary for attainment of an important public purpose.

Legal Investment and Eligibility to Secure Public Funds in Texas

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

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

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

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

Outstanding Bonds

The District has previously issued the following series of unlimited tax bonds: $7,590,000 Unlimited Tax and Tax Increment Contract Revenue Road Bonds, Series 2024 and $3,865,000 Unlimited Tax and Tax Increment Contract Revenue Road Bonds, Series 2025. As of delivery of the Bonds, $11,455,000 principal amount of such previously issued bonds will remain outstanding (the "Outstanding Bonds").

Payment Record

The District has never defaulted on the debt service payments on its prior bond indebtedness.

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Use and Distribution of Bond Proceeds

Proceeds from the sale of the Bonds will be used to reimburse the Developer for a portion of the construction costs set out below. Proceeds of the Bonds will also be used to pay developer interest, six (6) months of capitalized interest, and certain other costs associated with the issuance of the Bonds.

Construction Costs	**District's Share**
1. Phase 1B – Paving & Erosion Control	$ 220,155
2. Phase 2B – Paving & Erosion Control	3,259,411
3. Phase 3 – Paving & Erosion Control	327,076
4. Engineering & Soft Costs for Item 1	484
5. Engineering & Soft Costs for Item 2	176,697
Total Construction Costs	**$ 3,983,823**
Non-Construction Costs	
1. Legal Fees	$ 138,625
2. Fiscal Agent Fees	98,900
3. Interest	
A. Capitalized Interest (6 Months)	126,716
B. Developer Interest	388,641
4. Bond Discount (3.00%)	148,350
5. Bond Issuance Expenses	55,000
6. Attorney General's Fee	4,945
Total Non-Construction Costs	**$ 961,177**
TOTAL BOND ISSUE REQUIREMENT	**$ 4,945,000**

Non-construction costs are based upon either contract amounts or various cost estimates by the Engineer and the Financial Advisor. The actual amounts to be reimbursed by the District and the non-construction costs will be finalized after the sale of the Bonds and completion of agreed-upon procedures by the Auditor.

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

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THE DISTRICT

General

The District was created by House Bill 4730 of the 86th Legislature of the State of Texas, 2019, Regular Session, effective January 1, 2020, codified as Chapter 3972 of the Texas Special District Local Laws Code (the "District Act"). The District was created as a Municipal Management District under Section 52, Article III, and Section 59, Article XVI, of the Texas Constitution and operates under Chapter 375 of the Texas Local Government Code, and Chapters 49 and 54 of the Texas Water Code, as amended. The District, which lies wholly within the corporate limits of the City, is subject to the continuing supervisory jurisdiction of the TCEQ with respect to water, sewer, and drainage facilities.

The District is empowered, among other things, to purchase, construct, operate, and maintain all works, improvements, facilities and plants necessary for the supply of water; the collection, transportation and treatment of wastewater; and the control and diversion of storm water. The District is also empowered to purchase, construct, operate and maintain certain road improvements, recreational facilities, and fire-fighting facilities, separately or jointly with one or more conservation and reclamation districts, municipalities or other political subdivisions, after approval by the City and the voters of the District. The District may issue bonds and other forms of indebtedness to purchase or construct such facilities. See "THE BONDS – Issuance of Additional Debt."

Location of the District

The District is located in El Paso County, approximately 14 miles north-northeast of downtown El Paso. The District is bounded by Martin Luther King Jr Blvd to the west, Loma Real Ave to the south, and Gateway Blvd S to the southeast and is located entirely within the corporate limits of the City of El Paso. The District is located entirely within the El Paso Independent School District.

Management of the District

The District is governed by the Board, which consists of five directors and has control over, management, and supervision of all affairs of the District. All directors serve four-year staggered terms, and are appointed by the City:

Name	Position	Term Expires June
Ryan Burkhardt (a)	Chair	2028
William Kell	Vice Chair	2028
James Feagin (a)	Secretary	2030
Brent Harris	Director	2030
Chris Charron (a)	Director	2030

(a) Board Member is actively employed by Scarborough Services LLC. See "THE DEVELOPER." The District Act sets forth the qualifications for a person to serve on the Board.

Investment Policy

The District has adopted an Investment Policy (the "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 Policy. The 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 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 bookkeeping, tax assessing and collecting, auditing, engineering, and legal services as follows:

Bond Counsel and General Counsel: The District has engaged Coats Rose, P.C., Houston, Texas, 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."

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

Financial Advisor: Cedar Creek Municipal Advisors, LLC, is engaged as financial advisor to the District in connection with the issuance of the Bonds (the "Financial Advisor"). 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.

Tax Assessor/Collector: The tax assessor/collector for the District is Ruben Gonzalez, the El Paso County Tax Assessor/Collector (the "Tax Assessor/Collector").

Bookkeeper: The District's bookkeeper is L&S District Services, LLC (the "Bookkeeper").

Auditor: The District engaged Mark C. Eyring, CPA, PLLC to audit its financial statements for the fiscal year ended November 30, 2025. The District's audited financial statements are attached as "APPENDIX A" to this Official Statement. Such firm has been engaged to audit the District's financial statements for the fiscal year ended November 30, 2026.

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

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DEVELOPMENT OF THE DISTRICT

Status of Development within the District

The District consists of approximately 2,296.47 total acres. To date, approximately 225.53 acres have been developed as 1,067 single-family lots within Campo del Sol, Sections 1A, 1B and 2B. As of October 1, 2026, the District included approximately 505 completed homes (approximately 474 occupied, 23 unoccupied, and 8 model homes); approximately 123 homes under construction; and approximately 439 vacant developed lots.

The homes being constructed within Campo Del Sol, Section 1A are being constructed for the purpose of build-to-rent. The homes being constructed within Campo Del Sol, Section 1B and 2B are being constructed for the purpose of being sold to homebuyers.

The remaining land in the District includes approximately 92.18 acres under development, approximately 1,974.34 acres undeveloped but developable land, approximately 4.42 acres for an amenity center, and approximately 0 undevelopable acres.

The table below summarizes the status of development and land use within the District as of October 1, 2026.

Subdivision	Acreage	Section Lots	Homes Completed	Homes Under Construction	Vacant Lots
Campo Del Sol, Section 1A	58.49	330	154	2	164
Campo Del Sol, Section 1B	68.51	338	326	1	11
Campo Del Sol, Section 2B	98.53	399	25	120	264
Totals	127.00	1,067	505	123	439

Under Development	0.00
Remaining Residential Developable	2,066.52
Amenity Center	4.42
Undevelopable	0.00
District Total	2,296.47

Homebuilders within the District

The homebuilders currently active in the District are Edwards Homes, Desert View Homes, Tropicana Homes and Classic American Homes. New homes being constructed in the District range in price from approximately $276,000 to $428,000 and range in size from approximately 1,388 square feet to 2,950 square feet.

Homes for rent within the District range in size from approximately 1,445 square feet to 2,076 square feet. The median rental rate per square foot within the District is approximately $1.34 per square foot.

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PHOTOGRAPHS TAKEN WITHIN THE DISTRICT

(October 2026)

















THE DEVELOPER

The Role of a Developer

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

Prospective Bond purchasers should note that the prior real estate experience of a developer should not be construed as an indication that further development within the District will occur, or construction of taxable improvements upon property within the District will occur, or that marketing or leasing of taxable improvements constructed upon property within the District will be successful. Circumstances surrounding development within the District may differ from circumstances surrounding development of other land in several respects, including the existence of different economic conditions, financial arrangements, homebuilders, geographic location, market conditions, and regulatory climate.

None of the Developer, or any affiliate entities, is obligated to pay principal of or interest on the Bonds. Furthermore, none of the Developer or their affiliate entities has a binding commitment to the District to carry out any plan of development, and the furnishing of information relating to the proposed development by the Developer or its affiliate entities should not be interpreted as such a commitment. Prospective purchasers are encouraged to inspect the District in order to acquaint themselves with the nature of development that has occurred or is occurring within the District's boundaries.

Description of the Developer/Major Landowner

FSW Investments, L.P. ("FSW"), a Texas limited partnership, is a landowner within the district that owns land planned for future single family, commercial and multi-family uses. FSW owns approximately 1,888 acres within the District. Franklin Mountain Communities LLC ("FMC"), a Texas limited liability company, owns approximately 162 acres of land intended for development within the District. FMC purchases land from FSW as needed for its development. To date, FMC has developed approximately 1,067 lots as the single-family subdivisions of Campo del Sol, Sections 1A, 1B and 2B. FMC is currently developing 92.18 acres of land within the District, which will contain approximately 425 lots and be known as Campo del Sol, Section 3. FMC is referred to herein as the "Developer."

Development of the District is managed by Scarborough Services LLC, a third-party management company controlled by James R. Feagin and Ryan Burkhardt.

Campo Del Sol Rental Holdings LP ("CDS Rental"), a Texas limited partnership, purchased 300 lots from FMC within Campo Del Sol, Section 1A for the purpose of constructing homes and holding those properties as rental income properties. CDS Rental was created as a joint venture led by TLC El Paso I LLC ("TerraLane Communities"), a Delaware limited liability company. TerraLane Communities is a build for rent developer and operator with more than 1,200 for rent residences across Arizona and Texas.

Development Financing

FMC obtained a development loan from Vantage Bank Texas, secured by the property it owns within the District. The development loan has a maximum principal balance of $38,500,000 of which $6,402,189 was outstanding as of October 31, 2026, and matures on December 18, 2027. All reimbursements paid to FMC by the District are pledged to the payment of such loan. According to FMC, it is in compliance with all material conditions of the loan.

Lot Sales Contracts

FMC has entered into lot or land sales contracts with each of Edwards Homes, Desert View Homes, Tropicana Homes, Classic American Homes and CDS Rental. The contracts for the sale of lots between FMC and the builders require that earnest money be released to FMC upon closing of a development loan. The sales contracts establish certain required bulk lot purchases, with the earnest money deposit being credited to the purchase price of lots on a pro rata basis. FMC sole remedy for builders not purchasing lots in accordance with the contracts is cancellation of the contract and retention of the remaining earnest money on deposit, which as of October 31, 2026 was approximately $5,247,530.50.

According to FMC, each of the builders is in compliance with their respective lot sale contracts. As of October 1, 2026, the total number of lots contracted and purchased by each builder is listed below:

Homebuilder	Total Lots Contracted	Total Lots Purchased
Edwards Homes	334	210
Desert View Homes	262	160
Tropicana Homes	338	212
Classic American Homes	261	159
CDS Rental	300	300
Totals	1,495	1,041

Leasing Activity

300 lots within Campo del Sol, Sections 1A were developed as single-family homes for rent. Such homes are owned and managed by Campo Del Sol Rental Holdings LP. Of the 154 completed homes for build-to-rent, approximately 145 are currently leased.

Construction and Reimbursement Agreements

The District is a party to agreements for the construction and purchase of facilities and reimbursement for costs and amendment thereto with the Developer, which define the conditions under which the District will issue additional bonds to reimburse the Developer for the water, wastewater, drainage and roadway facilities within and outside the District. Under the terms of the agreements, the District has agreed to repay the cost of facilities through a series of bond sales over time. The District's obligation to issue bonds and reimburse the Developer for funds advanced for facilities is subject to various conditions, including approval of such facilities and bonds by the TCEQ, as required by the rules of the TCEQ, approval of the bonds by the Attorney General of Texas, and the recommendation of the District's financial advisor that the sale of the bonds is feasible and prudent.

THE ROAD SYSTEM

The District's Road System has and will be funded with proceeds of the Bonds, as well as future bonds issued by the District for acquiring or constructing the Road System. See "RISK FACTORS – Future Debt" and "THE BONDS – Issuance of Additional Debt." Construction of the District's roads is subject to certain regulations by the City and the Texas Department of Transportation. The roads in the District are constructed with reinforced concrete pavement with curbs on cement or lime-stabilized subgrade. Remaining streets provide local interior service within the District. The District's road facilities will, upon completion, be conveyed to the City, but will be maintained by the District. The Road System also includes streetlights, landscape, and irrigation. Public utilities such as water, wastewater, and storm drainage are typically located within street rights-of-way.

