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 sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 11, 2026

This PRELIMINARY OFFICIAL STATEMENT is subject to completion and amendment and is intended solely for the solicitation of initial bids to purchase the Bonds. Upon sale of the Bonds, the OFFICIAL STATEMENT will be completed and delivered to the Underwriter.

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

THE BONDS WILL BE DESIGNATED "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS. SEE "TAX MATTERS—QUALIFIED TAX-EXEMPT OBLIGATIONS."

NEW ISSUE-Book-Entry Only

$2,500,000

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 33

(A political subdivision of the State of Texas located within Waller County)

UNLIMITED TAX ROAD BONDS
SERIES 2026

The bonds described above (the "Bonds") are obligations solely of Waller County Municipal Utility District No. 33 (the "District") and are not obligations of the State of Texas, Waller County, the City of Waller, or any entity other than the District.

The Bonds, when issued, will constitute valid and legally binding obligations of the District and will be payable from the proceeds of an annual ad valorem tax levied, without legal limitation as to rate or amount, against all taxable property within the District. THE BONDS ARE SUBJECT TO SPECIAL RISK FACTORS DESCRIBED HEREIN. See "RISK FACTORS."

Dated Date: December 1, 2026 **Due: September 1, as shown below**
Interest Accrual Date: Date of Delivery (defined herein)

Principal of the Bonds is payable at maturity or earlier redemption at the principal payment office of the paying agent/registrar, initially The Bank of New York Mellon Trust Company, N.A., Houston, Texas (the "Paying Agent/Registrar") upon surrender of the Bonds for payment. Interest on the Bonds accrues from the date of delivery (expected on or about December 16, 2026) (the "Date of Delivery"), and is payable each March 1 and September 1, commencing March 1, 2027, until maturity or prior redemption. The Bonds will be issued only in fully registered form in denominations of $5,000 each or integral multiples thereof. The Bonds are subject to redemption prior to their maturity, as shown below.

The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Beneficial owners of the Bonds will not receive physical certificates representing the Bonds, but will receive a credit balance on the books of the nominees of such beneficial owners. So long as Cede & Co. is the Registered Owner of the Bonds, the principal of and interest on the Bonds will be paid by the Paying Agent/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 "BOOK-ENTRY-ONLY SYSTEM."

MATURITY SCHEDULE

Principal Amount(a)	Maturity (September 1)	CUSIP Number(c)	Interest Rate	Initial Reoffering Yield(d)	Principal Amount(a)	Maturity (September 1)	CUSIP Number(c)	Interest Rate	Initial Reoffering Yield(d)
$ 45,000	2028		%	%	$ 90,000	2041 (b)		%	%
50,000	2029				95,000	2042 (b)			
50,000	2030				100,000	2043 (b)			
55,000	2031				105,000	2044 (b)			
55,000	2032				115,000	2045 (b)			
60,000	2033 (b)				120,000	2046 (b)			
65,000	2034 (b)				125,000	2047 (b)			
65,000	2035 (b)				135,000	2048 (b)			
70,000	2036 (b)				140,000	2049 (b)			
75,000	2037 (b)				145,000	2050 (b)			
80,000	2038 (b)				155,000	2051 (b)			
80,000	2039 (b)				165,000	2052 (b)			
85,000	2040 (b)				175,000	2053 (b)			

(a) The Underwriter (hereinafter defined) may designate one or more consecutive serial maturities as term bonds. See accompanying "OFFICIAL NOTICE OF SALE."

(b) Bonds maturing on or after September 1, 2033, are subject to redemption at the option of the District prior to their maturity dates in whole, or from time to time in part, on September 1, 2032, or on any date thereafter at a price of par value plus unpaid accrued interest from the most recent Interest Payment Date (as herein defined) to the date fixed for redemption. See "THE BONDS—Redemption Provisions."

(c) CUSIP Numbers have been assigned to the Bonds by CUSIP Global Services and are included solely for the convenience of the purchasers of the Bonds. Neither the District nor the Underwriter shall be responsible for the selection or correctness of the CUSIP Numbers set forth herein. CUSIP data herein is provided by CUSIP Global Services, managed by Factset Research Systems, Inc. on behalf of The American Bankers Association. This data is not intended to create a database and does not serve as a substitute for CUSIP Global Services.

(d) Initial yield represents the initial offering yield to the public, which has been established by the Underwriter for offers to the public and which subsequently may be changed.

The Bonds are offered by the Underwriter subject to prior sale, when, as and if issued by the District and accepted by the respective Underwriter, subject, among other things, to the approval of the Bonds by the Attorney General of Texas and the approval of certain legal matters by Allen Boone Humphries Robinson LLP, Houston, Texas, Bond Counsel. See "LEGAL MATTERS." Delivery of the Bonds in book-entry form through the facilities of DTC is expected on or about December 16, 2026.

Bids Due: Wednesday, November 18, 2026, at 9:00 A.M., Houston Time in Houston, Texas
Bid Award: Wednesday, November 18, 2026, at 10:00 A.M., Houston Time in Houston, Texas

TABLE OF CONTENTS

MATURITY SCHEDULE **1**
USE OF INFORMATION IN OFFICIAL STATEMENT **3**
SALE AND DISTRIBUTION OF THE BONDS **4**
Award of the Bonds 4
Prices and Marketability 4
Securities Laws 4
OFFICIAL STATEMENT SUMMARY **5**
SELECTED FINANCIAL INFORMATION (UNAUDITED) **8**
THE BONDS **9**
Description 9
Method of Payment of Principal and Interest 9
Source of Payment 9
Funds 10
Redemption Provisions 10
Authority for Issuance 10
Registration and Transfer 11
Lost, Stolen or Destroyed Bonds 11
Replacement of Paying Agent/Registrar 11
Issuance of Additional Debt 12
Consolidation 12
Dissolution 12
Remedies in Event of Default 12
Legal Investment and Eligibility to Secure Public Funds in Texas 13
Defeasance 13
BOOK-ENTRY-ONLY SYSTEM **14**
USE AND DISTRIBUTION OF BOND PROCEEDS **16**
THE DISTRICT **17**
General 17
Description and Location 17
Land Use 17
Status of Development 18
THE DEVELOPERS AND MAJOR PROPERTY OWNERS **18**
General 18
The Developers 18
Major Property Owners 18
Obligations of the Developers or Land Owners 19
MANAGEMENT OF THE DISTRICT **19**
Board of Directors 19
District Consultants 19
ROAD SYSTEM **20**
THE SYSTEM **20**
Regulation 20
Utility Agreement Between the City of Waller and the District 20
Water Supply 20
Wastewater Treatment 20
100-Year Flood Plain 20
FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED) **21**
Investments of the District 21
Outstanding Bonds 21
Debt Service Requirements 22
Estimated Overlapping Debt 23
Overlapping Taxes 23
General Operating Fund 24
TAX DATA **25**
Debt Service Tax 25
Maintenance Tax 25
Historical Tax Rate Distribution 25
Additional Penalties 25
Historical Tax Collections 25
Tax Roll Information 26
Principal Taxpayers 26
Tax Adequacy for Debt Service 27
TAXING PROCEDURES **27**
Authority to Levy Taxes 27
Property Tax Code and County-Wide Appraisal District 27
Property Subject to Taxation by the District 27
Tax Abatement 28
Valuation of Property for Taxation 29
District and Taxpayer Remedies 29
Levy and Collection of Taxes 30
Tax Payment Installments After Disaster 30
Rollback of Operation and Maintenance Tax Rate 30
District's Rights in the Event of Tax Delinquencies 31
RISK FACTORS **32**
General 32
Undeveloped Acreage, Vacant Land and Vacant Lots 32
Operating Funds 32
Economic Factors and Interest Rates 32
Credit Markets and Liquidity in the Financial Markets 33
Competition 33
Increase in Costs of Building Materials 33
Possible Impact on District Tax Rates 33
Potential Effects of Oil Price Volatility on the Houston Area 34
Extreme Weather 34
Specific Flood Type Risks 34
Atlas 14 34
Tax Collections Limitations 34
Registered Owners' Remedies and Bankruptcy Limitations 35
Future Debt 36
Marketability of the Bonds 36
Environmental Regulations 36
Continuing Compliance with Certain Covenants 38
Future Legislation 38
Cybersecurity 38
Risk Factors Related to the Purchase of Municipal Bond Insurance 38
LEGAL MATTERS **39**
Legal Proceedings 39
No Material Adverse Change 39
No-Litigation Certificate 39
TAX MATTERS **39**
Tax Exemption 39
Qualified Tax-Exempt Obligations 40
Additional Federal Income Tax Considerations 40
Tax Legislative Changes 42
MUNICIPAL BOND RATING AND MUNICIPAL BOND INSURANCE **42**
PREPARATION OF OFFICIAL STATEMENT **42**
Sources and Compilation of Information 42
Financial Advisor 42
Consultants 42
Updating the Official Statement 43
Certification of Official Statement 43
CONTINUING DISCLOSURE OF INFORMATION **43**
Annual Reports 43
Event Notices 44
Availability of Information from the MSRB 44
Limitations and Amendments 44
Compliance With Prior Undertakings 44
MISCELLANEOUS **45**

AERIAL LOCATION MAP
PHOTOGRAPHS OF THE DISTRICT
APPENDIX A—Independent Auditor's Report and Financial Statements of the District for the fiscal year ended July 31, 2025

USE OF INFORMATION IN OFFICIAL STATEMENT

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, as amended and in effect on the date hereof ("Rule 15c2-12"), this document constitutes an OFFICIAL STATEMENT 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 the information permitted by 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.

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

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

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

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

SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Bonds, the District accepted the bid resulting in the lowest net effective interest rate, which bid was tendered by _____ (the "Underwriter") bearing the interest rates shown on the cover page hereof, at a price of _____% of the par value thereof which resulted in a net effective interest rate of _____%, as calculated pursuant to Chapter 1204 of the Texas Government Code, as amended (the IBA method).

Prices and Marketability

The prices and other terms with respect to the offering and sale of the Bonds may be changed from time-to-time by the Underwriter after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the Bonds into investment accounts. In connection with the offering of the Bonds, the Underwriter may over allot or effect transactions 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.

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

Securities Laws

No registration statement relating to the offer and sale of the Bonds has been filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein and the Bonds have not been registered or qualified under the securities laws of any other jurisdiction. The District assumes no responsibility for registration or qualification of the Bonds under the securities laws of any other jurisdiction in which the Bonds may be offered, sold or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions in such other jurisdiction.

OFFICIAL STATEMENT SUMMARY

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

THE DISTRICT

Description... The District is a political subdivision of the State of Texas, created by the Texas Commission on Environmental Quality (the "TCEQ") on August 7, 2019, and operating pursuant to Chapters 49 and 54 of the Texas Water Code, as amended, Article XVI, Section 59 of the Texas Constitution. The District annexed approximately 41 acres in October 2025 and currently contains approximately 562 acres of land. See "THE DISTRICT."

Location… The District is located in Waller County, approximately 48 miles northwest of the central downtown business district of the City of Houston and lies wholly within the corporate boundaries of the City of Waller. The District is also located within the boundaries of the Waller Independent School District. Access to the District is provided by U.S. Highway 290, Farm-to-Market Road 362, Owens Road and James R. Muse Parkway. See "THE DISTRICT" and "AERIAL LOCATION MAP."

The Developers And Major Landowners… The developer of Beacon Hill, Sections One through Seven, which consists of approximately 101 acres, is Woodmere Development Co., Ltd. ("Woodmere"), a Texas limited partnership, the general partner of which is Woodmere GP, L.L.C., a Texas limited liability company.