THE UTILITY SYSTEM

Regulation

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

Description of the Utility System

Water Supply

The District is located entirely within the corporate limits of the City, through the El Paso Utilities Public Service Board, will at all times be the designated retail water provider for all land within the District, and the District will have no right to provide such retail services or enter into one or more agreements with any third party to provide such retail water services without the consent of the City. The City will provide sufficient water capacity to serve the District's ultimate development. All water revenues are paid to the El Paso Utilities Public Service Board and the El Paso Utilities Public Service Board pays all costs of maintaining the water system.

Wastewater Treatment

The District is located entirely within the corporate limits of the City, through the El Paso Utilities Public Service Board, will at all times be the designated retail sanitary sewer provider for all land within the District, and the District will have no right to provide such retail services or enter into one or more agreements with any third party to provide such retail sanitary sewer services without the consent of the City. The City will provide sufficient wastewater capacity to serve the District's ultimate development.

The District is served by the Fred Hervey Water Reclamation Plant that is owned and operated by the City. The treatment plant can currently treat 12 MGD.

Drainage

The Districts stormwater runoff drains into a system of underground storm sewers which flow to open channels that eventually lead to the Rio Grande.

100-Year Flood Plain

Approximately 0 acres within the District lie within the FEMA 100-year flood plain.

Atlas 14

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

TAX INCREMENT REINVESTMENT ZONE NO. 13, CITY OF EL PASO, TEXAS

On October 2, 2018, pursuant to City Ordinance No. 018849, created Tax Increment Reinvestment Zone No. 13, City of El Paso, Texas (the "TIRZ") for the purpose of funding public improvements that alleviate congestion, address access and connectivity issues and spur balanced contiguous residential and commercial development in Northeast El Paso.

The City and the Developer entered into the TIRZ Agreement, as amended, and the District subsequently joined the TIRZ Agreement, providing terms related to the development of the District and the financing of public infrastructure related thereto, including the Utility System and the Road System.

The City entered into a land exchange agreement dated November 13, 2018, as amended ("Land Exchange Agreement") with FSW for the acquisition of 2,313 acres of City owned land located in Northeast El Paso (the "Property") by FSW and the acquisition of 43.59 acres of FSW-owned land located in Northwest El Paso by the City (the "Northwest Property"). FSW, following the execution of the Land Exchange Agreement, sold a portion of the Northwest Property to Scarborough. Scarborough will convey all of the land it acquired from FSW to the City so that the City will obtain the full benefit of its intended bargain under the Land Exchange Agreement.

General Statutory Requirements for Tax Increment Reinvestment Zones in Texas

A tax increment reinvestment zone under the TIRZ Act is created by a city, which also approves a project plan and financing plan for the zone. The ordinance creating a zone and the plans may provide that the city will deposit all or a portion of its Tax Increment into a tax increment fund established by the city for the zone. Other

taxing units which tax property in a zone may agree with the city that they will also deposit all or a portion of their Tax Increment into the tax increment fund established for the zone.

The amount of a taxing unit's tax increment for a year is the amount of property taxes levied and collected by a taxing unit for that year on the captured appraised value of real property taxable by a taxing unit and located in a zone. The Captured Appraised Value of real property taxable by a taxing unit for a year is the total appraised value of all real property taxable by the taxing unit and located in a zone for that year less the total appraised value of all real property taxable by a taxing unit and located in a zone in the year in which a zone was designated as such under the TIRZ Act (the "Tax Increment Base"). In the event a zone is enlarged by ordinance or resolution of a city, the Tax Increment Base for added property is the value of all real property taxable by a taxing unit and located in the added area in the year of enlargement and in the event the boundaries of a zone are reduced, the Tax Increment Base is reduced by the taxable value of the real property removed from a zone for the year in which the property was originally included in a zone's boundaries.

The TIRZ Act provides that each taxing unit that participates in a zone is required to pay into the tax increment fund for a zone the collected Tax Increment that it has agreed to pay under its agreement with a city and in accordance with the project plan. The TIRZ Act provides that the payment by a participating taxing unit is to be made into the tax increment fund not later than the 90th day after the later of: (i) the delinquency date for such taxing unit's property taxes or (ii) the date a city submits to a taxing unit an invoice specifying the Tax Increment produced by such taxing unit and the amount the taxing unit is required to pay into the tax increment fund for a zone.

Section 311.0123 of the TIRZ Act permits a city to also designate a portion or amount of tax increment generated from municipal sales and use taxes attributable to a zone above the sales tax base similar to that done for taxable real property. No sales tax will be utilized as a source of payment for the Bonds.

Calculation of Tax Increment for the TIRZ

The City is required to pay into the District's Tax Increment Fund. Tax Increments equal to seventy-five percent (75%) of the amount arrived at by multiplying the Captured Appraised Value by their respective tax rate per $100 of valuation for the tax year and then multiplying that product by the City's collection percentage. The collection percentage is determined by comparing the taxes collected from all taxable real property in the TIRZ to the total taxes due to the City for the tax year from all real property in the TIRZ.

The obligation of the City to pay the Tax Increment into the Tax Increment Fund is subject to the rights of any holders of bonds, notes or other obligations that have been or are hereafter issued by the City that are payable from or secured by a general levy of ad valorem taxes through the tax jurisdiction of the City, as applicable.

General Description of the TIRZ

In 2018, the City Council of the City adopted Ordinance No. 018849 designating a geographic area in the jurisdiction of the City as a reinvestment zone to promote development and redevelopment in the TIRZ.

The Zone Board is appointed in accordance with Section 311.009 of the TIRZ Act.

In accordance with the TIRZ Act, the Zone Board as well as the City Council have adopted a financing and project plan, which plan includes the projects being financed with the Bonds. The TIRZ encompasses approximately 6,639 acres and is located within the corporate city limits of the City, and within El Paso County, Texas, approximately 14 miles north-northeast of downtown El Paso.

On March 17, 2020, the City adopted Ordinance No. 019039, amending the TIRZ to amend its boundaries, extend its term to December 31, 2070, and increase the City's participation to 75% of its tax increment. The ordinance provides that the tax increment base remains the taxable value of real property in the TIRZ as of January 1, 2018, the year the TIRZ was designated, because no parcels were added to the TIRZ. On the same date, the City adopted Ordinance No. 019040 approving the amended project and financing plan for the TIRZ.

Participating Taxing Units

Under the TIRZ Agreement, the City has agreed to pay to the District 75% of the taxes it levies and collects on the Captured Appraised Value of real property within each pod of the Property, for 25 years from the year the first certificate of occupancy is issued in that pod, subject to the Reimbursement Cap. No other taxing unit participates in the TIRZ.

The Tax Increment of the City will be paid into the District Tax Increment Fund and used to pay debt service on the Bonds, the Outstanding Bonds, and any other obligations issued to finance project costs in the TIRZ. The City is not required under State law to set a tax rate sufficient to assure any certain dollar amount of Tax Increments; rather, State law only requires the City to contribute Tax Increments actually collected by it and only to the extent provided in the applicable interlocal agreement.

TIRZ AGREEMENT

On Construction, Ownership, Operation, and Maintenance of TIRZ Improvements

The TIRZ Agreement provides that the District will design, construct and install, or the Developer will construct on the District's behalf, the public improvements described in the TIRZ Agreement, including water, sanitary sewer, drainage, roads, and parks and trails (referred to in the TIRZ Agreement as "MMD Improvements" and herein as the "TIRZ Improvements"), in accordance with City regulations. Upon inspection and acceptance by the City, the TIRZ Improvements are dedicated or conveyed to the City free of liens. The City maintains water and sanitary sewer facilities. The District maintains public roadways (other than those maintained by TxDOT), streetlights, landscaping within public rights-of-way, and dedicated parkland, trails and open space within the Property. Maintenance of storm drainage facilities is divided between the City and the District as provided in the TIRZ Agreement. In consideration of the District's construction of the TIRZ Improvements, the City agrees to pay the Contract Payments to the District, which the District may pledge to bonds issued to pay or reimburse costs of TIRZ Improvements, or use to reimburse the Developer directly.

Developer Reimbursement Agreements

The TIRZ Agreement provides that the District may enter into one or more development agreements with developers of property within the District for the purpose of such developers advancing funds to the District for the TIRZ Improvements, subject to reimbursement from bonds issued by the District, as well as from other District funds. The District has entered into such development agreements with the Developer.

City Approval of Bonds; Reimbursement Cap; Conditions to Issuance

Under Section 375.207, Texas Local Government Code, and the TIRZ Agreement, the District may issue bonds for TIRZ Improvements included in a capital improvements budget approved by the City Council for a period of up to five years. The City Council approved the District's current capital improvements budget on November 18, 2026 by City Resolution.

The TIRZ Agreement limits the total Contract Payments the City is required to make (the "Reimbursement Cap") to the sum of (i) the actual cost of the TIRZ Improvements, not to exceed $328,098,000; (ii) the costs of issuing bonds to finance or reimburse the Developer for such improvements; and (iii) interest on such bonds. Bonds secured by Contract Payments must be issued on commercially reasonable terms, as determined by the Board; may be issued only to pay costs of TIRZ Improvements and other costs authorized by law and the TIRZ Agreement; and if they are refunding bonds, must produce debt service savings and may not extend the final maturity of the bonds refunded.

At least 30 days before issuance, the Board must certify to the City that the District has complied with these conditions, including the Benchmark Tax Rate projection described under "RISK FACTORS – Benchmark Tax Rate."

Contract Payments

The City deposits its tax increment into the City TIF Fund. While any reimbursement is owed and until the Reimbursement Cap is reached, it forwards the Contract Payments to the District in March and September of each year. The District deposits the Contract Payments into the District Tax Increment Fund. The City has agreed that, notwithstanding any other provision of the TIRZ Agreement, it will not withhold Contract Payments from the District so long as any bonds secured by Contract Payments remain outstanding or any amounts are owed to the Developer for costs of TIRZ Improvements.

The TIRZ Agreement requires the District to submit an annual reimbursement submittal package to the City between June 1 and September 15 of each year.

Limits on Withholding and Termination

The TIRZ Agreement provides that no default under it will prevent the District from issuing bonds in accordance with the TIRZ Agreement, unless the improvements being financed or the security for the bonds is not authorized by the TIRZ Agreement. It also provides that no default entitles the City to withhold Contract Payments while bonds secured by Contract Payments are outstanding or amounts are owed to the Developer.

The City may terminate the TIRZ Agreement on 120 days' written notice upon certain events. These include when all eligible costs have been paid or reimbursed and all bonds secured by Contract Payments have been paid in full, and when the Reimbursement Cap has been reached.

If the Developer is in default, the City may withhold approval of bonds issued to reimburse the Developer until the default is cured, but may not withhold approval of bonds issued to reimburse a party not in default.

Remedies in the Event of Default

A party is in default if it fails to perform a material obligation and does not begin to cure within 30 days after notice and complete the cure within 120 days, subject to extension while a cure is diligently pursued. The City's failure to pay Contract Payments when due is a default without notice.

The City's remedy for a default by the District or the Developer is specific performance, together with court costs and reasonable attorney's fees. The City may not recover damages or terminate the TIRZ Agreement for such a default.

Upon a default by the City, the District and the Developer may seek any remedy available at law or in equity, including damages incurred in connection with the sale and repayment of the District's bonds. The City must pay interest on late Contract Payments under Chapter 2251, Texas Government Code. The City has waived its immunity from suit to the extent provided in the TIRZ Agreement.

First Amendment

Effective September 16, 2025, the City and the Developer entered into a First Amendment to the TIRZ Agreement. It excludes from the calculation of Contract Payments an approximately 45-acre parcel in Pod 3 on which the State of Texas intends to construct a regional state facility, and provides that completion of the State facility will not begin the 25-year period for Pod 3.

Final Project & Financing Plan

On March 17, 2020, the City adopted the Project Plan (as defined by the TIRZ Act) pursuant to City Ordinance No. 019040. The Project Plan includes the list of TIRZ Improvements eligible for TIRZ funding (i.e., payable from Contract Payments), which consists generally of water, sewer, drainage improvements, road facilities and park facilities. The components of the Road System included for funding from proceeds of the Bonds are eligible TIRZ Improvements under the Project Plan.