BGM Land Investments Ltd. ("BGM"), a Texas limited partnership with G.P. Landvest L.L.C. as its general partner, which is under common ownership and management with Woodmere, owns the majority of the remaining undeveloped residential land in the District, consisting of approximately 109 acres, and intends to sell such undeveloped land to Woodmere for development on an as needed basis. After developing the land, Woodmere sells the developed lots on an as needed basis to Long Lake Ltd. ("Long Lake"), a Texas limited partnership d/b/a Lake Ridge Builders or Briarwood Homes, which is also under common ownership and management with Woodmere and BGM.

Beacon Hill, LLC, is a Texas limited liability company and an affiliate of Wolff Companies of Houston, Texas. Beacon Hill, LLC initially owned approximately 230 acres of land within the District, all of which have been provided with trunk utilities. Beacon Hill, LLC subsequently acquired an additional approximate 70 acres, of which approximately 41 acres has been annexed into the District for commercial development. Beacon Hill, LLC has sold approximately 78 acres to Beacon Hill Industrial LLC, a Hines-controlled affiliate and approximately 41 acres to Memorial Hermann Health System. Beacon Hill, LLC continues to own approximately 151 acres of commercial tracts.

Woodmere and Beacon Hill, LLC are collectively referred to herein as the "Developers." See "THE DEVELOPERS AND MAJOR PROPERTY OWNERS" and "TAX DATA—Principal Taxpayers."

Status of Development... Single-family residential development in the District currently consists of Beacon Hill, Sections One through Seven (391 single-family residential lots on approximately 101 acres). According to Woodmere, as of November 3, 2026, 273 homes were completed, including 2 model homes (257 occupied), 22 homes were under construction and 96 vacant developed lots were available for home construction. In addition, there are approximately 162 acres of developable but undeveloped property in the District, approximately 230 acres served with trunk utilities for commercial tracts and approximately 69 undevelopable acres consisting of rights-of-way, detention ponds, lake amenities, easements, parks and recreational and open space. See "THE DISTRICT—Land Use" and "—Status of Development."

Homebuilding… Active homebuilding within the District is currently being performed by Lake Ridge Builders and Briarwood Homes. According to Woodmere, the prices of new homes in the District range in price from approximately $350,000 to $546,000. See "THE DISTRICT—Status of Development" and "THE DEVELOPERS AND MAJOR PROPERTY OWNERS—The Developers—*Woodmere Development Co., Ltd*."

Payment Record... The District has previously issued one series of unlimited tax bonds totaling $2,500,000 principal amount and three series of unlimited tax road bonds totaling $8,710,000 principal amount, $10,850,000 of which is outstanding as of the date hereof (the "Outstanding Bonds"). See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Outstanding Bonds." The Bonds are the District's fourth issuance of unlimited tax bonds for the purpose of constructing road facilities. The District has never defaulted in the payment of principal and interest on the Outstanding Bonds. The District capitalized $237,500 of interest on the Series 2025 Bonds in December 2025 and will capitalize eighteen (18) months of interest from Bond proceeds. See "USE AND DISTRIBUTION OF BOND PROCEEDS."

THE BONDS

Description... The $2,500,000 Unlimited Tax Road Bonds, Series 2026 (the "Bonds") are being issued pursuant to a resolution authorizing the issuance of the Bonds (the "Bond Resolution") adopted by the District's Board of Directors. The Bonds are scheduled to mature serially on September 1 in each of the years 2028 through 2053, both inclusive, in the principal amounts and accruing interest at the rates shown on the cover page hereof. The Bonds are dated December 1, 2026, and interest on the Bonds accrues from the Date of Delivery and is payable March 1, 2027, and each September 1 and March 1 thereafter, until the earlier of maturity or redemption. The Bonds will be issued in denominations of $5,000 or integral multiples of $5,000. See "THE BONDS."

Book-Entry-Only System… The Depository Trust Company, New York, New York ("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 requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds and will be deposited with DTC. See "BOOK-ENTRY-ONLY SYSTEM."

Redemption... Bonds maturing on or after September 1, 2033, are subject to redemption in whole, or from time to time in part, at the option of the District prior to their maturity dates on September 1, 2032, or on any date thereafter at a price of par value plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. See "THE BONDS—Redemption Provisions."

Use of Proceeds... Proceeds of the Bonds will be used to pay for the items shown herein under "USE AND DISTRIBUTION OF BOND PROCEEDS," including to pay engineering fees; to capitalize eighteen (18) months of interest on the Bonds; to pay interest on funds advances by the Developers; and to pay administrative costs and certain other costs and engineering fees related to the issuance of the Bonds.

Authority for Issuance... The Bonds are the fourth series of bonds issued out of an aggregate of $149,750,000 principal amount of unlimited tax bonds authorized by the District's voters for the purpose of constructing or acquiring road facilities and for refunding such bonds. The Bonds are issued by the District pursuant to the terms and conditions of the Bond Resolution, a resolution adopted by the City of Waller, Texas approving the sale of the Bonds, Article III, Section 52 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended, and general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas. See "THE BONDS—Authority for Issuance," "—Issuance of Additional Debt," and "RISK FACTORS—Future Debt."

Source of Payment... Principal of and interest on the Bonds are payable from the proceeds of a continuing direct annual ad valorem tax levied, without legal limitation as to rate or amount, against all taxable property within the District. The Bonds are obligations of the District and are not obligations of the City of Waller, Waller County, the State of Texas or any entity other than the District. See "THE BONDS—Source of Payment."

Municipal Bond Rating and Municipal Bond Insurance…	The District has not applied for an underlying investment grade rating nor is it expected that the District would have been successful if such application had been made. The District has submitted applications to two municipal bond insurers for a contract for municipal bond insurance on the Bonds. If qualified, purchase of such insurance will be available at the option of the Underwriter and at the Underwriter's expense. See "RISK FACTORS—Risk Factors Related to the Purchase of Municipal Bond Insurance" and "MUNICIPAL BOND RATING AND MUNICIPAL BOND INSURANCE."
Qualified Tax-Exempt Obligations...	The Bonds will be designated "qualified tax-exempt obligations" for financial institutions. See "TAX MATTERS—Qualified Tax-Exempt Obligations."
Bond Counsel...	Allen Boone Humphries Robinson LLP, Houston, Texas. See "MANAGEMENT OF THE DISTRICT," "LEGAL MATTERS" and "TAX MATTERS."
Financial Advisor...	Masterson Advisors LLC, Houston, Texas. See "MANAGEMENT OF THE DISTRICT."
Disclosure Counsel...	McCall, Parkhurst & Horton L.L.P., Houston, Texas.
Paying Agent/Registrar...	The Bank of New York Mellon Trust Company, N.A., Houston, Texas. See "THE BONDS—Method of Payment of Principal and Interest."

RISK FACTORS

The purchase and ownership of the Bonds are subject to special investment considerations and all prospective purchasers are urged to examine carefully this entire OFFICIAL STATEMENT with respect to the investment security of the Bonds, including particularly the section captioned "RISK FACTORS."

SELECTED FINANCIAL INFORMATION (UNAUDITED)

2026 Certified Taxable Assessed Valuation	$ 92,729,034	(a)
Estimated Taxable Assessed Valuation as of September 15, 2026	$128,738,200	(b)
Gross Direct Debt Outstanding	$13,350,000	(c)
Estimated Overlapping Debt	12,656,928	(d)
Gross Direct Debt and Estimated Overlapping Debt	$26,006,928	
Ratios of Gross Direct Debt to:		
2026 Certified Taxable Assessed Valuation	14.40%	
Estimated Taxable Assessed Valuation as of September 15, 2026	10.37%	
Ratios of Gross Direct Debt and Estimated Overlapping Debt to:		
2026 Certified Taxable Assessed Valuation	28.05%	
Estimated Taxable Assessed Valuation as of September 15, 2026	20.20%	
Debt Service Funds Available:		
WSD Debt Service Funds Available as of November 3, 2026	$154,735	(e)
Road Debt Service Funds Available as of November 3, 2026	131,801	(e)
Capitalized Interest from proceeds of the Bonds (Eighteen (18) Months)	206,250	(e)(f)
Total Funds Available for Debt Service	$492,786	
Operating Funds Available as of November 3, 2026	$6,827	(g)
2026 Debt Service Tax Rate	$0.80	
2026 Maintenance Tax Rate	0.20	(g)
2026 Total Tax Rate	$1.00	
Average Annual Debt Service Requirement (2027-2053)	$886,403	(h)
Maximum Annual Debt Service Requirement (2049)	$996,588	(h)
Tax Rate Required to Pay Average Annual Debt Service (2027-2053) at a 95% Collection Rate		
Based upon 2026 Certified Taxable Assessed Valuation	$1.01	(i)
Based upon Estimated Taxable Assessed Valuation as of September 15, 2026	$0.73	(i)
Tax Rate Required to Pay Maximum Annual Debt Service (2049) at a 95% Collection Rate		
Based upon 2026 Certified Taxable Assessed Valuation	$1.14	(i)
Based upon Estimated Taxable Assessed Valuation as of September 15, 2026	$0.82	(i)
Status of Development as of November 3, 2026 (j):		
Total Developed Lots	391	
Homes Completed (257 Occupied and 2 Model Homes)	273	
Homes Under Construction	22	
Lots Available for Home Construction	96	
Estimated Population	900	(k)

(a) As certified by the Waller County Appraisal District (the "Appraisal District"). See "TAXING PROCEDURES."

(b) Provided by the Appraisal District for informational purposes only. Such amounts reflect an estimate of the taxable assessed value within the District on September 15, 2026. No tax will be levied on such amount until it is certified. Increases in value occurring between January 1, 2026 and September 15, 2026, will be certified as of January 1, 2027, and provided for purposes of taxation in the summer of 2027. See "TAXING PROCEDURES" and "RISK FACTORS—Possible Impact on District Tax Rates."

(c) The Outstanding Bonds and the Bonds. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Outstanding Bonds."

(d) See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Estimated Overlapping Debt."

(e) Funds in the WSD Debt Service Fund are available to pay debt service on the bonds issued for water, sewer and drainage facilities and are not available to pay debt service on bonds issued for road facilities. Funds in the Road Debt Service Fund are available to pay debt service on bonds issued for road facilities (including the Bonds) and are not available to pay debt service on the District's bonds issued for water, sewer and drainage facilities. See "THE BONDS—Funds" and "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Debt Service Requirements."

(f) The District will capitalize eighteen (18) months of interest from Bond proceeds and deposit such funds in the Road Debt Service Fund. The amount of capitalized interest shown above is estimated at 5.50%. See "USE AND DISTRIBUTION OF BOND PROCEEDS."

(g) See "RISK FACTORS—Operating Funds."

(h) Based upon an estimated interest rate of 5.50% per annum on the Bonds. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Debt Service Requirements."

(i) See "TAX DATA—Tax Adequacy for Debt Service" and "RISK FACTORS—Possible Impact on District Tax Rates."

(j) See "THE DISTRICT—Land Use" and "—Status of Development."

(k) Based upon 3.5 persons per occupied single-family residence.

PRELIMINARY OFFICIAL STATEMENT

WALLER COUNTY MUNICIPAL UTILITY DISTRICT NO. 33
(A political subdivision of the State of Texas located within Waller County)

$2,500,000

UNLIMITED TAX ROAD BONDS
SERIES 2026

This OFFICIAL STATEMENT provides certain information in connection with the issuance by Waller County Municipal Utility District No. 33 (the "District") of its $2,500,000 Unlimited Tax Road Bonds, Series 2026 (the "Bonds").

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

This OFFICIAL STATEMENT includes descriptions, among others, of the Bonds and the Bond Resolution, and certain other information about the District, Woodmere Development Co., Ltd. ("Woodmere"), a Texas limited partnership, and Beacon Hill, LLC, a Texas limited liability company and development activity in the District. Woodmere and Beacon Hill, LLC are collectively referred to herein as the "Developers." All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each document. Copies of documents may be obtained from Allen Boone Humphries Robinson LLP, Bond Counsel, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027.

THE BONDS

Description

The Bonds will be dated December 1, 2026, and interest will accrue from the Date of Delivery with interest payable each March 1 and September 1, beginning March 1, 2027 (each an "Interest Payment Date"), and will mature on the dates and in the principal amounts and accrue interest at the rates shown on the cover page hereof. The Bonds are issued in fully registered form, in denominations of $5,000 or any integral multiple of $5,000. Interest calculations are based on a 360-day year comprised of twelve 30-day months.

Method of Payment of Principal and Interest

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

If the date for payment of the principal of or interest on any Bond is not a business day, then the date for such payment shall be the next succeeding business day, as defined in the Bond Resolution.

Source of Payment

While the Bonds or any part of the principal thereof or interest thereon remains outstanding and unpaid, the District covenants to levy and annually assess and collect in due time, form and manner, and at the same time as other District taxes are appraised, levied and collected, in each year, a continuing direct annual ad valorem tax, without limit as to rate, upon all taxable property in the District sufficient to pay the interest on the Bonds as the same becomes due and to pay each installment of the principal of the Bonds as the same matures, with full allowance being made for delinquencies and costs of collection. In the Bond Resolution, the District covenants that said taxes are irrevocably pledged to the payment of the interest on and principal of the Bonds and to no other purpose.

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

Funds

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

The District also maintains a Water, Sewer and Drainage Debt Service Fund that is not pledged on bonds issued for the purpose of acquiring or constructing road facilities ("Road Bonds"), including the Bonds. Funds in the Water, Sewer and Drainage Debt Service Fund are not available to pay principal and interest on the Road Bonds, including the Bonds.

Eighteen (18) months of interest shall be deposited into the Road Debt Service Fund upon receipt. The remaining proceeds of sale of the Bonds shall be deposited into the Road Capital Projects Fund (as that term is defined therein), to be used for the purpose of paying for certain construction costs, paying developer interest, and paying the costs of issuance of the Bonds. Any monies remaining in the Road Capital Projects Fund after completion of construction of all road facilities will be used as described in the Bond Resolution or ultimately transferred to the Road Debt Service Fund. See "USE AND DISTRIBUTION OF BOND PROCEEDS" for a complete description of the use of Bond proceeds and the projects related thereto.

Redemption Provisions

The District reserves the right, at its option, to redeem the Bonds maturing on or after September 1, 2033, prior to their scheduled maturities, in whole or from time to time in part, in integral multiples of $5,000 on September 1, 2032, or any date thereafter, at a price of par value plus unpaid accrued interest on the principal amounts called for redemption from the most recent Interest Payment Date to the date fixed for redemption.

If less than all of the Bonds are redeemed at any time, the maturities of the Bonds to be redeemed will be selected by the District. If less than all of the Bonds of a certain maturity are to be redeemed, the particular Bonds to be redeemed shall be selected by the Paying Agent/Registrar by lot or other random method (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form).

If a Bond subject to redemption is in a denomination larger than $5,000, a portion of such Bond may be redeemed, but only in integral multiples of $5,000. Upon surrender of any Bond for redemption in part, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a Bond or Bonds of like maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

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

Authority for Issuance

At a bond election held within the District on November 5, 2019, voters of the District authorized the issuance of $292,900,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring water, wastewater, and drainage facilities and for refunding such bonds; $149,750,000 principal amount of unlimited tax bonds for the purpose of constructing road facilities and refunding such bonds; and $24,950,000 principal amount of unlimited tax bonds for constructing or acquiring parks and recreational facilities and refunding such bonds. The Bonds constitute the fourth issuance of bonds from the authorization for acquiring or constructing road facilities. After issuance of the Bonds, a total of $290,400,000 in principal amount of unlimited tax bonds will remain authorized but unissued from the authorization for acquiring or constructing water, sanitary sewer and drainage facilities and refunding of such bonds, a total of $138,540,000 in principal amount of unlimited tax bonds will remain authorized but unissued from the authorization for acquiring or constructing road facilities and refunding of such bonds and all of the unlimited tax bonds for acquiring parks and recreational facilities and refunding such bonds. See "Issuance of Additional Debt" herein.

The Bonds are issued by the District pursuant to terms and conditions of the Bond Resolution; a resolution adopted by the City approving the sale of the Bonds, Article III, Section 52 of the Texas Constitution; Chapters 49 and 54 of the Texas Water Code, as amended; an election held within the District; and general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas.

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

Registration and Transfer

So long as any Bonds remain outstanding, the Paying Agent/Registrar shall keep the Register at its principal payment office and, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with the terms of the Bond Resolution.

In the event the Book-Entry-Only System should be discontinued, each Bond shall be transferable only upon the presentation and surrender of such Bond at the principal payment office of the Paying Agent/Registrar, duly endorsed for transfer, or accompanied by an assignment duly executed by the Registered Owner or his authorized representative in form satisfactory to the Paying Agent/Registrar. Upon due presentation of any Bond in proper form for transfer, the Paying Agent/Registrar has been directed by the District to authenticate and deliver in exchange therefor, within three (3) business days after such presentation, a new Bond or Bonds, registered in the name of the transferee or transferees, in authorized denominations and of the same maturity and aggregate principal amount and paying interest at the same rate as the Bond or Bonds so presented.

All Bonds shall be exchangeable upon presentation and surrender thereof at the principal payment office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in any authorized denomination in an aggregate amount equal to the unpaid principal amount of the Bond or Bonds presented for exchange. The Paying Agent/Registrar is authorized to authenticate and deliver exchange Bonds. Each Bond delivered shall be entitled to the benefits and security of the Bond Resolution to the same extent as the Bond or Bonds in lieu of which such Bond is delivered.

Neither the District nor the Paying Agent/Registrar shall be required to transfer or to exchange any Bond during the period beginning on a Record Date and ending the next succeeding Interest Payment Date or to transfer or exchange any Bond called for redemption during the thirty (30) day period prior to the date fixed for redemption of such Bond.

The District or the Paying Agent/Registrar may require the Registered Owner of any Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Bond. Any fee or charge of the Paying Agent/Registrar for such transfer or exchange shall be paid by the District.

Lost, Stolen or Destroyed Bonds

In the event the Book-Entry-Only System should be discontinued, upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. If any Bond is lost, apparently destroyed, or wrongfully taken, the District, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall, upon receipt of certain documentation from the Registered Owner and an indemnity bond, execute and the Paying Agent/Registrar shall authenticate and deliver a replacement Bond of like maturity, interest rate and principal amount bearing a number not contemporaneously outstanding.

Registered owners of lost, stolen or destroyed Bonds will be required to pay the District's costs to replace such Bond. In addition, the District or the Paying Agent/Registrar may require the Registered Owner to pay a sum sufficient to cover any tax or other governmental charge that may be imposed.

Replacement of Paying Agent/Registrar

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

Issuance of Additional Debt

The District's voters have authorized the issuance of $292,900,000 principal amount of unlimited tax bonds for the purpose of constructing and/or acquiring water, wastewater and drainage facilities and for refunding such bonds; $149,750,000 principal amount of unlimited tax bonds for the purpose of constructing roads and related improvements and for refunding such bonds; and $24,950,000 principal amount of unlimited tax bonds for the purpose of constructing and/ or acquiring park and recreational facilities and for refunding such bonds. Voters within the District could authorize additional amounts. After the issuance of the Bonds, $290,400,000 principal amount of unlimited tax bonds for the purpose of constructing and/or acquiring water, wastewater and drainage facilities and for refunding such bonds, $138,540,000 principal amount of the unlimited tax bonds for road facilities and all of the authorized amounts for parks and recreational facilities will remain authorized but unissued. See "RISK FACTORS—Future Debt."

If the District does issue park bonds, the outstanding principal amount of such bonds may not exceed an amount equal to one percent (1%) of the value of the taxable property in the District, unless the District meets certain financial feasibility requirements under the Texas Commission on Environmental Quality (the "TCEQ") rules, in which case the outstanding principal amount of such bonds issued by the District may exceed an amount greater than one percent (1%) but not greater than three percent (3%) of the value of the taxable property in the District.

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

If additional debt obligations are issued in the future by the District, such issuance may increase gross debt/property ratios and might adversely affect the investment security of the Bonds.

Consolidation

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

Dissolution

Under existing State law, since the District lies wholly within the corporate limits of the City, the District may be dissolved by the City without the consent of the District or its voters, subject, however to the terms of the Utility Agreement between the District and the City. See "THE SYSTEM—Utility Agreement between the City of Waller and the District." If the District is dissolved, the City must assume the District's assets and obligations (including the Bonds).

Dissolution of a district is a policy-making matter within the discretion of the Mayor and City Council of the City and therefore, the District makes no representation that the City will ever dissolve the District and assume its debt. Moreover, no representation is made concerning the ability of the City to make debt service payments should dissolution occur.

Remedies in Event of Default

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

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

Legal Investment and Eligibility to Secure Public Funds in Texas

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

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

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

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

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

Defeasance

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

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

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

BOOK-ENTRY-ONLY SYSTEM

The information in this section concerning the Depository Trust Company New York, NY ("DTC") and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy or completeness thereof.

The District cannot and does not give any assurances that DTC, DTC Direct Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) prepayment or other notices sent to DTC or Cede & Co., its nominee, as the Registered Owner of the Bonds, or that they will do so on a timely basis or that DTC, DTC Direct Participants or DTC Indirect Participants will act in the manner described in this OFFICIAL STATEMENT. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedure" of DTC to be followed in dealing with DTC Direct Participants is on file with DTC.

The 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 requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect 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 the District (or the Trustee on behalf thereof) 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).

Principal, premium, if any, interest payments and redemption proceeds 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 Paying Agent, 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, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, interest payments and redemption proceeds 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, 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. 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 transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

USE AND DISTRIBUTION OF BOND PROCEEDS

The construction costs below were compiled by LJA Engineering, Inc., the District's engineer (the "Engineer") and are based upon either contract amounts, or estimates of various costs by the Engineer and Masterson Advisors LLC (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 District's auditor prior to disbursement. Surplus funds, if any, may be expended for any lawful purpose.

I.	**CONSTRUCTION COSTS**		
	• Beacon Hill, Section Two Paving	$	147,303
	• Beacon Hill, Section Five Paving		614,184
	• Beacon Hill, Section Six Paving		630,350
	• Engineering, Geotechnical and CPS		204,464
	Total Construction Costs	**$**	**1,596,301**
II.	**NON-CONSTRUCTION COSTS**		
	• Underwriter's Discount (Estimated at 3.00%)	$	75,000
	• Capitalized Interest (18 Months Estimated at 5.50%)		206,250
	• Developer Interest		424,150
	Total Non-Construction Costs	**$**	**705,400**
III.	**ISSUANCE COSTS AND FEES**		
	• Issuance Costs and Professional Fees	$	170,799
	• Engineering Fees		25,000
	• State Regulatory Fees		2,500
	Total Issuance Costs and Fees	**$**	**198,299**
	TOTAL BOND ISSUE	**$**	**2,500,000**

THE DISTRICT

General

The District is a political subdivision of the State of Texas, created by the TCEQ on August 7, 2019 and operating pursuant to Article III, Section 52 and Article XVI, Section 59 of the Texas Constitution and Chapters 49 and 54 of the Texas Water Code, as amended. The District annexed approximately 41 acres in October 2025 and currently contains approximately 562 acres of land.