The Project Plan may be amended in accordance with the TIRZ Act.

Provision of Water Supply and Sanitary Sewer Services to Users within the District

Upon the District's completion of construction of water and wastewater infrastructure to serve the District, such infrastructure is conveyed to the City for ownership, operation, and maintenance. All end users/customers of such services within the boundaries of the District are customers of the City. The City will bill such customers according to the City's rate order and revenue derived from such operations shall belong solely to the City. All costs to maintain the water and sewer systems are borne by the City.

The Financial Advisor has provided the following information related to the January 1, 2018 base value and the Estimated Taxable Assessed Valuation as of October 1, 2026 for the TIRZ which is within the District.

District TIRZ Taxable Value		**City**
January 1, 2018 (Base Year)	$	1,173,044 (a)
Estimated Taxable Assessed Valuation as of September 1, 2026	$	173,527,267
Participation Rate		75%
Estimated Exemptions		5%
District Estimated 2026 Captured Value for TIRZ	$	163,677,860
2026 Tax Rate	$	0.798000
Estimated Collection Rates		100%
Total Estimated Captured Tax Increment Revenue as of September 1, 2026	$	979,612
District TIRZ Reimbursement Received in 2025	$	516,399
Year First Certificate of Completion was Issued within Pod 1		2023

(a) Represents the certified assessed valuation of all taxable property in the District as of January 1, 2021, as provided by the CAD. The District does not have the January 1, 2018 certified value available.

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DISTRICT DEBT

2026 Taxable Assessed Valuation		$ 124,270,270	(a)
Estimate of Value as of September 1, 2026		$ 173,527,267	(b)
Gross Direct Debt:			
The Outstanding Bonds		$ 11,455,000	
The Bonds		4,945,000	
Total Gross Direct Debt		$ 16,400,000	
Estimated Overlapping Debt		$ 9,129,836	(c)
Total Gross Direct and Estimated Overlapping Debt		$ 25,529,836	
Gross Direct Debt Ratios:			
As a percentage of 2026 Taxable Assessed Valuation		13.20	%
As a percentage of Estimate of Value as of September 1, 2026		9.45	%
Gross Direct and Estimated Overlapping Debt Ratios:			
As a percentage of 2026 Taxable Assessed Valuation		20.54	%
As a percentage of Estimate of Value as of September 1, 2026		14.71	%
Net Direct Debt:			
The Outstanding Bonds		$ 11,455,000	
The Bonds		4,945,000	
Less: Portion of the Bonds Supported by Pledged TIRZ Revenues		(14,475,000)	(d)
Total Net Direct Debt		$ 1,925,000	
Estimated Overlapping Debt		$ 9,129,836	(c)
Total Net Direct and Estimated Overlapping Debt		$ 11,054,836	
Net Direct Debt Ratios:			
As a percentage of 2026 Taxable Assessed Valuation		1.55	%
As a percentage of Estimate of Value as of September 1, 2026		1.11	%
Net Direct and Estimated Overlapping Debt Ratios:			
As a percentage of 2026 Taxable Assessed Valuation		8.90	%
As a percentage of Estimate of Value as of September 1, 2026		6.37	%
Road System Debt Service Fund Balance (as of October 28, 2026)		$ 499,471	(e)
General Operating Fund Balance (as of October 28, 2026)		$ 17,526	(f)
2026 Tax Rate			
Utility System Debt Service		$0.000	
Road System Debt Service		$0.120	
Maintenance & Operation		$0.150	
Total		$0.270	
Estimated Average Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2027-2051)		$ 1,109,736	(g)
Less: Pledged TIRZ Revenue:		(979,612)	(h)
Net Estimated Average Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2027-2051)		$ 130,124	
Estimated Maximum Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2036)		$ 1,169,288	(g)
Less: Pledged TIRZ Revenue:		(979,612)	(h)
Net Estimated Maximum Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2036)		$ 189,676	
Combined Debt Service Tax Rate per $100 of Assessed Taxable Valuation Required to Pay Net Estimated Average Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2027-2051)			
Based on 2026 Taxable Assessed Valuation		$ 0.12	
Based on Estimate of Value as of September 1, 2026		$ 0.08	
Combined Debt Service Tax Rate per $100 of Assessed Taxable Valuation Required to Pay Net Estimated Maximum Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2036)			
Based on 2026 Taxable Assessed Valuation		$ 0.17	
Based on Estimate of Value as of September 1, 2026		$ 0.12	

(a) Represents the certified assessed valuation of all taxable property in the District as of January 1, 2026, as provided by the CAD.
(b) Provided by CAD for informational purposes only. This amount is an estimate of the taxable value of all taxable property located within the District as of September 1, 2026, and includes an estimate of additional taxable value resulting from the construction of taxable improvements from January 1, 2026, through September 1, 2026. No taxes will be levied on this estimated value. See "TAX DATA" and "TAXING PROCEDURES."
(c) See "DISTRICT DEBT – Estimated Overlapping Debt Statement."
(d) For illustrative purposes only. This amount reflects the principal amount of the Bonds supported by the Pledged TIRZ Revenue.
(e) Six (6) months of capitalized interest will be deposited into the Road System Debt Service Fund upon closing of the Bonds. Neither Texas law nor the Bond Order require that the District maintain any particular sum in the Road System Debt Service Fund. Funds in the Road System Debt Service Fund are not available to pay debt service on bonds issued for the purpose of acquiring or constructing the Utility System.
(f) See "RISK FACTORS – Operating Funds."
(g) Debt service on the Bonds is estimated assuming an interest rate of 5.50%. See "DISTRICT DEBT – Estimated Debt Service Requirement Schedule."
(h) See "RISK FACTORS – Factors Affecting Taxable Values and Tax Payments," "- Dependence on Collection of TIRZ Contract Revenue Payments," and "THE BONDS – TIRZ Agreement."

Estimated Overlapping Debt Statement

The following statement indicates the direct and estimated overlapping debt of the District. The table includes the estimated amount of indebtedness of governmental entities overlapping the District, defined as outstanding bonds payable from ad valorem taxes, and the estimated percentages and amounts of such indebtedness attributable to property located within the District. This information is based upon data secured from the individual jurisdictions and/or the *Texas Municipal Reports* published by the Municipal Advisory Council of Texas. The calculations by which the statement was derived were made in part by comparing the reported assessed valuation of the property in the overlapping taxing jurisdictions with the 2026 Taxable Assessed Valuation of property within the District. No effect has been given to the tax burden levied by any applicable taxing jurisdiction for maintenance and operational or other purposes.

	Outstanding Debt	Overlapping	
Taxing Jurisdiction	September 30, 2026	Percent	Amount
City of El Paso	$1,301,825,000	0.22%	$ 2,831,191
El Paso County	261,819,687	0.17%	436,286
El Paso Independent School District	758,185,000	0.66%	5,022,742
El Paso County Hospital District	518,595,000	0.16%	839,617
Total Estimated Overlapping Debt			$ 9,129,836
The District Gross Direct Debt			$16,400,000
Less Portion of the Bonds Supported by Pledged TIRZ Revenues			(14,475,000)
Net Direct Debt (a)			$ 1,925,000
Total Direct and Estimated Overlapping Debt			$11,054,836

(a) Excludes the portion of the Bonds which can be supported by the Pledged TIRZ Revenues.

Debt Ratios

Gross Direct Debt Ratio:	
As a percentage of the 2026 Taxable Assessed Valuation	13.20 %
As a percentage of the Estimate of Value as of September 1, 2026	9.45 %
Gross Direct and Estimated Overlapping Debt Ratio:	
As a percentage of the 2026 Taxable Assessed Valuation	20.54 %
As a percentage of the Estimate of Value as of September 1, 2026	14.71 %
Net Direct Debt Ratio:	
As a percentage of the 2026 Taxable Assessed Valuation	1.55 %
As a percentage of the Estimate of Value as of September 1, 2026	1.11 %
Net Direct and Estimated Overlapping Debt Ratio:	
As a percentage of the 2026 Taxable Assessed Valuation	8.90 %
As a percentage of the Estimate of Value as of September 1, 2026	6.37 %

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Estimated Debt Service Requirement Schedule

The following schedule sets forth the annual debt service requirements on the Outstanding Bonds, as well as the principal and estimated interest requirements on the Bonds, assuming an interest rate of 5.50%.

Year Ending 12/31	Outstanding Debt Service	The Bonds		Total Combined Debt Service
		Principal	Interest	
2027	$ 792,438	$ -	$ 249,310	$ 1,041,748
2028	789,888	105,000	271,975	1,166,863
2029	781,363	120,000	266,200	1,167,563
2030	777,188	130,000	259,600	1,166,788
2031	772,038	140,000	252,450	1,164,488
2032	770,913	150,000	244,750	1,165,663
2033	766,238	165,000	236,500	1,167,738
2034	766,838	175,000	227,425	1,169,263
2035	776,838	170,000	217,800	1,164,638
2036	780,838	180,000	208,450	1,169,288
2037	784,038	185,000	198,550	1,167,588
2038	791,438	185,000	188,375	1,164,813
2039	792,838	195,000	178,200	1,166,038
2040	798,438	200,000	167,475	1,165,913
2041	802,606	205,000	156,475	1,164,081
2042	805,325	215,000	145,200	1,165,525
2043	812,000	220,000	133,375	1,165,375
2044	817,188	230,000	121,275	1,168,463
2045	820,338	240,000	108,625	1,168,963
2046	827,188	245,000	95,425	1,167,613
2047	827,525	255,000	81,950	1,164,475
2048	835,988	265,000	67,925	1,168,913
2049	837,675	275,000	53,350	1,166,025
2050	282,825	340,000	38,225	661,050
2051	-	355,000	19,525	374,525
	$ 18,609,981	$ 4,945,000	$ 4,188,410	$ 27,743,392

Average Annual Debt Service Requirements on the Bonds (2027-2051) $1,109,736

Maximum Annual Debt Service Requirements on the Bonds (2036) $1,169,288

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TAXING PROCEDURES

Authority to Levy Taxes

The Board is authorized to levy an annual ad valorem tax, without legal limitation as to rate or amount, on all taxable property within the District in sufficient amount to pay the principal of and interest on the Bonds and any additional bonds payable from taxes that the District may hereafter issue for the purpose of constructing or acquiring the Road System (see "RISK FACTORS – Future Debt") and to pay the expenses of assessing and collecting such taxes. The Board is also authorized to levy an annual ad valorem tax, without legal limit as to rate or amount, on all taxable property in the District in sufficient amount to pay the principal of and interest and any bonds payable from taxes that the District has heretofore or may hereafter issue for the purpose of acquiring or constructing the Utility System (see "RISK FACTORS – Future Debt") and to pay the expenses of assessing and collecting such taxes. In the Bond Order, the District agrees 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 is also authorized to levy and collect an annual ad valorem tax for the operation and maintenance of the District and its water, wastewater and drainage system and road system and for the payment of certain contractual obligations if authorized by its voters. See "TAX DATA – Tax Rate Limitation." For the 2026 tax year, the District has levied a total tax rate of $0.27 per $100 of assessed valuation.

Property Tax Code and County-Wide Appraisal District

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

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

Although the District has the responsibility for establishing tax rates and levying and collecting its taxes each year, under the Property Tax Code, the District does not establish appraisal standards or determine the frequency of revaluation or reappraisal. The appraisal district is governed by a board of directors, members of which are both appointed by the governing bodies of various political subdivisions that participate in the Appraisal District and elected by voters within the County. The Property Tax Code requires each appraisal district to implement a plan for periodic reappraisal of property to update appraised values. Such plan must provide for reappraisal of all real property in the appraisal district at least once every three years. It is not

known what frequency of future reappraisals will be utilized by the Appraisal District or whether reappraisals will be conducted on a zone or county-wide basis.