The District is empowered, among other things, to purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply and distribution of water; the collection, transportation, and treatment of wastewater; the control and diversion of storm water; and the construction of roads and related facilities. The District may issue bonds and other forms of indebtedness to purchase or construct such facilities. The District is also authorized to develop parks and recreational facilities, including the issuance of bonds payable from taxes for such purposes. The District is also empowered to establish, operate, and maintain fire-fighting facilities, independently or with one or more conservation and reclamation districts, after approval by the voters of the District.

The TCEQ exercises continuing supervisory jurisdiction over the District. To comply with its consent ordinance for creation from the City, within the extraterritorial jurisdiction of which the District is located, the District is required to observe certain requirements of the City consent ordinance which: limit the purposes for which the District may sell bonds to the acquisition, construction, and improvement of waterworks, wastewater, drainage, park and recreational facilities and roads and related improvements; limit the net effective interest rate on such bonds and other terms of such bonds; require approval by the City of District construction plans; and permit connections only to legally subdivided lots that are part of a recorded subdivision plat or otherwise exempt from the subdivision requirements of the City and Waller County. Construction and operation of the District's system is subject to the regulatory jurisdiction of additional governmental agencies. See "THE SYSTEM— Regulation."

Description and Location

The District is located in Waller County, approximately 48 miles northwest of the central downtown business district of the City of Houston and lies wholly within the corporate boundaries of the City. The District is also located within the boundaries of the Waller Independent School District. Access to the District is provided by U.S. Highway 290, Farm-to-Market Road 362, Owens Road to Beacon Hill Boulevard and James R. Muse Parkway. See "AERIAL LOCATION MAP."

Land Use

The District's land plan currently includes approximately 101 acres developed as 391 single-family residential lots, approximately 230 acres of commercial tracts provided with trunk utilities, 162 acres of undeveloped but developable land and approximately 69 acres of land that are undevelopable (rights-of-way, detention ponds, lake amenities, easements, parks, recreational and open space). The table below represents a detailed breakdown of the current acreage and development in the District.

Single-Family Residential	Approximate Acres	Lots
Beacon Hill:		
Section One	14	58
Section Two	15	59
Section Three	15	61
Section Four	17	52
Section Five	15	62
Section Six	13	45
Section Seven	12	54
Subtotal	101	391
Commercial & Other		
Commercial Tracts	230	---
Future Development	162	---
Undevelopable (a)	69	---
Totals	562	391

(a) Represents rights-of-way, detention ponds, lakes, amenities, easements, parks, and recreational and open space.

Status of Development

Single-Family Residential: Single-family residential development in the District consists of Beacon Hill, Sections One through Seven (391 single-family residential lots on approximately 101 acres). As of November 3, 2026, 273 homes were completed, including 2 models (257 occupied), 22 homes were under construction and 96 vacant developed lots were available for home construction. According to Woodmere, the prices of new homes in the District range in price from approximately $350,000 to $546,000. The estimated population in the District based upon 3.5 persons per occupied single family residence is 900.

Active homebuilding within the District is currently being done by Lake Ridge and Briarwood Homes. See "THE DEVELOPERS AND MAJOR PROPERTY OWNERS—The Developers—*Woodmere Development Co., Ltd*."

Commercial Tracts: Approximately 230 acres of commercial tracts have been provided with trunk utilities; however, no taxable improvements have been constructed to date.

THE DEVELOPERS AND MAJOR PROPERTY OWNERS

General

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

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

The Developers

Woodmere Development Co., Ltd: The developer of Beacon Hill, Sections One through Seven, which consists of approximately 101 acres, is Woodmere Development Co., Ltd. ("Woodmere"), a Texas limited partnership, the general partner of which is Woodmere GP, L.L.C., a Texas limited liability company. Woodmere currently owns approximately 24 acres within the District. BGM Land Investments Ltd. ("BGM"), a Texas limited partnership with G.P. Landvest L.L.C. as its general partner, which is under common ownership and management with Woodmere, owns the majority of the remaining undeveloped residential land in the District consisting of approximately 109 acres and intends to sell such undeveloped land to Woodmere for development on an as-needed basis. After developing the land, Woodmere sells the developed lots on an as needed basis to Long Lake Ltd. ("Long Lake"), a Texas limited partnership d/b/a Lake Ridge Builders or Briarwood Homes, which is also under common ownership and management with Woodmere and BGM. One or more of such entities have been in the development business since 1997. See "THE DISTRICT—Status of Development."

Woodmere has financed its purchase of land within the District and its development activities thereon with internally generated funds and does not currently have any outstanding loans related to ownership or development of its land within the District.

Beacon Hill, LLC: Beacon Hill, LLC, is a Texas limited liability company and an affiliate of Wolff Companies of Houston, Texas. Beacon Hill, LLC initially owned approximately 230 acres of land within the District, all of which have been provided with trunk utilities. Beacon Hill, LLC subsequently acquired an additional approximate 70 acres, of which 41 acres has been annexed into the District for commercial development. Beacon Hill, LLC has sold approximately 78 acres to Beacon Hill Industrial LLC, a Hines-controlled affiliate and approximately 41 acres to Memorial Hermann Health Care System. See "Major Property Owners" below. Beacon Hill, LLC continues to own approximately 151 acres of commercial tracts.

Major Property Owners

Beacon Hill Industrial LLC, a Hines-controlled affiliate, owns approximately 78 acres within the District and Memorial Hermann Health Care System owns approximately 41 acres in the District. No taxable improvements have been constructed on either tract; however, the tracts are served with trunk utilities.

Obligations of the Developers or Land Owners

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

MANAGEMENT OF THE DISTRICT

Board of Directors

The District is governed by the Board, consisting of five (5) directors, which has control over and management supervision of all affairs of the District. Directors are elected to four-year terms and elections are held in May in even numbered years only. None of the Board members resides within the District; however, each of the Board members owns land within the District subject to a note and deed of trust in favor of the Developers. Directors have staggered four-year terms. The current members and officers of the Board, along with their titles and terms, are listed as follows:

Name	District Board Title	Term Expires
Jeff E. Ross	President	May 2028
Stanley V. Grisham	Vice President	May 2030
Joel Halbert Berry, IV	Secretary	May 2028
Terry D. Beasley	Assistant Vice President	May 2030
Jeremy L. Weber	Assistant Secretary	May 2030

District Consultants

The District does not have a general manager or other full-time employees but contracts for certain necessary services as described below.

Bond Counsel/Attorney: The District has engaged Allen Boone Humphries Robinson LLP as general counsel to the District and as Bond Counsel in connection with the issuance of the District's bonds. The fees of the attorneys in their capacity as Bond Counsel are contingent upon the sale and delivery of the Bonds. Compensation to the attorneys for other services to the District is based on time charges actually incurred.

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

Financial Advisor: Masterson Advisors LLC serves as the District's Financial Advisor. The fee for services rendered in connection with the issuance of the Bonds is based on a percentage of the Bonds actually issued, sold and delivered and, therefore, such fee is contingent upon the sale and delivery of the Bonds.

Auditor: The financial statements of the District as of July 31, 2025, and for the year then ended, included in this offering document, have been audited by Forvis Mazars, LLP, independent auditors, as stated in their report appearing herein. The District has engaged Forvis Mazars, LLP to audit its financial statements for the fiscal year ended July 31, 2026. See "APPENDIX A" for a copy of the District's audited financial statements for the fiscal year ended July 31, 2025.

Engineer: The District's consulting engineer is LJA Engineering, Inc.

Tax Appraisal: The Waller County Appraisal District has the responsibility of appraising all property within the District. See "TAXING PROCEDURES."

Tax Assessor/Collector: The District has appointed an independent tax assessor/collector to perform the tax collection function. Tax Tech, Inc. (the "Tax Assessor/Collector") has been employed by the District to serve in this capacity.

Bookkeeper: The District has contracted with Myrtle Cruz, Inc. (the "Bookkeeper") for bookkeeping services.

Utility System Operator: The operator of the water and wastewater system serving the District is the City of Waller.

ROAD SYSTEM

The District's road system consists of one major thoroughfare, Beacon Hill Boulevard, and internal streets. Beacon Hill Boulevard is the primary point of access to the District and connects the internal streets with Owens Road. Owens Road connects to Farm-to-Market 362 which ultimately connects to U.S. Highway 290. Beacon Hill Boulevard also has direct access to U.S. Highway 290 that includes on/off ramps and frontage road extension, which are currently under construction. All roadways are designed and constructed in accordance with City standards, rules, and regulations. Upon acceptance by the City, the City is responsible for the operation and maintenance of the roads. See "USE AND DISTRIBUTION OF BOND PROCEEDS."

THE SYSTEM

Regulation

Construction and operation of the District's water, sanitary sewer and storm drainage system as it now exists or as it may be expanded from time to time is subject to regulatory jurisdiction of federal, state and local authorities. The TCEQ exercises continuing, supervisory authority over the District. Construction of water, sanitary sewer and storm drainage facilities is subject to the regulatory authority of the District, the City and Waller County. The TCEQ also exercises regulatory jurisdiction over portions of the water, sanitary and storm drainage system.

Utility Agreement Between the City of Waller and the District

All land in the District is located within the corporate limits of the City. The City entered into a Utility Agreement dated June 28, 2018, pertaining to the District (the "Utility Agreement"), which was approved and assumed by the District effective August 14, 2019. Pursuant to the Utility Agreement, the District agreed to construct, at its sole expense, water distribution, wastewater collection, and storm drainage and detention facilities to serve the District and to convey the water distribution lines, wastewater collection lines, lift stations, and storm drainage lines to the City for ownership, operation, and maintenance at the City's expense. The City bills and collects for services from the District's customers and all revenues are the property of the City. The City has agreed to provide the District with its ultimate requirements for water supply and distribution and wastewater treatment and collection. The District is required to pay capital recovery fees to the City within ten days after the District receives the proceeds of the bonds issued to finance all or a portion of the water and wastewater facilities serving the land for which connections to the City's water supply and distribution and wastewater treatment and collection facilities have been acquired.

Water Supply

Water supply for the District is provided by the City pursuant to the Utility Agreement. According to the Engineer, the City's water supply facilities currently consist of four water supply plants with a combined water well capacity of 1,750 gallons per minute ("gpm"), ground and elevated storage tank capacity of 1,155,000 gallons and 5,400 gpm of service pump capacity and based on current facilities, the City is capable of serving 2,700 equivalent single family connections, including 295 active connections currently in the District as of November 3, 2026 (including 273 completed homes and 22 homes under construction). Pursuant to the Utility Agreement, the cost of water supply capacity will be paid for by the capital recovery fees assessed by the City pursuant to the Utility Agreement. The City will own and operate all water facilities as they are constructed. See "—Utility Agreement Between the City of Waller and the District" above.

Wastewater Treatment

Wastewater treatment for the District is provided by the City pursuant to the Utility Agreement. According to the Engineer, the City's wastewater treatment plant has a capacity of 900,000 gallons per day ("gpd") and the existing City facilities can adequately serve 3,000 equivalent single-family connections, including 295 active connections currently in the District as of November 3, 2026 (including 273 completed homes and 22 homes under construction). Pursuant to the Utility Agreement, the cost of wastewater capacity will be paid for by the capital recovery fees assessed by the City pursuant to the Utility Agreement. The City will own and operate all wastewater facilities as they are constructed. See "—Utility Agreement Between the City of Waller and the District" above.

100-Year Flood Plain

The Federal Emergency Management Agency (FEMA) Flood Insurance Rate Maps, dated May 16, 2019, indicated that approximately 91 acres of land in the District lay within the 100-year floodplain. In February 2022, the District filed a Letter of Map Amendment (LOMA) to remove a portion of the acreage within the District from the floodplain. FEMA Case No. 22-06-1033A, dated April 7, 2022, approved the removal of approximately 9 acres from the 100-year floodplain. Currently, the District has approximately 82 acres within the 100-year floodplain. A Letter of Map Revision (LOMR) has been filed (LOMR Case Number 26-06-1202P) to remove the 82 acres within the 100-year floodplain. None of the residential development currently within the District is within the 100-year flood plain. See "RISK FACTORS—Atlas 14."

FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)

2026 Certified Taxable Assessed Valuation	$ 92,729,034	(a)
Estimated Taxable Assessed Valuation as of September 15, 2026	$128,738,200	(b)
Gross Direct Debt Outstanding	$13,350,000	(c)
Estimated Overlapping Debt	12,656,928	(d)
Gross Direct Debt and Estimated Overlapping Debt	$26,006,928	
Ratios of Gross Direct Debt to:		
2026 Certified Taxable Assessed Valuation	14.40%	
Estimated Taxable Assessed Valuation as of September 15, 2026	10.37%	
Ratios of Gross Direct Debt and Estimated Overlapping Debt to:		
2026 Certified Taxable Assessed Valuation	28.05%	
Estimated Taxable Assessed Valuation as of September 15, 2026	20.20%	
Debt Service Funds Available:		
WSD Debt Service Funds Available as of November 3, 2026	$154,735	(e)
Road Debt Service Funds Available as of November 3, 2026	$131,801	(e)
Capitalized Interest from proceeds of the Bonds (Eighteen (18) Months)	206,250	(e)(f)
Total Funds Available for Debt Service	$492,786	
Operating Funds Available as of November 3, 2026	$6,827	(g)

(a) As certified by the Appraisal District. See "TAXING PROCEDURES."
(b) Provided by the Appraisal District for informational purposes only. Such amounts reflect an estimate of the taxable assessed value within the District on September 15, 2026. No tax will be levied on such amount until it is certified. Increases in value occurring between January 1, 2026 and September 15, 2026, will be certified as of January 1, 2027, and provided for purposes of taxation in the summer of 2027. See "TAXING PROCEDURES" and "RISK FACTORS—Possible Impact on District Tax Rates."
(c) The Outstanding Bonds and the Bonds. See "—Outstanding Bonds" herein.
(d) See "—Estimated Overlapping Debt" herein.
(e) Funds in the WSD Debt Service Fund are available to pay debt service on the bonds issued for water, sewer and drainage facilities and are not available to pay debt service on bonds issued for road facilities (including the Bonds). Funds in the Road Debt Service Fund are available to pay debt service on bonds issued for road facilities (including the Bonds) and are not available to pay debt service on the District's bonds issued for water, sewer and drainage facilities. See "THE BONDS—Funds" and "—Debt Service Requirements" herein.
(f) The District will capitalize eighteen (18) months of interest from Bond proceeds and deposit such funds in the Road Debt Service Fund. The amount of capitalized interest shown above is estimated at 5.50%. See "USE AND DISTRIBUTION OF BOND PROCEEDS."
(g) See "RISK FACTORS—Operating Funds."

Investments of the District

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

Outstanding Bonds

The District has previously issued one series of unlimited tax bonds totaling $2,500,000 and three series of unlimited tax road bonds totaling $8,710,000, $10,850,000 of which is outstanding as of the date hereof (the "Outstanding Bonds").

Series	Original Principal Amount	Outstanding Bonds
2022 (a)	$ 3,000,000	$ 2,830,000
2023 (a)	3,745,000	3,600,000
2024 (a)	1,965,000	1,920,000
2025	2,500,000	2,500,000
Total	$ 11,210,000	$ 10,850,000

(a) Unlimited tax road bonds.

Debt Service Requirements

The following sets forth the debt service on the Outstanding Bonds and the estimated debt service on the Bonds at an estimated interest rate of 5.50%. See "Outstanding Bonds" above. This schedule does not reflect the fact that the District capitalized $237,500 of interest on the Series 2025 Bonds in December 2025 and will capitalize eighteen (18) months of interest from Bonds proceeds to pay debt service on the Bonds. See "USE AND DISTRIBUTION OF BOND PROCEEDS."

Year	Outstanding Bonds Debt Service Requirements	The Bonds			Total Debt Service Requirements
		Principal	Interest	Total	
2027	$ 781,596.25	$ -	$ 103,125.00	$ 103,125.00	$ 884,721.25
2028	774,621.25	45,000	137,500.00	182,500.00	957,121.25
2029	782,396.25	50,000	135,025.00	185,025.00	967,421.25
2030	779,146.25	50,000	132,275.00	182,275.00	961,421.25
2031	785,396.25	55,000	129,525.00	184,525.00	969,921.25
2032	780,566.25	55,000	126,500.00	181,500.00	962,066.25
2033	785,236.25	60,000	123,475.00	183,475.00	968,711.25
2034	783,846.25	65,000	120,175.00	185,175.00	969,021.25
2035	787,381.25	65,000	116,600.00	181,600.00	968,981.25
2036	790,580.00	70,000	113,025.00	183,025.00	973,605.00
2037	792,857.50	75,000	109,175.00	184,175.00	977,032.50
2038	793,887.50	80,000	105,050.00	185,050.00	978,937.50
2039	793,910.00	80,000	100,650.00	180,650.00	974,560.00
2040	797,732.50	85,000	96,250.00	181,250.00	978,982.50
2041	794,700.00	90,000	91,575.00	181,575.00	976,275.00
2042	800,472.50	95,000	86,625.00	181,625.00	982,097.50
2043	804,635.00	100,000	81,400.00	181,400.00	986,035.00
2044	807,072.50	105,000	75,900.00	180,900.00	987,972.50
2045	807,716.25	115,000	70,125.00	185,125.00	992,841.25
2046	801,672.50	120,000	63,800.00	183,800.00	985,472.50
2047	799,153.75	125,000	57,200.00	182,200.00	981,353.75
2048	804,961.25	135,000	50,325.00	185,325.00	990,286.25
2049	813,687.50	140,000	42,900.00	182,900.00	996,587.50
2050	310,061.25	145,000	35,200.00	180,200.00	490,261.25
2051	172,375.00	155,000	27,225.00	182,225.00	354,600.00
2052	175,437.50	165,000	18,700.00	183,700.00	359,137.50
2053	172,837.50	175,000	9,625.00	184,625.00	357,462.50
Total	$ 19,073,936.25	$ 2,500,000	$ 2,358,950.00	$ 4,858,950.00	$ 23,932,886.25

Average Annual Debt Service Requirements (2027-2053) $886,403
Maximum Annual Debt Service Requirement (2049) $996,588

Estimated Overlapping Debt

The following table indicates the outstanding debt payable from ad valorem taxes, of governmental entities within which the District is located and the estimated percentages and amounts of such indebtedness attributable to property within the District. Debt figures equated herein to outstanding obligations payable from ad valorem taxes are based upon data obtained from individual jurisdictions or Texas Municipal Reports compiled and published by the Municipal Advisory Council of Texas. Furthermore, certain entities listed below may have issued additional obligations since the date listed and may have plans to incur significant amounts of additional debt. Political subdivisions overlapping the District are authorized by Texas law to levy and collect ad valorem taxes for the purposes of operation, maintenance and/or general revenue purposes in addition to taxes for the payment of debt service and the tax burden for operation, maintenance and/or general revenue purposes is not included in these figures. The District has no control over the issuance of debt or tax levies of any such entities.

Taxing Jurisdiction	Outstanding Bonds	As of	Percent	Overlapping Amount
Waller County	$ 168,825,000	10/31/26	0.56%	$ 945,420
Waller Independent School District	1,079,320,000	10/31/26	0.85%	9,174,220
The City	31,480,000	10/31/26	8.06%	2,537,288
Total Estimated Overlapping Debt				$ 12,656,928
The District's Total Direct Debt (a)				13,350,000
Total Direct and Estimated Overlapping Debt				$26,006,928
Direct and Estimated Overlapping Debt as a Percentage of:				
2026 Certified Taxable Assessed Valuation of $92,729,034				28.05%
Estimated Taxable Assessed Valuation as of September 15, 2026 of $128,738,200				20.20%

(a) Includes the Outstanding Bonds and the Bonds.

Overlapping Taxes

Property within the District is subject to taxation by several taxing authorities in addition to the District. On January 1 of each year a tax lien attaches to property to secure the payment of all taxes, penalties and interest imposed on such property. The lien exists in favor of each taxing unit, including the District, having the power to tax the property. The District's tax lien is on a parity with tax liens of taxing authorities shown below. In addition to ad valorem taxes required to pay debt service on bonded debt of the District and other taxing authorities, certain taxing jurisdictions, including the District, are also authorized by Texas law to assess, levy and collect ad valorem taxes for operation, maintenance, administrative and/or general revenue purposes. See "Estimated Overlapping Debt" above.

Set forth below are all of the taxes levied for the 2026 tax year by all taxing jurisdictions overlapping the District and the tax rate of the District. No recognition is given to local assessments for civic association dues, fire department contributions, solid waste disposal charges or any other levy of entities other than political subdivisions.

	Tax Rate per $100 of Taxable Assessed Valuation
Waller County (including Waller County FM)	$ 0.558466
Waller Independent School District	1.052800
The City	0.529400
Waller-Harris Emergency Services District No. 200	0.100000
Total Overlapping Tax Rate	$ 2.240666
The District (a)	1.000000
Total Tax Rate	$ 3.240666

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

General Operating Fund

The following statement sets forth in condensed form the General Operating Fund as shown in the District's audited financial statements for the fiscal years ended July 31, 2023 through 2025. An unaudited summary for the fiscal year ended July 31, 2026, has been provided by the Bookkeeper. Accounting principles customarily employed in the determination of net revenues have been observed and in all instances exclude depreciation. Reference is made to "APPENDIX A" for further and complete information.

	8/1/2025 to 7/31/2026 (a)	Fiscal Year Ended July 31		
		2025	2024	2023
Revenues:				
Property Taxes	$ 142,325	$ 180,582	$ 181,506	$ 121,506
Penalty and Interest	-	-	-	512
Investment Income	1,113	906	1,863	1,519
Other Income	-	-	1,388	6,291
Total Revenue	$ 143,438	$ 181,488	$ 184,757	$ 129,828
Expenditures:				
Professional Fees	$ 131,873	$ 156,445	$ 128,743	$ 108,521
Contracted Services	12,625	11,000	11,002	23,547
Other	25,341	25,201	24,685	23,847
Total Expenditures	$ 169,839	$ 192,646	$ 164,430	$ 155,915
NET REVENUES	$ (26,401)	$ (11,158)	$ 20,327	$ (26,087)
Other Financing Sources (b)	$ 99,000	$ -	$ -	$ 75,000
General Operating Fund Balance (Beginning of Year)	$ 45,734	$ 56,892	$ 36,565	$ (12,348)
General Operating Fund Balance (End of Year)	$ 118,333	$ 45,734	$ 56,892	$ 36,565

(a) Unaudited. Unaudited information is derived from the internal account balances of the District prior to the completion of year end adjustments, The unaudited information is subject to revision upon completion of the District's 2026 audit, which is anticipated to be received by the District in December 2026.

(b) Developers advance. See "RISK FACTORS—Operating Funds."

TAX DATA

Debt Service Tax

The District covenants in the Bond Resolution to levy and assess, for each year that all or any part of the Bonds remain outstanding and unpaid, a tax adequate to provide funds to pay the principal of and interest on the Bonds. See "Historical Tax Rate Distribution" and "Tax Roll Information" below, "TAXING PROCEDURES," and "RISK FACTORS—Operating Funds."