Property Subject to Taxation by the District

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

Furthermore, the District must grant exemptions to disabled veterans or the surviving spouse or children of a deceased veteran who died while on active duty in the armed forces, if requested, but only to the maximum extent of between $5,000 and $12,000 depending upon the disability rating of the veteran claiming the exemption. A veteran who receives a disability rating of 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. 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 was killed or fatally injured in the line of duty is, subject to certain conditions, also entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and, subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse.

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

Freeport Goods Exemption and "Goods-in-Transit": A "Freeport Exemption" applies to goods, wares, ores, and merchandise other than oil, gas, and petroleum products (defined as liquid and gaseous materials immediately derived from refining petroleum or natural gas), and to aircraft or repair parts used by a certified air carrier acquired in or imported into Texas which are destined to be forwarded outside of Texas and which are detained in Texas for assembling, storing, manufacturing, processing or fabricating for less than 175 days. Although certain taxing units may take official action to tax such property in transit and negate such exemption, the District does not have such an option. A "Goods-in-Transit" Exemption is applicable to the same categories of tangible personal property which are covered by the Freeport Exemption, if, for tax year 2011 and prior

applicable years, such property is acquired in or imported into Texas for assembling, storing, manufacturing, processing, or fabricating purposes and is subsequently forwarded to another location inside or outside of Texas not later than 175 days after acquisition or importation, and the location where said property is detained during that period is not directly or indirectly owned or under the control of the property owner. For tax year 2012 and subsequent years, such Goods-in-Transit Exemption includes tangible personal property acquired in or imported into Texas for storage purposes only if such property is stored under a contract of bailment by a public warehouse operator at one or more public warehouse facilities in Texas that are not in any way owned or controlled by the owner of such property for the account of the person who acquired or imported such property. A property owner who receives the Goods-in-Transit Exemption is not eligible to receive the Freeport Exemption for the same property. Local taxing units such as the District may, by official action and after public hearing, tax goods-in-transit property. A taxing unit must exercise its option to tax goods-in-transit property before January 1 of the first tax year in which it proposes to tax the property at the time and in the manner prescribed by applicable law. The District has taken official action to allow taxation of all such goods-in-transit personal property for all prior and subsequent years.

Valuation of Property for Taxation

Generally, property in the District must be appraised by the Appraisal District at market value as of January 1 of each year. Once an appraisal roll is prepared and finally approved by the Appraisal Review Board, it is used by the District in establishing its tax rolls and tax rate. Assessments under the Property Tax Code are to be based on one hundred percent (100%) of market value, as such is defined in the Property Tax Code. Nevertheless, certain land may be appraised at less than market value, as such is defined in the Property Tax Code. The Texas Constitution limits increases in the appraised value of residence homesteads to 10 percent annually regardless of the market value of the property.

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

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

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 petition for review in district court within forty-five (45) days after notice is received that a final order has been entered. 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 DCAD to comply with the Property Tax Code. The District may challenge the level of appraisal of a certain category of property, the exclusion of property from the appraisal rolls or the grant, in whole or in part, of an exemption. The District may not, however, protest a valuation of any individual property.

Texas law provides for notice and hearing procedures prior to the adoption of an ad valorem tax rate by the District. Additionally, Texas law provides for an additional notice and, upon petition by qualified voters, an election which could result in the repeal of certain tax rate increases on residential homesteads. 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 Abatement

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

Agricultural, Open Space, Timberland and Inventory Deferment

The Property Tax Code permits land designated for agricultural use (including wildlife management), open space, or timberland to be appraised at its value based on the land's capacity to produce agriculture 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. Landowners wishing to avail themselves of any of such designations must apply for the designation, and the Appraisal Districts are 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 and not as to others. If a claimant receives the 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 for the three (3) years prior to the loss of the designation for agricultural, timberland or open space land. As of January 1, 2026, approximately 1,915 acres in the District are designated for agricultural use. Such acreage is owned by FSW Investments V LP according to the Appraisal District. See "THE DEVELOPER – Description of the Developer/Major Landowner."

Levy and Collection of Taxes

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

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

residential homestead is entitled to an agreement with the District to pay such taxes in equal installments over a period of between 12 and 36 months (as determined by the District) when such person has not entered into another installment agreement with respect to delinquent taxes within the District in the preceding 24 months.

Reappraisal of Property after Disaster

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

District's Rights in the Event of Tax Delinquencies

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

At any time after taxes on property become delinquent, the District may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. 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. The District's ability to foreclose its tax lien or collect penalties or interest on delinquent taxes may be limited on property owned by a financial institution which is under receivership by the Federal Deposit Insurance Corporation pursuant to the Federal Deposit Insurance Act, 12 U.S.C. 1825, as amended. See "RISK FACTORS – Tax Collection Limitations" and "– Registered Owners' Remedies."

Tax Payment Installments After Disaster

The Property Code provides that the governing body of a taxing unit located within an area declared to be a disaster area by the governor of the State of Texas may authorize reappraisal of all property damaged in the disaster at its market value immediately after the disaster. For reappraised property, the taxes are pro-rated for the year in which the disaster occurred. The taxing unit assesses taxes prior to the date the disaster occurred based upon market value as of January 1 of that year. Beginning on the date of the disaster and for the remainder of the year, the taxing unit assesses taxes on the reappraised market value of the property.

Certain qualified taxpayers, including owners of residential homesteads, located within a designated disaster area or emergency area and whose property has been damaged as a direct result of the disaster or emergency, are entitled to enter into a tax payment installment agreement with a taxing jurisdiction, such as the District, if the taxpayer pays at least $1/4^{th}$ of the tax bill imposed on the property by the delinquency date. The remaining taxes may be paid without penalty or interest in three (3) equal installments within six (6) months of the delinquency date.

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

Rollback of Operation and Maintenance Tax Rate

Chapter 49 of the Texas Water Code, as amended, classifies special purpose districts differently based on their current operation and maintenance tax rate or on the percentage of projected build-out that a 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 herein as "Special Taxing Units." Districts that have financed, completed, and issued bonds to pay for all land, 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 pursuant to Chapter 49 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 in the district, subject to certain homestead exemptions, are required to hold an election within the district to determine whether to approve the adopted total tax rate. If the adopted total tax rate is not approved at the election, the total tax rate for a Special Taxing Unit is the current year's debt service and contract tax rate plus the operation and maintenance tax rate that would impose 1.08 times the amount of operation and maintenance tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, subject to certain homestead exemptions.

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

Developing Districts: Districts that do not meet the classification of a Special Taxing Unit or a Developed District can be classified as Developing Districts. The qualified voters of these districts, upon the Developing District's adoption of a total tax rate that would impose more than 1.08 times the amount of the total tax imposed by such district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead in the district, 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 the operation and maintenance tax rate that would impose 1.08 times the amount of operation and maintenance tax imposed by the district in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead in the district in that year, subject to certain homestead exemptions.

The District: A determination as to the District's status as a Special Taxing Unit, Developed District or Developing District is made on an annual basis. For the 2026 tax year, the District was classified 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.

TAX DATA

General

Taxable property within the District is subject to the assessment, levy and collection by the District of an annual ad valorem tax, without legal limitation as to rate or amount, sufficient to pay principal of and interest on the Bonds and any future tax-supported bonds for the purpose of acquiring or constructing the Utility System or Road System that may be issued from time to time as authorized. Taxes are levied by the District each year against the District's assessed valuation as of January 1 of that year. Taxes become due October 1 of such year, or when billed, and generally become delinquent after January 31 of the following year. The Board covenants in the Bond Order to assess and levy for each year that all or any part of the Bonds remain outstanding and unpaid a tax ample and sufficient to produce funds to pay the principal of and interest on the Bonds. The actual rate of such tax will be determined from year to year as a function of the District's tax base, its debt service requirements and available funds. In addition, the District has the power and authority to assess, levy and collect ad valorem taxes, up to $1.00 per $100 of assessed value, for operation and maintenance purposes. The District levied a total tax of $0.27 per $100 of assessed valuation for the 2026 tax year, composed of a Road System Debt Service tax rate of $0.12 per $100 of assessed valuation and a maintenance and operations tax rate of $0.15 per $100 of assessed valuation.

Tax Rate Limitation

Utility System Debt Service:	Unlimited (no legal limit as to rate or amount).
Road System Debt Service:	Unlimited (no legal limit as to rate or amount).
General Maintenance and Operations:	$1.00 per $100 assessed valuation.
Road Maintenance & Operations:	$1.00 per $100 assessed valuation.

Debt Service Tax

The Board covenants in the Bond Order to levy and assess, for each year that all or any part of the Bonds remain outstanding and unpaid, a continuing, direct tax that is adequate to provide funds to pay the principal of and interest on the Bonds. The District levied a Road System Debt Service tax rate of $0.12 per $100 of assessed valuation for the 2026 tax year. See "Tax Rate Distribution" below, "TAXING PROCEDURES," and "RISK FACTORS."

Maintenance 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 tax is authorized by vote of the District's electors. The Board is authorized by the District's voters to levy such maintenance tax in an amount not to exceed $1.00 per $100 of assessed valuation. Such tax, when levied, is in addition to taxes which the District is authorized to levy for paying principal of and interest on the Bonds and any parity bonds which may be issued in the future. The District levied a maintenance tax rate of $0.15 per $100 of assessed valuation for the 2026 tax year. See "Tax Rate Distribution" below.

Historical Tax Collections

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

Tax Year	Adjusted Taxable Value	Tax Rate	Adjusted Tax Levy	Collections Current Year	Current Year Ending 9/30	Collections 9/30/2026
2022	$ 2,514,864	$ 0.200	$ 5,030	100.00%	2023	100.00%
2023	2,200,073	0.200	4,400	100.00	2024	100.00
2024	38,101,799	0.250	95,254	99.15	2025	99.43
2025	89,570,133	0.270	241,839	98.91	2026	98.91
2026	124,270,270	0.270	335,530	(a)	2027	(a)

(a) In process of collections.

Tax Rate Distribution

	2026	2025	2024	2023	2022
Utility System Debt Service	$0.000	$0.000	$0.000	$0.000	$0.000
Road System Debt Service	0.120	0.095	0.000	0.000	0.000
Maintenance	0.150	0.175	0.250	0.200	0.200
Total	$0.270	$0.270	$0.250	$0.200	$0.200

Analysis of Tax Base

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

Type of Property	2026 Assessed Taxable Valuation	2025 Assessed Taxable Valuation	2024 Assessed Taxable Valuation	2023 Assessed Taxable Valuation	2022 Assessed Taxable Valuation
Land	$ 58,313,763	$ 40,541,807	$ 34,349,420	$ 19,045,842	$ 19,123,404
Improvements	106,439,611	82,343,768	19,639,955	–	–
Personal Property	251,062	36,828	–	–	–
Exemptions	(40,734,166)	(33,352,270)	(15,887,576)	(16,845,769)	(16,608,540)
Total	$ 124,270,270	$ 89,570,133	$ 38,101,799	$ 2,200,073	$ 2,514,864

Principal Taxpayers

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

Taxpayer	Type of Property	Assessed Valuation 2026 Tax Roll	Percent of 2026 Value
Campo Del Sol Rental Holdings LP (a)	Land & Improvements	$ 29,307,000	23.58%
Edwards Homes of El Paso LLC (b)	Land & Improvements	5,647,885	4.54%
Bowling Construction LLC (b)	Land & Improvements	5,584,287	4.49%
Classic American Homes II (b)	Land & Improvements	2,012,986	1.62%
Desert View Construction LLC (b)	Land & Improvements	1,338,467	1.08%
Franklin Mountain Communities LLC (a)	Land & Improvements	1,153,536	0.93%
RAKMR I LLC	Land & Improvements	1,040,742	0.84%
FSW Investments LP (a)(c)	Land & Improvements	634,792	0.51%
Direct Home Sales Inc	Land & Improvements	547,709	0.44%
Homeowner	Land & Improvements	456,191	0.37%
Total		$ 47,723,532	38.40%

(a) See "THE DEVELOPER," and "RISK FACTORS – Build-to-Rent."
(b) See "DEVELOPMENT OF THE DISTRICT – Homebuilders within the District."
(c) As of January 1, 2026, 1,915 acres in the District are designated for agricultural use, all of which are owned by FSW. See "TAXING PROCEDURES – Agricultural, Open Space, Timberland and Inventory Deferment."