Maintenance Tax

The District has the statutory authority to levy and collect an annual ad valorem tax for the operation and maintenance of the District, if such a maintenance tax is authorized by the District's voters. A maintenance tax election was conducted on November 5, 2019, and voters of the District authorized, among other things, the Board to levy a maintenance tax at a rate not to exceed $1.50 per $100 of taxable assessed valuation.

Historical Tax Rate Distribution

	2026	2025	2024	2023	2022
Debt Service Tax	$ 0.80	$ 0.76	$ 0.65	$ 0.54	$ -
Maintenance Tax (a)	0.20	0.24	0.35	0.46	1.00
Total District Tax Rate	$ 1.00	$ 1.00	$ 1.00	$ 1.00	$ 1.00

(a) See "RISK FACTORS—Operating Funds."

Additional Penalties

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

Historical Tax Collections

The following statement of tax collections sets forth in condensed form a portion of the historical tax experience of the District. Such table has been prepared for inclusion herein, based upon information obtained from the District's Tax Assessor/Collector. Reference is made to such statements and records for further and complete information. See "Tax Roll Information" below.

Tax Year	Taxable Assessed Valuation (a)	Tax Rate	Total Tax Levy	Total Collections As of 10/31/2026 (b) Amount	Percent
2022	$ 12,160,559	$ 1.00	$ 121,606	$ 121,606	100.00%
2023	39,211,438	1.00	392,114	392,114.38	100.00%
2024	52,434,618	1.00	524,346	524,346.18	100.00%
2025	73,056,730	1.00	730,567	730,567.30	100.00%
2026	92,729,034	1.00	927,290	(c)	(c)

(a) As certified by the Appraisal District less any exemptions granted. See "Tax Roll Information" below.
(b) Unaudited.
(c) In process of collections. Taxes for the 2026 tax year are due by January 31, 2027.

Tax Roll Information

The District's assessed value as of January 1 of each year is used by the District in establishing its tax rate. See "TAXING PROCEDURES—Valuation of Property for Taxation." The following represents the composition of property comprising the 2023 through 2026 Certified Taxable Assessed Valuations. Taxes are levied on taxable value certified by the Appraisal District as of January 1 of each year. An accurate breakdown related to the Estimated Taxable Assessed Valuation as of September 15, 2026, of $128,738,200, is not available.

	2026 Certified Taxable Assessed Valuation	2025 Certified Taxable Assessed Valuation	2024 Certified Taxable Assessed Valuation	2023 Certified Taxable Assessed Valuation
Land	$ 36,664,450	$ 16,323,406	$ 13,169,156	$ 11,719,212
Improvements	84,060,608	62,164,313	42,894,608	30,372,371
Personal Property	1,071,540	1,272,470	25,620	31,000
Gross Assessed Valuation	$ 121,796,598	$ 79,760,189	$ 56,089,384	$ 42,122,583
Exemptions	(29,067,564)	(6,703,459)	(3,654,766)	(2,911,145)
Total	$ 92,729,034	$ 73,056,730	$ 52,434,618	$ 39,211,438

Principal Taxpayers

The following table represents the principal taxpayers, the taxable assessed valuation of such property, and such property's taxable assessed valuation as a percentage of the 2026 Certified Taxable Assessed Valuation of $92,729,034. An accurate principal taxpayer list related to the Estimated Taxable Assessed Valuation as of September 15, 2026, of $128,738,200 is not available.

Taxpayer	2026 Certified Taxable Assessed Valuation	% of 2026 Certified Taxable Assessed Valuation
Long Lake Ltd. (a)	$ 7,014,952	7.57%
Woodmere Development Co., Ltd. (a)	3,703,420	3.99%
BGM Land Investments LTD (a)	1,660,520	1.79%
Valt Asset Management LLC	737,990	0.80%
Individual	546,430	0.59%
Individual	543,130	0.59%
Individual	545,810	0.59%
Individual	544,210	0.59%
Individual	537,390	0.58%
Tule River Homebuyer Earned Equity Agency	533,980	0.58%
Total	$ 16,367,832	17.67%

(a) See "THE DEVELOPERS AND MAJOR PROPERTY OWNERS."

Tax Adequacy for Debt Service

The tax rate calculations set forth below are presented to indicate the tax rates per $100 taxable assessed valuation that would be required to meet average annual and maximum annual debt service requirements if no growth in the District's tax base occurred beyond the 2026 Certified Taxable Assessed Valuation of $92,729,034 or the Estimated Taxable Assessed Valuation as of September 15, 2026, of $128,738,200. The calculations contained in the following table merely represent the tax rates required to pay the estimated principal of and interest on the Bonds and the Outstanding Bonds when due, assuming no further increase or any decrease in taxable values in the District, collection of ninety-five percent (95%) of taxes levied, the sale of no additional bonds, and no other funds available for the payment of debt service. See and "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Debt Service Requirements" and "RISK FACTORS—Possible Impact on District Tax Rates."

Average Annual Debt Service Requirement (2027-2053)	$ 886,403
$1.01 Tax Rate on the 2026 Certified Taxable Assessed Valuation	$ 889,735
$0.73 Tax Rate on the Estimated Taxable Assessed Valuation as of September 15, 2026	$ 892,799
Maximum Annual Debt Service Requirement (2049)	$ 996,588
$1.14 Tax Rate on the 2026 Certified Taxable Assessed Valuation	$1,004,255
$0.82 Tax Rate on the Estimated Taxable Assessed Valuation as of September 15, 2026	$1,002,871

No representation or suggestion is made that the Estimated Taxable Assessed Valuation as of September 15, 2026, provided by the Appraisal District for the District will be certified as taxable value by the Appraisal District, and no person should rely upon such amounts or its inclusion herein as assurance of their attainment. The Estimated Taxable Assessed Valuation is provided by the Appraisal District for informational purposes only. No tax will be levied on such amount until it is certified. Increases in value occurring between January 1, 2026 and September 15, 2026, will be certified as of January 1, 2027, and provided for purposes of taxation in the summer of 2027. See "TAXING PROCEDURES."

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 an amount sufficient to pay the principal of and interest on the Bonds, the Outstanding Bonds, and any additional bonds payable from taxes which the District may hereafter issue (see "RISK FACTORS—Future Debt") and to pay the expenses of assessing and collecting such taxes. The District agrees in the Bond Resolution to levy such a tax from year-to-year as described more fully herein under "THE BONDS—Source of Payment." Under Texas law, the District may also levy and collect an annual ad valorem tax for the operation and maintenance of the District. See "TAX DATA—Debt Service Tax" and "—Maintenance Tax."

Property Tax Code and County-Wide Appraisal District

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

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

Property Subject to Taxation by the District

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

exemptions to disabled veterans or certain surviving dependents of disabled veterans, if requested, of between $5,000 and $12,000 of taxable valuation depending upon the disability rating of the veteran claiming the exemption, and qualifying surviving spouses of persons 65 years of age or older will be entitled to receive a residential homestead exemption equal to the exemption received by the deceased spouse. A veteran who receives a disability rating of 100% is entitled to an exemption for the full amount of the veteran's residential homestead. Additionally, effective January 1, 2012, subject to certain conditions, the surviving spouse of a disabled veteran who is entitled to an exemption for the full value of the veteran's residence homestead is also entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if the residence homestead was donated by a charitable organization. Also, the surviving spouse of a member of the armed forces who was killed or fatally injured in the line of duty is, subject to certain conditions, entitled to an exemption of the total appraised value of the surviving spouse's residence homestead and, subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse. The surviving spouse of a first responder who was killed or fatally injured in the line of duty is, subject to certain conditions, also entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and, subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse. See "TAX DATA."

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

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

Tax Abatement

Waller County or the City may designate all or part of the area within the District as a tax increment reinvestment zone (each a "TIRZ"). Thereafter, Waller County, the City and the District, under certain circumstances, may enter into tax abatement agreements with owners of property within the zone. Prior to entering into a tax abatement agreement, each entity must adopt guidelines and criteria for establishing tax abatement, which each entity will follow in granting tax abatement to owners of property. The tax abatement agreements may exempt from ad valorem taxation by each of the applicable taxing jurisdictions, including the District, for a period of up to ten (10) years, all or any part of any increase in the appraised valuation of property covered by the agreement over its appraised 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 agreement. Each taxing jurisdiction has discretion to determine terms for its tax abatement agreements without regard to the terms approved by the other taxing jurisdictions. To date, neither Waller County nor the City has designated land within the District as a TIRZ.

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 under the Property Tax Code. In November 1997, Texas voters approved a constitutional amendment to limit increases in the appraised value of residence homesteads to ten percent (10%) annually regardless of the market value of the property. The Property Tax Code permits land designated for agricultural use, open space or timberland to be appraised at its value based on the land's capacity to produce agricultural or timber products rather than at its fair market value. The Property Tax Code permits under certain circumstances that residential real property inventory held by a person in the trade or business be valued at the price all such property would bring if sold as a unit to a purchaser who would continue the business. Provisions of the Property Tax Code are complex and are not fully summarized here. Landowners wishing to avail themselves of the agricultural use, open space or timberland designation or residential real property inventory designation must apply for the designation and the appraiser is required by the Property Tax Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by some political subdivisions while claiming it as to another. If a claimant receives the agricultural use designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use, including taxes for the previous three (3) years for agricultural use, open space land, and timberland.

Unless extended by the Legislature, through December 31, 2026, an appraisal district is prohibited from increasing the appraised value of real property during the 2026 tax year on certain non-homestead properties (the "Subjected Property") whose appraised values are not more than $5,320,000 (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. The maximum property value may be increased or decreased by the product of the preceding state fiscal year's increase or decrease in the consumer price index, as applicable, to the maximum property value.

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

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

District and Taxpayer Remedies

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

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

Levy and Collection of Taxes

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

Tax Payment Installments After Disaster

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

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

Rollback of Operation and Maintenance Tax Rate

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

Special Taxing Units: Special Taxing Units that adopt a total tax rate that would impose more than 1.08 times the amount of the total tax imposed by such district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead, subject to certain homestead exemptions, 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 1.08 times the previous year's operation and maintenance tax rate.

Developed Districts: Developed Districts that adopt a total tax rate that would impose more than 1.035 times the amount of the total tax imposed by the district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead, subject to certain homestead exemptions for the preceding tax year, plus any unused increment rates, as calculated and described in Section 26.013 of the Property Tax Code, 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 1.035 times the previous year's operation and maintenance tax rate plus any unused increment rates. In addition, if any part of a Developed District lies within an area declared for disaster by the Governor of Texas or President of the United States, alternative procedures and rate limitations may apply for a temporary period. If a district qualifies as both a Special Taxing Unit and a Developed District, the district will be subject to the operation and maintenance tax threshold applicable to Special Taxing Units.

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

The District: A determination as to a district's status as a Special Taxing Unit, Developed District or Developing District will be made by the Board of Directors on an annual basis. For tax year 2026, the District has been designated as a "Developing District." The District cannot give any assurances as to what its classification will be at any point in time or whether the District's future tax rates will result in a total tax rate that will reclassify the District into a new classification and new election calculation.

District's Rights in the Event of Tax Delinquencies

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

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

RISK FACTORS

General

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

Undeveloped Acreage, Vacant Land and Vacant Lots

There are approximately 162 developable acres of land in the District that have not been fully provided with water, sanitary sewer, storm sewer, road and other facilities necessary for the construction of taxable improvements. Approximately 230 acres of commercial tracts that have been provided with trunk utilities remains vacant, and 96 developed lots remain vacant. The District makes no representation as to when or if development of the undeveloped acreage will occur whether taxable improvements will ultimately be constructed or whether homebuilding programs will be successful. Failure to develop the developable land or to construct taxable improvements on developable land could restrict the rate of growth of values in the District. See "THE DISTRICT—Land Use" and "—Status of Development."