Tax Rate Calculations

The tax rate calculations set forth below are presented to indicate the combined debt service tax rates per $100 of taxable assessed valuation that would be required to meet certain debt service requirements on the Outstanding Bonds and the Bonds, if no growth in the District's tax base occurs beyond the 2026 Taxable Assessed Valuation ($124,270,270) or the Estimate of Value as of September 1, 2026 ($173,527,267). The calculations assume collection of 95% of taxes levied, the sale of the Bonds, but not the sale of any additional bonds by the District.

Gross Average Annual Debt Service Requirement (2027-2051) $1,109,736
Less: Pledged TIRZ Revenue ..... ($979,612)
Net Average Annual Debt Service Requirement (2027-2051) $130,124
Combined Debt Service Tax Rate of $0.12 on the 2026 Taxable Assessed Valuation produces $141,668
Combined Debt Service Tax Rate of $0.08 on the Estimate of Value as of September 1, 2026, produces . $131,881

Gross Maximum Annual Debt Service Requirement (2036).....$1,169,288
Less: Pledged TIRZ Revenue .....($979,612)
Net Maximum Annual Debt Service Requirement (2036) $189,676
Combined Debt Service Tax Rate of $0.17 on the 2026 Taxable Assessed Valuation produces..... $200,696
Combined Debt Service Tax Rate of $0.12 on the Estimate of Value as of September 1, 2026, produces . $197,821

Tax Exemption

As discussed in the section entitled "TAXING PROCEDURES" herein, certain property in the District may be exempt from ad valorem taxation by the District. The District does not exempt any percentage of the market value of any residential homesteads from ad valorem taxation. Currently, there are approximately 1,915 acres in the District with an agricultural exemption. See "TAXING PROCEDURES – Agricultural, Open Space, Timberland and Inventory Deferment." The District has not granted any tax exemptions for property located within the District.

Estimated Overlapping Taxes

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

Set forth on the following page is an estimation of all 2026 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. No prediction can be made of the tax rates that will be levied in future years by the respective taxing jurisdictions.

Taxing Jurisdiction	2026 Tax Rate
The District	$0.270000
City of El Paso	0.798000
El Paso County	0.451133
El Paso Independent School District	1.074500
El Paso County Community College	0.110187
El Paso County Hospital District	0.236904
Total Tax Rate	$ 2.940724

LEGAL MATTERS

Legal Opinions

Issuance of the Bonds is subject to the approving legal opinion of the Attorney General of Texas to the effect that the Bonds are valid and binding obligations of the District payable from an annual ad valorem tax levied without limit as to rate or amount upon all taxable property within the District. Issuance of the Bonds is also subject to the legal opinion of Bond Counsel that, based upon examination of the transcript of the proceedings incident to authorization and issuance of the Bonds, the Bonds are valid and legally binding obligations of the District payable from the sources and enforceable in accordance with the terms and conditions described therein, except to the extent that the enforceability thereof may be affected by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with general principles of equity, and are payable from annual ad valorem taxes, which are not limited by applicable law in rate or amount, levied against all property within the District which is not exempt from taxation by or under applicable law. The legal opinion will further state that the interest on the Bonds is excludable from gross income for federal income tax purposes under existing statutes, regulations, published rulings and court decisions as described below under "TAX MATTERS." The legal opinion of Bond Counsel will be printed on the Bonds, if certificated Bonds are issued. Such opinions will express no opinion with respect to the sufficiency of the security for or the marketability of the Bonds. Certain legal matters will be passed upon for the District by McCall, Parkhurst & Horton L.L.P., Dallas, Texas, as Disclosure Counsel.

Coats Rose, P.C., Houston, Texas, serves as Bond Counsel and General Counsel to the District. The legal fees paid to Bond Counsel, Disclosure Counsel, and General Counsel for services rendered in connection with the issuance of the Bonds are contingent upon the sale and delivery of the Bonds.

No-Litigation Certificate

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

No Material Adverse Change

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

TAX MATTERS

Opinion

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

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

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

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

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

Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, taxpayers owning an interest in a FASIT that holds

tax-exempt obligations, and individuals otherwise qualifying for the earned income credit. In addition, certain foreign corporations doing business in the United States may be subject to the "branch profits tax" on their effectively connected earnings and profits, including tax-exempt interest such as interest on the Bonds. These categories of prospective purchasers should consult their own tax advisors as to the applicability of these consequences.

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

Federal Income Tax Accounting Treatment of Original Issue Discount

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

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Bond was held by such initial owner) is includable in gross income. (Because original issue discount is treated as interest for federal income tax purposes, the discussion regarding interest on the Bonds under the caption "TAX MATTERS" generally applies, except as otherwise provided below, to original issue discount on an Original Issue Discount Bond held by an owner who purchased such Bond at the initial offering price in the initial public offering of the Bonds, and should be considered in connection with the discussion in this portion of the Official Statement.)

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

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

the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Bond.

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

Collateral Federal Income Tax Consequences

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

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

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

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

State, Local and Foreign Taxes

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

Qualified Tax-Exempt Obligations

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

state supervision as a financial institution. Notwithstanding the exception to the disallowance of the deduction of interest on indebtedness related to "qualified tax-exempt obligations" provided by Section 265(b) of the Code, Section 291 of the Code provides that the allowable deduction to a "bank," as defined in Section 585(a)(2) of the Code, for interest on indebtedness incurred or continued to purchase "qualified tax-exempt obligations" shall be reduced by twenty percent (20%) as a "financial institution preference item."

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

CONTINUING DISCLOSURE OF INFORMATION

As required by Rule 15c2-12, and in the Bond Order, 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, audited financial statements and timely notice of specified material events, in an electronic format as prescribed by the Municipal Securities Rulemaking Board ("MSRB"). The MSRB has established the Electronic Municipal Market Access ("EMMA") system for such purpose.

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 "Direct and Estimated Overlapping Debt Statement"), "TAX DATA," and "APPENDIX A."

The District will update and provide this information to the MSRB through its EMMA system within six (6) months after the end of each of its fiscal years ending in or after 2026. The District may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by SEC Rule 15c2-12. The updated information will include audited financials if it commissions an audit and the audit is completed by the required time. If the audit of such financial statements is not complete within such period, then the District shall provide unaudited financial statements within such period and audited financial statements when the audit report on such statements becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in the Bond Order or such other accounting principles as the District may be required to employ from time to time pursuant to state law or regulations.

The District may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by SEC Rule 15c2-12.

The District's current fiscal year end is November 30. Accordingly, it must provide updated information by the end of May 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 events affecting the tax-exempt status of the Bonds; (7) modifications to rights of beneficial owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District or other obligated person within the meaning of SEC Rule 15c2-12; (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person within the meaning of the Rule or the sale of all or substantially all of the assets of the District or other obligated person within the meaning of the Rule, other than in the ordinary course

of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District or other obligated person within the meaning of the Rule, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or other obligated person within the meaning of the Rule, any of which affect Beneficial Owners of the Bonds, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District or other obligated person within the meaning of the Rule, any of which reflect financial difficulties. The terms "material" and "financial obligation" when used in this paragraph shall have the meanings ascribed to them under federal securities laws. Neither the Bonds nor the Bond Order make any provision for debt service reserves or liquidity enhancement. The term "financial obligation" when used in this paragraph shall have the meaning ascribed to it under federal securities laws including meaning a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term "financial obligation" does not include municipal securities for which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule. In addition, the District will provide timely notice of any failure by the District to provide information, data, or financial statements in accordance with its agreement described above under "Annual Reports."

Availability of Information

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

Limitations and Amendments

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

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

Compliance with Prior Undertakings

The District entered into its first continuing disclosure agreement pursuant to SEC Rule 15c2-12 in connection with the issuance of the Outstanding Bonds in 2024. Thereafter, the District has complied in all material respects with its 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, the Appraisal District, and other sources believed to be reliable; however, no representation is made as to the accuracy or completeness of the information contained herein, except as described below. The summaries of the statutes, resolutions and engineering and other related reports set forth herein are included subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information.

The District's audited financial statements for the year ended November 30, 2025, were prepared by Mark C. Eyring, CPA, PLLC, and have been included herein as "APPENDIX A."

Experts

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

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

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

Certification as to Official Statement

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

Updating of Official Statement

The District will keep this Official Statement current by amendment or sticker to reflect material changes in the affairs of the District and, to the extent that information actually comes to its attention, to the other matters

described in the Official Statement, until the delivery of the Bonds to the Initial Purchaser, unless the respective Initial Purchaser notifies the District on or before such date that less than all of the Bonds have been sold to ultimate customers, in which case the District's obligations hereunder will extend for an additional period of time (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 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 City of El Paso Municipal Management District No. 1 as of the date shown on the cover page hereof.

/s/ _____
Ryan Burkhardt
Chair, Board of Directors
City of El Paso Municipal Management District No. 1

ATTEST:

/s/ _____
James Feagin
Secretary, Board of Directors
City of El Paso Municipal Management District No. 1

APPENDIX A

FINANCIAL STATEMENTS OF THE DISTRICT

CITY OF EL PASO MUNICIPAL MANAGEMENT DISTRICT NO. 1

EL PASO COUNTY, TEXAS

ANNUAL AUDIT REPORT

NOVEMBER 30, 2025

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Mark C. Eyring, CPA, PLLC

12702 Century Drive • Suite C2 • Stafford, Texas 77477 • 281-277-9595 • Mark@EyringCPA.com

April 7, 2026

INDEPENDENT AUDITOR'S REPORT

Board of Directors
City of El Paso Municipal
Management District No. 1
El Paso County, Texas

Opinions

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

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

Basis for Opinions

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

Other Matter

City of El Paso Municipal Management District No. 1 restated the beginning of year capital assets and long-term liabilities as described in Note 10.

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 City of El Paso Municipal Management District No. 1's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. I obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City of El Paso Municipal Management District No. 1's internal control. Accordingly, no such opinion is expressed. I evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements. I conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of El Paso Municipal Management District No. 1's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of El Paso Municipal Management District No. 1's basic financial statements. The supplementary information on Pages 21 to 32 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Except for the portion marked "unaudited," the information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The supplementary information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on it. The accompanying supplementary information includes financial data excerpted from prior year financial statements which were audited by my firm.



Management's Discussion and Analysis

Using this Annual Report

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

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

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

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

Financial Analysis of the District as a Whole

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

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

Management believes that the required method of accounting for certain elements of the government-wide financial statements makes the government-wide financial statements as a whole not useful for financial analysis. In the government-wide financial statements, certain non-cash costs of long-term debt are capitalized and amortized over the life of the related debt. Management believes that this required method of accounting is not useful for financial analysis of the District and prefers to consider the required cash flows of the debt as reported in the fund statements and the notes to the financial statements. In the government-wide financial statements, property tax revenues are required to be recorded in the fiscal year for which the taxes are levied, regardless of the year of collection. Management believes that the cash basis method of accounting for property taxes in the funds provides more useful financial information.

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

Summary of Net Position

	2025	2024*	Change
Current and other assets	$ 1,114,476	$ 110,153	$ 1,004,323
Capital assets	27,385,257	22,626,069	4,759,188
Total assets	28,499,733	22,736,222	5,763,511
Long-term liabilities	34,945,908	22,777,997	12,167,911
Other liabilities	27,837	13,183	14,654
Total liabilities	34,973,745	22,791,180	12,182,565
Total deferred inflows of resources	244,523	94,505	150,018
Net position:			
Invested in capital assets, net of related debt	(7,154,227)		(7,154,227)
Restricted	559,630		559,630
Unrestricted	(123,938)	(149,463)	25,525
Total net position	$ (6,718,535)	$ (149,463)	$ (6,569,072)

Summary of Changes in Net Position

	2025	2024	Change
Revenues:			
Property taxes, including related penalty and interest	$ 97,183	$ 8,272	$ 88,911
TIRZ proceeds	516,399		516,399
Other revenues	20,825	32	20,793
Total revenues	634,407	8,304	626,103
Expenses:			
Service operations	6,478,531	35,196	6,443,335
Debt service	724,948	0	724,948
Total expenses	7,203,479	35,196	7,168,283
Change in net position	(6,569,072)	(26,892)	(6,542,180)
Net position, beginning of year	(149,463)	(122,571)	(26,892)
Net position, end of year	$ (6,718,535)	$ (149,463)	$ (6,569,072)

*Restated. See Note 10 of the notes to the financial statements.

Financial Analysis of the District's Funds

The District's combined fund balances as of the end of the fiscal year ended November 30, 2025, were $855,044, an increase of $858,020 from the prior year.

The General Fund balance increased by $48,234, in accordance with the District's financial plan.

The Debt Service Fund balance increased by $754,730, in accordance with the District's financial plan.

The Capital Projects Fund balance increased by $55,056, as Series 2024 bond proceeds and interest earnings on deposits exceeded authorized expenditures.

General Fund Budgetary Highlights

The District's budget is primarily a planning tool. Accordingly, actual results varied from the budgeted amounts. A comparison of actual to budgeted amounts is presented on Page 20 of this report. The budgetary fund balance as of November 30, 2025 was expected to be negative $2,976 and the actual end of year fund balance was $45,258.

Capital Asset and Debt Administration

Capital Assets

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

	Capital Assets (Net of Accumulated Depreciation)		
	2025	2024*	Change
Construction in progress	$ 27,385,257	$ 22,626,069	$ 4,759,188

*Restated. See Note 10 of the notes to the financial statements.

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

Additions:	
Utilities, roads and other facilities constructed by developer	$ 10,758,104
Decreases:	
Road system transferred to City	(5,998,916)
Net change to capital assets	$ 4,759,188

Debt

Subsequent to November 30, 2025, the District issued its $3,865,000 Series 2025 Unlimited Tax and Tax Increment Contract Revenue Bonds on December 17, 2025.

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

Bonded debt payable, beginning of year	$ 0
Bonds sold	7,590,000
Bonded debt payable, end of year	$ 7,590,000

At November 30, 2025, the District had $498,000,000 of bonds authorized but unissued for the purposes of acquiring, constructing and improving a water, sanitary sewer and drainage system within the District and $382,410,000 for road purposes authorized but unissued

The District's Series 2024 bonds are insured by Build America Mutual Assurance Company. The insured rating of the Series 2024 bonds is AA by Standard & Poor's. There were no changes in the ratings of the District's bonds during the fiscal year ended November 30, 2025.

As further described in Note 5 of the notes to the financial statements, the developers within the District have advanced funds to the District to cover initial operating deficits. As of November 30, 2025, the cumulative amount of developer advances for this purpose was $169,928.

As further described in Note 5 of the notes to the financial statements, the developer within the District is constructing water, sewer and drainage facilities and road improvements on behalf of the District under the terms of contracts with the District. The District has agreed to purchase these facilities from the proceeds of future bond issues subject to the approval of the Texas Commission on Environmental Quality as applicable. At November 30, 2025, the estimated amount due to the developer was $27,385,257.

RELEVANT FACTORS AND WATER SUPPLY ISSUES

Property Tax Base

As of November 30, 2025, the District's certified tax base had increased approximately $51,470,000 for the 2025 tax year primarily due to the addition of new homes to the tax base.

The District's tax base is concentrated in a small number of taxpayers. The District's developers own a substantial portion of land within the District. If any one of the principal District taxpayers did not pay taxes due, the District might need to levy additional taxes.

Relationship to the City of El Paso

The District lies wholly within the corporate limits of the City of El Paso (the "City") and will obtain water and sewer service from the City. In consideration of the District's acquiring and constructing these systems and a road system on behalf of the City, the City will own, operate and maintain such systems.

Under existing Texas law, because the District lies wholly within the corporate limits of the City, the District may be dissolved by the City. If the District is dissolved, the City must assume the District's assets and obligations (including bonds) on the effective date of the dissolution of the District.

Furthermore, the District lies within the City of El Paso Tax Reinvestment Zone No. 13 (the "TIRZ"). The District, the City and the TIRZ entered into the TIRZ Agreement providing terms for the development of the District and the financing of public infrastructure related thereto, including the utility and road systems. Under the terms of the agreement, the District will acquire or construct certain public infrastructure within the TIRZ. In consideration of the District's acquiring or constructing these public infrastructure on behalf of the City, the City will own, operate and maintain such public infrastructure. The City agrees to reimburse the District for the costs of the public infrastructure through its TIRZ Plan. Under the terms of the agreement, the City will contribute seventy-five percent (75%) of the tax increments generated within the TIRZ on the captured appraisal value to the District to finance a portion of the public infrastructure within the TIRZ.

CITY OF EL PASO MUNICIPAL MANAGEMENT DISTRICT NO. 1

STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET

NOVEMBER 30, 2025

	General	Debt Service	Capital Projects	Total	Adjustments (Note 3)	Statement of Net Position
ASSETS						
Cash, including interest-bearing accounts, Note 7	$ 52,362	$ 763,600	$ 55,056	$ 871,018	$	$ 871,018
Property taxes receivable	155,549	84,044		239,593		239,593
Prepaid expenditures	3,865			3,865		3,865
Maintenance taxes collected not yet transferred from other fund	6,878			6,878	(6,878)	0
Capital assets, net of accumulated depreciation, Note 4:						
Capital assets not being depreciated				0	27,385,257	27,385,257
Total assets	$ 218,654	$ 847,644	$ 55,056	$ 1,121,354	27,378,379	28,499,733
LIABILITIES						
Accounts payable	$ 14,177	$	$	$ 14,177		14,177
Accrued interest payable				0	28,644	28,644
Maintenance taxes collected not yet transferred to other fund		6,878		6,878	(6,878)	0
Long-term liabilities, Note 5:						
Due within one year				0	(14,984)	(14,984)
Due in more than one year				0	34,945,908	34,945,908
Total liabilities	14,177	6,878	0	21,055	34,952,690	34,973,745
DEFERRED INFLOWS OF RESOURCES						
Property tax revenues	159,219	86,036	0	245,255	(732)	244,523
FUND BALANCES / NET POSITION						
Fund balances:						
Restricted for bond interest, Note 5		221,512		221,512	(221,512)	0
Assigned to:						
Debt service		533,218		533,218	(533,218)	0
Capital projects			55,056	55,056	(55,056)	0
Unassigned, Note 5	45,258			45,258	(45,258)	0
Total fund balances	45,258	754,730	55,056	855,044	(855,044)	0
Total liabilities, deferred inflows, and fund balances	$ 218,654	$ 847,644	$ 55,056	$ 1,121,354		
Net position:						
Invested in capital assets, net of related debt, Note 4					(7,154,227)	(7,154,227)
Restricted for debt service					504,574	504,574
Restricted for capital projects					55,056	55,056
Unrestricted					(123,938)	(123,938)
Total net position					$ (6,718,535)	$ (6,718,535)

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

CITY OF EL PASO MUNICIPAL MANAGEMENT DISTRICT NO. 1

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

FOR THE YEAR ENDED NOVEMBER 30, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments (Note 3)	Statement of Activities
REVENUES						
Property taxes	$ 101,536	$	$	$ 101,536	$ (4,709)	$ 96,827
TIRZ proceeds, Note 9		516,399		516,399		516,399
Penalty and interest		356		356		356
Interest on deposits	322	18,284	2,219	20,825		20,825
Total revenues	101,858	535,039	2,219	639,116	(4,709)	634,407
EXPENDITURES / EXPENSES						
Service operations:						
Professional fees	45,955	22		45,977		45,977
Contracted services	10,945	1,439		12,384		12,384
Administrative expenditures	14,724	160		14,884		14,884
Capital outlay / non-capital outlay			5,998,916	5,998,916		5,998,916
Debt service:						
Bond issuance expenditures			389,209	389,209		389,209
Interest and fees		294,276	406,370	700,646	41,463	742,109
Total expenditures / expenses	71,624	295,897	6,794,495	7,162,016	41,463	7,203,479
Excess (deficiency) of revenues over expenditures	30,234	239,142	(6,792,276)	(6,522,900)	(46,172)	(6,569,072)
OTHER FINANCING SOURCES (USES)						
Bonds issued, Note 5		742,668	6,847,332	7,590,000	(7,590,000)	0
Bond issuance discounts, Note 5		(227,080)		(227,080)	227,080	0
Developer advances, Note 5	18,000			18,000	(18,000)	0
Total other financing sources (uses)	18,000	515,588	6,847,332	7,380,920	(7,380,920)	0
Net change in fund balances / net position	48,234	754,730	55,056	858,020	(7,427,092)	(6,569,072)
Beginning of year	(2,976)	0	0	(2,976)	(146,487)	(149,463)
End of year	$ 45,258	$ 754,730	$ 55,056	$ 855,044	$ (7,573,579)	$ (6,718,535)

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

CITY OF EL PASO MUNICIPAL MANAGEMENT DISTRICT NO. 1

NOTES TO THE FINANCIAL STATEMENTS

NOVEMBER 30, 2025

NOTE 1: REPORTING ENTITY

City of El Paso Municipal Management District No. 1 (the "District") was created by Act of the 86th Texas Legislature, Regular Session 2019, codified at Chapter 3972, Texas Special District Local Laws Code, as a conservation and reclamation district, effective January 1, 2020. The District operates in accordance with Texas Water Code Chapter 49, Texas Local Government Code Chapter 375, and Article III, Sections 52 and 52-a and Article XVI, Section 59, of the Texas Constitution. The District was confirmed by an election held within the District on May 1, 2021. The District is located within the corporate limits of the City of El Paso and within El Paso County, Texas. The District is a political subdivision of the State of Texas, governed by an elected five member Board of Directors. The Board of Directors held its first meeting on June 3, 2020. The District is subject to the continuing supervision of the TCEQ with respect to water, wastewater and drainage.

The District is empowered, among other things, to purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply of water; the collection, transportation and treatment of wastewater; and the control and diversion of storm water. The District may also provide solid waste collection and disposal service and operate and maintain recreational facilities. In addition, the District is authorized to construct, acquire, improve, maintain or operate roads located within its boundaries.

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

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

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

Basic Financial Statements

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

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

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

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

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

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

Basis of Accounting

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

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

Interfund Activity

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

Receivables

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

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

Long-term Liabilities

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

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

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

Reconciliation of year end fund balances to net position:

Total fund balances, end of year		$ 855,044
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		
Total capital assets, net		27,385,257
Some long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:		
Bonds payable	$ (7,590,000)	
Issuance discount, net of premium (to be amortized as interest expense)	214,261	
Due to developer for operating advances	(169,928)	
Due to developer for construction	(27,385,257)	(34,930,924)
Some receivables that do not provide current financial resources are not reported as receivables in the funds:		
Uncollected property taxes		732
Some liabilities that do not require the use of current financial resources are not reported as liabilities in the funds:		
Accrued interest		(28,644)
Net position, end of year		$ (6,718,535)

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

Total net change in fund balances	$ 858,020
The issuance of long-term debt (bonds payable) provides current financial resources to the funds, while the repayment of the principal of long-term debt consumes the current financial resources of the funds. Neither transaction, however, has any effect on net position. The effect of these differences in the treatment of long-term debt:	
Bonds issued	(7,590,000)
The funds report the effect of bond issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of these items:	
Issuance discount	214,261
The receipt of developer advances provides current financial resources to the funds, while the repayment of such advances consume the current financial resources of the funds. Neither transaction, however, has any effect on net position. The effect of these differences in the treatment of long-term debt:	
Developer advances	(18,000)
Some revenues reported in the statement of activities do not provide current financial resources and therefore are not reported as revenues in the funds:	
Uncollected property taxes	(4,709)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds:	
Accrued interest	(28,644)
Change in net position	$ (6,569,072)

NOTE 4: CAPITAL ASSETS

At November 30, 2025, “Invested in capital assets, net of related debt” was $(7,375,739). This amount was negative primarily because not all expenditures from bond proceeds (such as bond issuance costs) were for the acquisition of capital assets. As further described in Note 9, the District, under the terms of the agreements with the City of El Paso (the “City”), will obtain water and sewer service from the City. In consideration of the District's acquiring and constructing these systems on behalf of the City, the City will own, operate and maintain such systems. the District will transfer the ownership of certain capital assets constructed by the District to the City. However, the District shall have a security interest therein until all bonds issued by the District pursuant to the respective agreement are retired. The District will own and maintain the storm water detention and park facilities.