Operating Funds

The District's current primary source of operating revenue is maintenance tax revenue and advances from the Developers. The District levied a 2026 maintenance tax rate in the amount of $0.20 per $100 of taxable assessed valuation. The District's unaudited Operating Fund balance as of November 3, 2026 was $6,827. The revenue produced from a $0.20 maintenance tax rate in 2026 may not be sufficient to offset the operating expenses of the District. Continued maintenance of a positive Operating Fund balance may depend upon (1) cash subsidies from the Developers, and (2) continued development and increased amounts of maintenance tax revenue. If funds from these sources are not forthcoming, the District would have to increase its maintenance tax rate. Such an increase may result in a total District tax in excess of similar developments and could adversely affect continued development of the District, as well as the willingness of taxpayers to pay taxes on their property. See "Dependence on Principal Taxpayers" herein, "THE DEVELOPERS AND MAJOR PROPERTY OWNERS," "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—General Operating Fund" and "TAX DATA—Principal Taxpayers."

Developers Obligation to the District

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

Economic Factors and Interest Rates

The majority of the taxable value of the District results from the current market value of single-family residences and of developed lots, that are currently being marketed by Woodmere to homebuyers for the construction of primary residences and commercial tracts. The market value of such homes, lots and tracts is related to general economic conditions in the Houston region and the national economy and those conditions can affect the demand for residences. Demand for lots of this type and the construction of residential dwellings thereon can be significantly affected by factors such as interest rates, credit availability, construction costs and the prosperity and demographic characteristics of the urban center toward which the marketing of lots is directed. See "Credit Market and Liquidity in the Financial Markets" below. Decreased levels of construction activity would tend to restrict the growth of property values in the District or could adversely impact such values.

Credit Markets and Liquidity in the Financial Markets

Interest rates and the availability of mortgage and development funding have a direct impact on construction activity in the District, particularly short-term interest rates at which developers are able to obtain financing for development costs. Interest rate levels may affect the ability of a landowner with undeveloped property to undertake and complete construction activities within the District. Because of the numerous and changing factors affecting the availability of funds, particularly liquidity in the national credit markets, the District is unable to assess the future availability of such funds for continued construction within the District. In addition, the success of development within the District and growth of District taxable property values are, to a great extent, a function of the Houston metropolitan and regional economies and national credit and financial markets. A downturn in the economic conditions of Houston or a decline in the nation's real estate and financial markets could adversely affect development and home-building plans in the District and restrain the growth or reduce the value 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 located in the western portion of the Houston metropolitan area. In addition to competition for new home sales from other developments, there are numerous previously-owned homes in the area of the District and in more established neighborhoods. Such homes could represent additional competition for new homes proposed to be sold within the District.

The competitive position of the Developers in the sale of developed lots and the construction of single-family residential houses within the District by homebuilders 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.

The District can give no assurance that building and marketing programs in the District by the Developers will be implemented or, if implemented, will be successful.

Increase in Costs of Building Materials

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

Possible Impact on District Tax Rates

Assuming no further development, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of owners of property within the District to pay their taxes. The 2026 Certified Taxable Assessed Valuation is $92,729,034. After issuance of the Bonds, the maximum annual debt service requirement is estimated to be $996,588 (2049), and the average annual debt service requirement is estimated to be $886,403 (2027-2053 inclusive). Assuming no increase or decrease from the 2026 Certified Taxable Assessed Valuation, the issuance of no additional debt, and no other funds available for the payment of debt service, tax rates of $1.14 per $100 of taxable assessed valuation at a ninety-five percent (95%) collection rate and $1.01 per $100 of taxable assessed valuation at a ninety-five percent (95%) collection rate would be necessary to pay the maximum annual debt service requirement and the average annual debt service requirement, respectively. The Estimated Taxable Assessed Valuation as of September 15, 2026 is $128,738,200, which reduces the above tax calculations to a tax rate of $0.82 and a tax rate of $0.73 per $100 of taxable assessed valuation to pay average annual debt service. See "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—Debt Service Requirements" and "TAX DATA—Tax Adequacy for Debt Service." The Estimated Taxable Assessed Valuation as of September 15, 2026 was provided by the Appraisal District for informational purposes only. Such amounts reflect an estimate of the taxable assessed value within the District on September 15, 2026. No tax will be levied on such amount until it is certified. Increases in value occurring between January 1, 2026 and September 15, 2026, will be certified as of January 1, 2027, and provided for purposes of taxation in the summer of 2027. See "TAXING PROCEDURES."

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

Potential Effects of Oil Price Volatility on the Houston Area

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

Extreme Weather

The greater Houston area, including the District, is subject to occasional severe weather events, including tropical storms and hurricanes. If the District were to sustain damage to its facilities requiring substantial repair or replacement, or if substantial damage were to occur to taxable property within the District as a result of such a weather event, the investment security of the Bonds could be adversely affected. The greater Houston area has experienced multiple storms exceeding a 0.2% probability (i.e. "500-year flood" events) since 2015.

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

Specific Flood Type Risks

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

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

Atlas 14

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

Tax Collections Limitations

The District's ability to make debt service payments may be adversely affected by its inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on a parity with the liens of all other state and local taxing authorities on the property against which taxes are levied, and such lien may be enforced by foreclosure. The District's ability to collect ad valorem taxes through such foreclosure may be impaired by market conditions limiting the proceeds from a foreclosure sale of taxable property and collection procedures. While the District has a lien on taxable property within the District for taxes levied against such property, such lien can be foreclosed only in a judicial proceeding. The costs of collecting any such taxpayer's delinquencies could substantially reduce the net proceeds to the District from a tax foreclosure sale. Finally, a bankruptcy court with jurisdiction over

bankruptcy proceedings initiated by or against a taxpayer within the District pursuant to the Federal Bankruptcy Code could stay any attempt by the District to collect delinquent ad valorem taxes against such taxpayer. In addition to the automatic stay against collection of delinquent taxes afforded a taxpayer during the pendency of a bankruptcy, a bankruptcy could affect payment of taxes in two other ways: first, a debtor's confirmation plan may allow a debtor to make installment payments on delinquent taxes for up to six years; and, second, a debtor may challenge, and a bankruptcy court may reduce, the amount of any taxes assessed against the debtor, including taxes that have already been paid. See "TAXING PROCEDURES-District's Rights in the Event of Tax Delinquencies."

Registered Owners' Remedies and Bankruptcy Limitations

If the District defaults in the payment of principal, interest, or redemption price on the Bonds when due, or if it fails to make payments into any fund or funds created in the Bond Resolution, or defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Bond Resolution, the Registered Owners have the statutory right of a writ of mandamus issued by a court of competent jurisdiction requiring the District and its officials to observe and perform the covenants, obligations, or conditions prescribed in the Bond Resolution. Except for mandamus, the Bond Resolution does not specifically provide for remedies to protect and enforce the interests of the Registered Owners. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Further, there is no trust indenture or trustee, and all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the Registered Owners. Statutory language authorizing local governments such as the District to sue and be sued does not waive the local government's sovereign immunity from suits for money damages, so that in the absence of other waivers of such immunity by the Texas Legislature, a default by the District in its covenants in the Bond Resolution may not be reduced to a judgment for money damages. If such a judgment against the District were obtained, it could not be enforced by direct levy and execution against the District's property. Further, the Registered Owners cannot themselves foreclose on property within the District or sell property within the District to enforce the tax lien on taxable property to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the Registered Owners may further be limited by a State of Texas statute reasonably required to attain an important public purpose or by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions, such as the District.

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

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

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

A district may not be forced into bankruptcy involuntarily.

Future Debt

The District has the right to issue obligations other than the Bonds, including tax anticipation notes and bond anticipation notes, and to borrow for any valid purpose. The District's voters have authorized a total of $292,900,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring water, wastewater, and drainage facilities and for refunding such bonds, $149,750,000 principal amount of unlimited tax bonds for the purpose of constructing roads and related facilities and for refunding such bonds and $24,950,000 principal amount of unlimited tax bonds for the purpose of constructing and/or acquiring park and recreational facilities and for refunding such bonds. After the issuance of the Bonds, $290,400,000 principal amount of the unlimited tax bonds for the purpose of constructing or acquiring water, wastewater, and drainage facilities and for refunding such bonds, $138,540,000 principal amount of the unlimited tax bonds for road facilities and refunding such bonds, and all of the authorized amounts for park and recreational facilities will be authorized but unissued. In addition, voters may authorize the issuance of additional bonds secured by ad valorem taxes. The issuance of additional obligations may increase the District's tax rate and could adversely affect the security for, and the investment quality and value of, the Bonds.

To date, the Developers have advanced certain funds for engineering and construction of water, wastewater and drainage facilities, recreational facilities and roads and related facilities for which they have not been reimbursed. After the reimbursements are made with Bond proceeds, the District will owe approximately $24,700,000 plus interest to the Developers. The District intends to issue additional bonds in order to reimburse the Developers and other landowners for existing development and to develop the remainder of undeveloped but developable land (approximately 162 acres). The District does not employ any formula with respect to appraised valuations, tax collections or otherwise to limit the amount of parity bonds which it may issue. Further, the principal amount of unlimited tax bonds issued by the District for constructing and/or acquiring park and recreational facilities may not exceed one percent (1%) of the District's certified taxable assessed valuation, unless, the District meets certain financial feasibility requirements under the TCEQ rules, in which case the outstanding principal amount of such bonds issued by the District may exceed an amount equal to one percent (1%) but not greater than three percent (3%) of the value of the taxable property in the District. The issuance of additional bonds for water, wastewater and drainage facilities and park and recreational facilities is subject to approval by the TCEQ pursuant to its rules regarding issuance and feasibility of bonds.

Marketability of the Bonds

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

Environmental Regulations

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

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

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

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

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

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

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

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

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

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

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

The District's stormwater discharges currently maintain permit coverage through the Municipal Separate Storm System Permit (the "Current Permit") issued to the Storm Water Management Joint Task Force consisting of Harris County, Harris County Flood Control District, the City of Houston, and the Texas Department of Transportation. In the event that at any time in the future the District is not included in the Current Permit, it may be required to seek independent coverage under the TCEQ's General Permit for Phase II (Small) Municipal Separate Storm Sewer Systems (the "MS4 Permit"), which authorizes the discharge of stormwater to surface water in the state from small municipal separate storm sewer systems. If the District's inclusion in the MS4 Permit were required at a future date, the District could incur substantial costs to develop, implement, and maintain the necessary plans as well as to install or implement best management practices to minimize or eliminate unauthorized pollutants that may otherwise be found in stormwater runoff in order to comply with the MS4 Permit.

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

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

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

Continuing Compliance with Certain Covenants

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

Future Legislation

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law and could affect the market price or marketability of the Bonds. Any such legislation, administrative action, or court decision could limit for certain individual taxpayers the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

Cybersecurity

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

Risk Factors Related to the Purchase of Municipal Bond Insurance

The District has applied for a bond insurance policy (the "Policy") to guarantee the scheduled payment of principal and interest on the Bonds. If the Policy is issued, investors should be aware of the following investment considerations:

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

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

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

LEGAL MATTERS

Legal Proceedings

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

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

Allen Boone Humphries Robinson LLP also serves as general counsel to the District on matters other than the issuance of bonds. The legal fees paid to Bond Counsel for services rendered in connection with the issuance of the Bonds are based on a percentage of the bonds actually issued, sold and delivered and, therefore, such fees are contingent upon the sale and delivery of the Bonds. Certain legal matters will be passed on for the District by McCall, Parkhurst & Horton L.L.P., Houston, Texas, as Disclosure Counsel. The fees of Disclosure Counsel are contingent upon the sale and delivery of the Bonds.