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

	Beginning Balance*	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Construction in progress	$ 22,626,069	$ 10,758,104	$ 5,998,916	$ 27,385,257
Total capital assets not being depreciated	22,626,069	10,758,104	5,998,916	27,385,257
Total capital assets, net	$ 22,626,069	$ 10,758,104	$ 5,998,916	$ 27,385,257
Changes to capital assets:				
Assets transferred to other entity		$ 5,998,916	$ 5,998,916	
Increase in estimated value of developer construction		10,758,104		
Capital outlay paid (decrease in liability) to developer		(5,998,916)		
Net increases / decreases to capital assets		$ 10,758,104	$ 5,998,916	

*Restated. See Note 10 of the notes to the financial statements.

NOTE 5: LONG-TERM LIABILITIES AND CONTINGENT LIABILITIES

Subsequent to November 30, 2025, the District issued its $3,865,000 Series 2025 Unlimited Tax and Tax Increment Contract Revenue Bonds on December 17, 2025.

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

	Beginning Balance*	Additions	Reductions	Ending Balance	Due within One Year
Bonds payable	$	$ 7,590,000	$	$ 7,590,000	$ 0
Less deferred amounts:					
For issuance premiums (discounts)		(227,080)	(12,819)	(214,261)	(14,984)
Total bonds payable	0	7,362,920	(12,819)	7,375,739	(14,984)
Due to developers for operating advances (see below)	151,928	18,000		169,928	----------
Due to developers for construction (see below)	22,626,069	10,758,104	5,998,916	27,385,257	----------
Total due to developers	22,777,997	10,776,104	5,998,916	27,555,185	0
Total long-term liabilities	$ 22,777,997	$ 18,139,024	$ 5,986,097	$ 34,930,924	$ (14,984)

*Restated. See Note 10 of the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

As of November 30, 2025, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2026	$	$ 343,725	$ 343,725
2027	185,000	343,725	528,725
2028	195,000	331,700	526,700
2029	200,000	319,025	519,025
2030	210,000	306,025	516,025
2031 - 2035	1,225,000	1,329,050	2,554,050
2036 - 2040	1,575,000	1,040,000	2,615,000
2041 - 2045	2,005,000	684,745	2,689,745
2046 - 2049	1,995,000	216,962	2,211,962
	$ 7,590,000	$ 4,914,957	$ 12,504,957

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

	Series 2024
Amounts outstanding, November 30, 2025	$7,590,000
Interest rates	4.00% to 6.50%
Maturity dates, serially beginning/ending	November 1, 2027/2049
Interest payment dates	May 1/November 1
Callable dates	December 1, 2030*

*Or any date thereafter at par plus accrued interest to the date of redemption, in whole or in part at the option of the District, in inverse order of maturity.

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. The bonds are further payable from the Tax Increment Contract revenues from the City of El Paso.

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

18 months' interest from sale of bonds	$ 515,588
Appropriation for bond interest paid	(294,076)
Bond interest reserve, end of year	$ 221,512

Utility bonds voted	$ 498,000,000
Utility bonds approved for sale and sold	0
Utility bonds voted and not issued	498,000,000
Road bonds voted	390,000,000
Road bonds approved for sale and sold	7,590,000
Road bonds voted and not issued	382,410,000
Refunding bonds voted	1,332,000,000
Refunding bonds approved for sale and sold	0
Refunding bonds voted and not issued	1,332,000,000

Developer Construction Commitments, Liabilities and Advances

The developers within the District have advanced funds to the District to cover initial operating deficits. At November 30, 2025, the cumulative amount of unreimbursed developer advances was $169,928. These amounts have been recorded in the government-wide financial statements and in the schedules in Note 5. This amount has been recorded as a decrease in “Unrestricted net position” in the government-wide financial statements. Without this decrease, “Unrestricted net position” would have a balance of $45,990.

The developer within the District is constructing certain facilities within the District's boundaries. The District has agreed to reimburse the developer for these construction and related engineering costs plus interest not to exceed the interest rate of the applicable District bond issue. These amounts are to be reimbursed from the proceeds of a future bond issue to the extent approved by the Texas Commission on Environmental Quality as applicable. The District's engineer stated that cost of the construction in progress at November 30, 2025, was $27,385,257. This amount has been recorded in the government-wide financial statements and in the schedules in Notes 4 and 5.

NOTE 6: PROPERTY TAXES

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

At an election held May 1, 2021, the voters within the District authorized a maintenance tax not to exceed $1.00 per $100 valuation on all property subject to taxation within the District. This maintenance tax is being used by the General Fund to pay expenditures of operating the District. Furthermore, the voters authorized a road maintenance tax not to exceed $1.00 per $100 valuation on all property subject to taxation within the District. This road maintenance tax is to be used for the operation and maintenance of a road system and related storm drainage system within the District.

On September 18, 2025, the District levied the following ad valorem taxes for the 2025 tax year and the 2026 fiscal year on the adjusted taxable valuation of $89,570,133:

	Rate	Amount
Debt service	$ 0.0950	$ 86,036
Maintenance	0.1750	158,487
	$ 0.2700	$ 244,523

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

2025 tax year total property tax levy	$ 244,523
2025 tax year total property tax levy deferred to 2026 fiscal year	(244,523)
2024 tax year total property tax levy deferred to 2025 fiscal year	94,505
Appraisal district adjustments to prior year taxes	2,322
Statement of Activities property tax revenues	$ 96,827

Concentration of Tax Base

The District's tax base is concentrated in a small number of taxpayers. The District's developers own a substantial portion of land within the District. If any one of the principal District taxpayers did not pay taxes due, the District might need to levy additional taxes.

NOTE 7: DEPOSITS

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

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

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

Deposits and temporary investments restricted by state statutes and the Bond Order:

Debt Service Fund

For payment of debt principal and interest, paying agent fees and costs of assessing and collecting taxes:	
Cash	$ 763,600

Capital Projects Fund

For construction of capital assets:

Cash	$ 55,056

NOTE 8: RISK MANAGEMENT

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

On November 30, 2025, the District had comprehensive general liability insurance coverage with a per occurrence limit of $1,000,000 and $3,000,000 general limit and consultant's crime coverage of $10,000.

NOTE 9: AGREEMENTS WITH CITY OF EL PASO

The District lies wholly within the corporate limits of the City of El Paso (the "City") and will obtain water and sewer service from the City. In consideration of the District's acquiring and constructing these systems on behalf of the City, the City will own, operate and maintain such systems.

The District and the City entered into an Agreement for the construction of water and sewer facilities (the "Facilities" on January 19, 2022. The Facilities will serve customers inside and outside of the District's boundaries.

Furthermore, the District lies within the City of El Paso Tax Reinvestment Zone No. 13 (the "TIRZ"). The District, the City and the TIRZ entered into the TIRZ Agreement providing terms for the development of the District and the financing of public infrastructure related thereto, including the utility and road systems. Under the terms of the agreement, the District will acquire or construct certain public infrastructure within the TIRZ. In consideration of the District's acquiring or constructing these public infrastructure on behalf of the City, the City will own, operate and maintain such public infrastructure. The City agrees to reimburse the District for the costs of the public infrastructure through its TIRZ Plan. Under the terms of the agreement, the City will contribute seventy-five percent (75%) of the tax increments generated within the TIRZ on the captured appraisal value to the District to finance a portion of the public infrastructure within the TIRZ. During the year ended November 30, 2025, the District received $516,399 of TIRZ proceeds from the City.

NOTE 10: RESTATED BEGINNING OF YEAR BALANCES

For the fiscal year ended November 30, 2024, the District overstated the value of developer constructed utilities in error. As a result, capital assets and long-term liabilities were both overstated by $29,215,369. Accordingly, the District's beginning of year capital assets and long-term liabilities were restated to correct the error. The District's beginning of year fund balance and net position were not changed.

CITY OF EL PASO MUNICIPAL MANAGEMENT DISTRICT NO. 1

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

FOR THE YEAR ENDED NOVEMBER 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property taxes	$ 3,400	$ 3,400	$ 101,536	$ 98,136
Interest on deposits	300	300	322	22
TOTAL REVENUES	3,700	3,700	101,858	98,158
EXPENDITURES				
Service operations:				
Professional fees	46,500	46,500	45,955	(545)
Contracted services	3,645	3,645	10,945	7,300
Administrative expenditures	6,385	6,385	14,724	8,339
TOTAL EXPENDITURES	56,530	56,530	71,624	15,094
EXCESS REVENUES (EXPENDITURES)	(52,830)	(52,830)	30,234	83,064
OTHER FINANCING SOURCES (USES)				
Developer advances	52,830	52,830	18,000	(34,830)
TOTAL OTHER FINANCIAL SOURCES (USES)	52,830	52,830	18,000	(34,830)
EXCESS SOURCES (USES)	0	0	48,234	48,234
FUND BALANCE, BEGINNING OF YEAR	(2,976)	(2,976)	(2,976)	0
FUND BALANCE, END OF YEAR	$ (2,976)	$ (2,976)	$ 45,258	$ 48,234

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

CITY OF EL PASO MUNICIPAL MANAGEMENT DISTRICT NO. 1

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

NOVEMBER 30, 2025

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

[X] TSI-1. Services and Rates

[X] TSI-2. General Fund Expenditures

[ ] TSI-3. Temporary Investments
Not Applicable. None at November 30, 2025.

[X] TSI-4. Taxes Levied and Receivable

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

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

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

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

CITY OF EL PASO MUNICIPAL MANAGEMENT DISTRICT NO. 1

SCHEDULE OF SERVICES AND RATES

NOVEMBER 30, 2025

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

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

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

X Other All services are provided by the City of El Paso.

2. Retail Service Providers

   a. Retail Rates for a 5/8" meter (or equivalent):

      Contact the City of El Paso.

   b. Water and Wastewater Retail Connections:

      Contact the City of El Paso.

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

   Contact the City of El Paso.

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

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

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

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

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

CITY OF EL PASO MUNICIPAL MANAGEMENT DISTRICT NO. 1

EXPENDITURES

FOR THE YEAR ENDED NOVEMBER 30, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Totals (Memorandum Only)
CURRENT				
Professional fees:				
Auditing	$ 6,500	$	$	6,500
Legal	39,455	22		39,477
	45,955	22	0	45,977
Contracted services:				
Bookkeeping	9,844			9,844
Tax assessor-collector		639		639
Central appraisal district	1,101	800		1,901
	10,945	1,439	0	12,384
Administrative expenditures:				
Insurance	3,831			3,831
Office supplies and postage	2,236			2,236
Communications	1,810			1,810
Other	6,847	160		7,007
	14,724	160	0	14,884
CAPITAL OUTLAY				
Authorized expenditures	0	0	5,998,916	5,998,916
DEBT SERVICE				
Bond issuance expenditures	0	0	389,209	389,209
Interest and fees:				
Interest		294,076	406,370	700,446
Paying agent fees		200		200
	0	294,276	406,370	700,646
TOTAL EXPENDITURES	$ 71,624	$ 295,897	$ 6,794,495	$ 7,162,016

CITY OF EL PASO MUNICIPAL MANAGEMENT DISTRICT NO. 1

ANALYSIS OF CHANGES IN DEPOSITS
ALL GOVERNMENTAL FUND TYPES

FOR THE YEAR ENDED NOVEMBER 30, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Totals (Memorandum Only)
SOURCES OF DEPOSITS				
Cash receipts from revenues excluding maintenance taxes	$ 322	$ 20,632	$ 2,219	$ 23,173
Maintenance tax receipts		101,493		101,493
Transfer of maintenance taxes	94,615			94,615
TIRZ proceeds		516,399		516,399
Proceeds from sale of bonds		515,588	6,847,332	7,362,920
Developer advances	18,000			18,000
TOTAL DEPOSITS	112,937	1,154,112	6,849,551	8,116,600
APPLICATIONS OF DEPOSITS				
Cash disbursements for:				
Current expenditures	63,040	1,621		64,661
Capital outlay			5,998,916	5,998,916
Debt service		294,276	795,579	1,089,855
Prepaid expenditures	3,865			3,865
Transfer of maintenance taxes		94,615		94,615
TOTAL DEPOSITS	66,905	390,512	6,794,495	7,251,912
INCREASE (DECREASE) IN DEPOSITS	46,032	763,600	55,056	864,688
DEPOSITS, BEGINNING OF YEAR	6,330	0	0	6,330
DEPOSITS, END OF YEAR	$ 52,362	$ 763,600	$ 55,056	$ 871,018

CITY OF EL PASO MUNICIPAL MANAGEMENT DISTRICT NO. 1

TAXES LEVIED AND RECEIVABLE

FOR THE YEAR ENDED NOVEMBER 30, 2025

	Maintenance Taxes	Debt Service Taxes
RECEIVABLE, BEGINNING OF YEAR	$ 96,233	$
Additions and corrections to prior year taxes	2,322	
Adjusted receivable, beginning of year	98,555	
2025 ADJUSTED TAX ROLL	158,487	86,036
Total to be accounted for	257,042	86,036
Tax collections: Current tax year	(3,670)	(1,992)
Prior tax years	(97,823)	
RECEIVABLE, END OF YEAR	$ 155,549	$ 84,044
RECEIVABLE, BY TAX YEAR		
2024	$ 732	$
2025	154,817	84,044
RECEIVABLE, END OF YEAR	$ 155,549	$ 84,044

Fiscal year 2025 General Fund property tax revenue of $101,536 under the modified accrual basis of accounting is comprised of prior tax year collections of $97,823 during fiscal year 2025 and 2024 tax year collections of $3,713 during fiscal year 2024.

CITY OF EL PASO MUNICIPAL MANAGEMENT DISTRICT NO. 1

TAXES LEVIED AND RECEIVABLE (Continued)

FOR THE YEAR ENDED NOVEMBER 30, 2025

ADJUSTED PROPERTY VALUATIONS AS OF JANUARY 1 OF TAX YEAR	2025	2024	2023	2022
Land	$ 40,541,807	$ 34,349,420	$ 19,045,842	$ 19,123,404
Improvements	82,343,768	19,639,955	0	0
Personal property	36,828	0	0	0
Less exemptions	(33,352,270)	(15,887,576)	(16,845,769)	(16,608,540)
TOTAL PROPERTY VALUATIONS	$ 89,570,133	$ 38,101,799	$ 2,200,073	$ 2,514,864
Debt service tax rates	$ 0.09500	$ 0.00000	$ 0.00000	$ 0.00000
Maintenance tax rates*	0.17500	0.25000	0.20000	0.20000
TOTAL TAX RATES PER $100 VALUATION	$ 0.27000	$ 0.25000	$ 0.20000	$ 0.20000
TAX ROLLS	$ 244,523	$ 94,505	$ 2,831	$ 4,335
PERCENT OF TAXES COLLECTED TO TAXES LEVIED	2.3%**	99.2 %	100.0 %	100.0 %

*Maximum tax rate approved by voters on May 1, 2021: $1.00

**The District's taxes are usually levied in the fall and are not delinquent until after the following January 31.

CITY OF EL PASO MUNICIPAL MANAGEMENT DISTRICT NO. 1

LONG-TERM DEBT SERVICE REQUIREMENTS, BY YEARS

NOVEMBER 30, 2025

Due During Fiscal Years Ending November 30	Series 2024 Principal Due November 1	Series 2024 Interest Due May 1, November 1	Total
2026	$	$ 343,725	$ 343,725
2027	185,000	343,725	528,725
2028	195,000	331,700	526,700
2029	200,000	319,025	519,025
2030	210,000	306,025	516,025
2031	220,000	292,375	512,375
2032	235,000	278,075	513,075
2033	245,000	262,800	507,800
2034	255,000	253,000	508,000
2035	270,000	242,800	512,800
2036	285,000	232,000	517,000
2037	300,000	220,600	520,600
2038	315,000	208,600	523,600
2039	330,000	196,000	526,000
2040	345,000	182,800	527,800
2041	365,000	168,569	533,569
2042	380,000	153,512	533,512
2043	400,000	137,838	537,838
2044	420,000	121,338	541,338
2045	440,000	103,488	543,488
2046	465,000	84,788	549,788
2047	485,000	65,025	550,025
2048	510,000	44,412	554,412
2049	535,000	22,737	557,737
TOTALS	$ 7,590,000	$ 4,914,957	$ 12,504,957

See accompanying independent auditor’s report.

CITY OF EL PASO MUNICIPAL MANAGEMENT DISTRICT NO. 1

ANALYSIS OF CHANGES IN LONG-TERM BONDED DEBT

FOR THE YEAR ENDED NOVEMBER 30, 2025

Bond Series:	2024
Interest Rate:	4.00% to 6.50%
Dates Interest Payable:	May 1, November 1
Maturity Dates:	November 1, 2027/2049
Bonds Outstanding at Beginning of Current Year	$
Add Bonds Sold	7,590,000
Bonds Outstanding at End of Current Year	$ 7,590,000
Current Year Interest Paid:	$ 294,076

Bond Descriptions and Original Amount of Issue

City of El Paso Municipal Management District No. 1 Unlimited Tax and Tax Increment Contract Revenue Road Bonds, Series 2024 ($7,590,000)

Paying Agent/Registrar

BOKF, N.A., Dallas, Texas

Bond Authority	Tax Bonds	Other Bonds*	Refunding Bonds
Amount Authorized by Voters	$ 498,000,000	$ 390,000,000	$ 1,332,000,000
Amount Issued	0	7,590,000	0
Remaining to be Issued	498,000,000	382,410,000	1,332,000,000

*See Note 5 of the Notes to the financial statements.

Net Debt Service Fund deposits and investments balances as of September 30, 2025:	$ 754,730
Average annual debt service payment for remaining term of all debt:	521,040

CITY OF EL PASO MUNICIPAL MANAGEMENT DISTRICT NO. 1

COMPARATIVE STATEMENTS OF REVENUES AND EXPENDITURES,
GENERAL FUND

FOR YEARS ENDED NOVEMBER 30

	AMOUNT					PERCENT OF TOTAL REVENUES				
	2025	2024*	2023	2022	2021	2025	2024	2023	2022	2021
REVENUES										
Property taxes	$ 101,536	$ 2,831	$ 3,429	$ 2,346	$	99.7 %	98.9 %	92.6 %	78.6 %	%
Penalty and interest	322	32	274	640		0.3	1.1	7.4	21.4	
TOTAL REVENUES	101,858	2,863	3,703	2,986	0	100.0	100.0	100.0	100.0	N/A
EXPENDITURES										
Service operations:										
Professional fees	45,955	20,461	12,913	47,826	18,399	45.1	714.6	348.7	1601.7	
Contracted services	10,945	6,817	5,543	4,587		10.7	238.1	149.7	153.6	
Repairs and maintenance	0	0	0	4,200		0.0	0.0	0.0	140.7	
Administrative expenditures	14,724	7,918	6,050	4,908	2,256	14.5	276.6	163.4	164.4	
TOTAL EXPENDITURES	71,624	35,196	24,506	61,521	20,655	70.3	1229.3	661.8	2060.4	N/A
EXCESS REVENUES (EXPENDITURES)	$ 30,234	$ (32,333)	$ (20,803)	$ (58,535)	$ (20,655)	29.7 %	(1129.3) %	(561.8) %	(1960.4) %	N/A %
TOTAL ACTIVE RETAIL WATER CONNECTIONS	N/A	N/A	N/A	N/A	N/A					
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	N/A	N/A	N/A	N/A	N/A					

*District is funded primarily by developer advances for fiscal years 2024 and prior.

CITY OF EL PASO MUNICIPAL MANAGEMENT DISTRICT NO. 1

COMPARATIVE STATEMENTS OF REVENUES AND EXPENDITURES,
DEBT SERVICE FUND

FOR YEARS ENDED NOVEMBER 30

	AMOUNT					PERCENT OF TOTAL REVENUES				
	2025*	2024	2023	2022	2021	2025	2024	2023	2022	2021
REVENUES										
Property taxes	$	$	$	$	$	0.0 %	%	%	%	%
TIRZ proceeds	516,399					96.5				
Penalty and interest	356					0.1				
Interest on deposits	18,284					3.4				
TOTAL REVENUES	535,039	0	0	0	0	100.0	0.0	0.0	0.0	0.0
EXPENDITURES										
Current:										
Professional fees	22					0.0				
Contracted services	1,439					0.3				
Other expenditures	160					0.0				
Debt service:										
Principal retirement	0					0.0				
Interest and fees	294,276					55.0				
TOTAL EXPENDITURES	295,897	0	0	0	0	55.3	N/A	N/A	N/A	N/A
EXCESS REVENUES (EXPENDITURES)	$ 239,142	$ 0	$ 0	$ 0	$ 0	44.7 %	N/A %	N/A %	N/A %	N/A %

*First year of financial activity.

CITY OF EL PASO MUNICIPAL MANAGEMENT DISTRICT NO. 1

BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS

NOVEMBER 30, 2025

Complete District Mailing Address: City of El Paso Municipal Management District No. 1
c/o Coats Rose, P.C.
9 Greenway Plaza, Suite 1000
Houston, Texas 77046

District Business Telephone No.: 713-651-0111

Submission date of the most recent District Registration Form: January 23, 2025

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

BOARD MEMBERS

Name and Address	Term of Office (Elected/ Appointed)	Fees of Office Paid	Expense Reimb.	Title at Year End
Ryan Burkhart c/o Coats Rose, P.C. 9 Greenway Plaza, Suite 1000 Houston, Texas 77046	Appointed 6/01/24-6/01/28	$ 0	$ 0	Chair
William Kell c/o Coats Rose, P.C. 9 Greenway Plaza, Suite 1000 Houston, Texas 77046	Appointed 6/01/24-6/01/28	0	0	Vice Chair
James Feagin c/o Coats Rose, P.C. 9 Greenway Plaza, Suite 1000 Houston, Texas 77046	Appointed 6/01/22-6/01/26	0	0	Secretary
Brent D. Harris c/o Coats Rose, P.C. 9 Greenway Plaza, Suite 1000 Houston, Texas 77046	Appointed 6/01/22-6/01/26	0	0	Director
Chris Charron c/o Coats Rose, P.C. 9 Greenway Plaza, Suite 1000 Houston, Texas 77046	Appointed 1/23/23-6/01/26	0	0	Director

CITY OF EL PASO MUNICIPAL MANAGEMENT DISTRICT NO. 1

BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS (Continued)

NOVEMBER 30, 2025

CONSULTANTS

Name and Address	Date Hired	Fees and Expense Reimbursements	Title at Year End
Coats Rose, P.C. 9 Greenway Plaza, Suite 1000 Houston, Texas 77046	6/3/20	$ 39,455 207,750 Bonds	Attorney
L & S District Services, LLC P.O. Box 170 Tomball, Texas 77377	6/3/20	12,080 900 Bonds	Bookkeeper
Kimley-Horn & Associates, Inc. 160 East Davis Street, Suite 100 McKinney, Texas 75069	6/3/20	0	Engineer
City of El Paso Tax Office 221 North Kansas Street, Suite 300 El Paso, Texas 79901	8/16/21	639	Tax Assessor-Collector
El Paso Central Appraisal District 5801 Trowbridge Drive El Paso, Texas 79925	Legislative Action	1,901	Central Appraisal District
Robert W. Baird & Co. 1331 Lamar, Suite 1360 Houston, Texas 77010	6/3/20	154,719 Bonds	Financial Advisor
Mark C. Eyring, CPA, PLLC 12702 Century Drive, Suite C2 Stafford, Texas 77477	8/11/22	6,500 4,950 Bonds	Independent Auditor