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

No Material Adverse Change

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

No-Litigation Certificate

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

TAX MATTERS

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

Tax Exemption

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

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

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

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

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

Qualified Tax-Exempt Obligations

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

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

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

Additional Federal Income Tax Considerations

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

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

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

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

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

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

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

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

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

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

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

Tax Legislative Changes

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

MUNICIPAL BOND RATING AND MUNICIPAL BOND INSURANCE

The District has not applied for an underlying investment grade rating on the Bonds nor is it expected that the District would have been successful if such application had been made.

The District has submitted applications to two municipal bond insurers for a contract for municipal bond insurance on the Bonds. If qualified, purchase of such insurance will be available at the option of the Underwriter and at the Underwriter's expense. See "RISK FACTORS—Risk Factors Related to the Purchase of Municipal Bond Insurance."

PREPARATION OF OFFICIAL STATEMENT

Sources and Compilation of Information

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

Financial Advisor

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

Consultants

In approving this OFFICIAL STATEMENT the District has relied upon the following consultants.

Tax Assessor/Collector: The information contained in this OFFICIAL STATEMENT relating to the breakdown of the District's historical assessed value and principal taxpayers, including particularly such information contained in the section entitled "TAX DATA" has been provided by Tax Tech, Inc., and is included herein in reliance upon the authority of such firm as an expert in assessing property values and collecting taxes.

Engineer: The information contained in this OFFICIAL STATEMENT relating to engineering and to the description of the District's water, wastewater and storm drainage system and, in particular that information included in the sections entitled "THE DISTRICT" and "THE SYSTEM" has been provided by LJA Engineering, Inc., Consulting Engineers and has been included herein in reliance upon the authority of said firm as the District's Engineer.

Auditor: The financial statements of the District as of July 31, 2025, and for the year then ended, included in this offering document, have been audited by Forvis Mazars, LLP, independent auditors, as stated in their report appearing herein. See "APPENDIX A" for a copy of the District's July 31, 2025, audited financial statements.

Bookkeeper: The information related to the "unaudited" summary of the District's General Operating Fund as it appears in "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)—General Operating Fund" has been provided by Myrtle Cruz, Inc. and is included herein in reliance upon the authority of such firm as experts in tracking and managing the various funds of utility districts.

Updating the Official Statement

If subsequent to the date of the OFFICIAL STATEMENT, the District learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Underwriter, of any material adverse event which causes the OFFICIAL STATEMENT to be materially misleading, and unless the Underwriter elects to terminate its obligation to purchase the Bonds, the District will promptly prepare and supply to the Underwriter an appropriate amendment or supplement to the OFFICIAL STATEMENT satisfactory to the Underwriter; provided, however, that the obligation of the District to the Underwriter to so amend or supplement the OFFICIAL STATEMENT will terminate when the District delivers the Bonds to the Underwriter, unless the Underwriter notifies the District on or before such date that less than all of the bonds have been sold to ultimate customers, in which case the District's obligations hereunder will extend for an additional period of time as required by law (but not more than 25 days after the date the end of the underwriting period).

Certification of Official Statement

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

CONTINUING DISCLOSURE OF INFORMATION

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

Annual Reports

The District will provide certain financial information and operating data to the MSRB through EMMA. 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 "FINANCIAL INFORMATION CONCERNING THE DISTRICT (UNAUDITED)," except for "Estimated Overlapping Debt," "TAX DATA," and in APPENDIX A (Independent Auditor's Report and Financial Statements of the District for the fiscal year ended July 31, 2025). The District will update and provide this information within six months after the end of each fiscal year ending in or after 2026. Any financial statements so provided shall be prepared in accordance with generally accepted accounting principles or other such principles as the District may be required to employ from time to time pursuant to state law or regulation, and audited if the audit report is completed within the period during which it must be provided. If the audit report is not complete within such period, then the District shall provide unaudited financial statements for the applicable period to the MSRB within such six month period, and audited financial statements when the audit report becomes available.

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

Event Notices

The District will provide timely notices of certain 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 Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of beneficial owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District or other obligated person; (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person or the sale of all or substantially all of the assets of the District or other obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or other obligated person, any of which affect Beneficial Owners of the Bonds, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District or other obligated person, any of which reflect financial difficulties. The terms "obligated person" and "financial obligation" when used in this paragraph shall have the meanings ascribed to them under SEC Rule 15c2-12 (the "Rule"). The term "material" when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Resolution makes any provision for debt service reserves or liquidity enhancement. In addition, the District will provide timely notice of any failure by the District to provide financial information, operating data, or financial statements in accordance with its agreement described above under "Annual Reports."

Availability of Information from the MSRB

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

Limitations and Amendments

The District has agreed to update information and to provide notices of specified events only as described above. The District has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects; nor has the District agreed to update any information that is provided, except as described above. The District makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The District disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although Registered or Beneficial Owners of Bonds may seek a writ of mandamus to compel the District to comply with its agreement.

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

Compliance With Prior Undertakings

Since the District's first issuance of bonds in 2022, the District has complied in all material respects with its prior continuing disclosure agreements made in accordance with the Rule.

MISCELLANEOUS

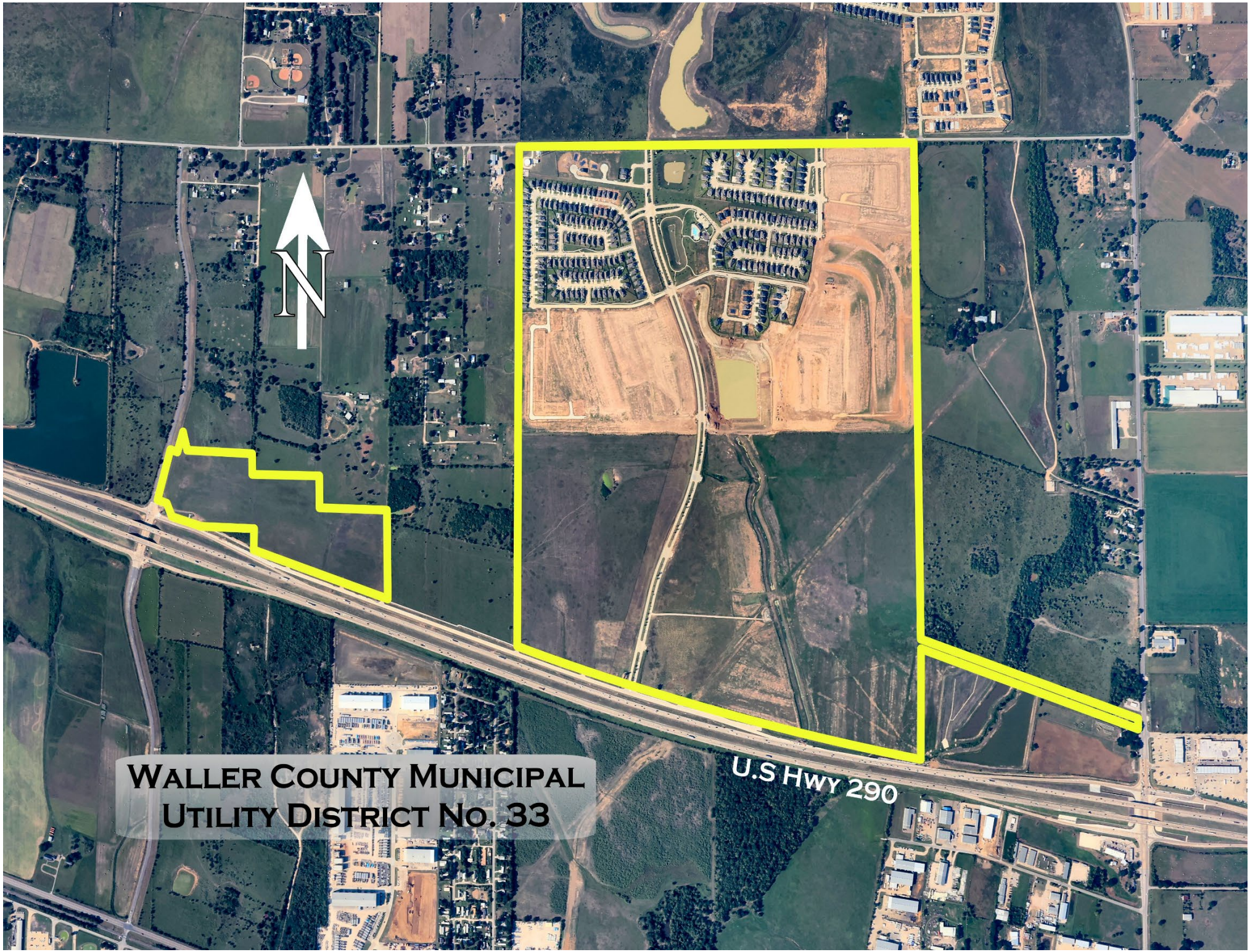
All estimates, statements and assumptions in this OFFICIAL STATEMENT and the APPENDICES hereto have been made on the basis of the best information available and are believed to be reliable and accurate. Any statements in this OFFICIAL STATEMENT involving matters of opinion or estimates, whether or not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

/s/ _____
President, Board of Directors

ATTEST:

/s/ _____
Secretary, Board of Directors

AERIAL LOCATION MAP
(As of October 2026)


N
U.S Hwy 290
Waller County Municipal
Utility District No. 33

PHOTOGRAPHS OF THE DISTRICT
(As of October 2026)


WOLFF
Lone Lake
BEACON HILL























APPENDIX A

Independent Auditor's Report and Financial Statements of the District for the fiscal year ended July 31, 2025

Waller County Municipal Utility District No. 33

Waller County, Texas

Independent Auditor's Report, Financial Statements, and Supplementary Information

July 31, 2025

Waller County Municipal Utility District No. 33
Contents
July 31, 2025

Independent Auditor's Report 1

Management's Discussion and Analysis 3

Basic Financial Statements

Statement of Net Position and Governmental Funds Balance Sheet 8

Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances 9

Notes to Financial Statements 10

Required Supplementary Information

Budgetary Comparison Schedule – General Fund 21

Notes to Required Supplementary Information 22

Supplementary Information

Other Schedules Included Within This Report 23

Schedule of Services and Rates 24

Schedule of General Fund Expenditures 25

Schedule of Temporary Investments 26

Analysis of Taxes Levied and Receivable 27

Schedules of Long-Term Debt Service Requirements by Years 29

Changes in Long-Term Bonded Debt 33

Comparative Schedules of Revenues and Expenditures – General Fund and Debt Service Fund 34

Board Members, Key Personnel, and Consultants 36

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Independent Auditor's Report

Board of Directors
Waller County Municipal Utility District No. 33
Waller County, Texas

Opinions

We have audited the financial statements of the governmental activities and each major fund of Waller County Municipal Utility District No. 33 (District), as of and for the year ended July 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of July 31, 2025, and the respective changes in financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedules required by the Texas Commission on Environmental Quality listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Forvis Mazars, LLP

Houston, Texas
January 19, 2026

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains supplementary information required by the Governmental Accounting Standards Board and by the District's state oversight agency, the Texas Commission on Environmental Quality (Commission).

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities that engage in a single governmental program, such as the provision of water, sanitary sewer, and drainage services. Other activities, such as the provision of recreation facilities and solid waste collection, are minor activities and are not budgeted or accounted for as separate programs. 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, liabilities, and deferred inflows and outflows of resources of 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 assets, liabilities, and deferred inflows and outflows of resources is labeled as net position, and this difference is similar to the total stockholders' 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. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. 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 year.

Although the statement of activities looks different from a commercial enterprise's statement of income, 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 Funds

Governmental-fund financial statements consist of a balance sheet and a statement of revenues, expenditures, and changes in fund balance 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, sewer, and drainage 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 assets, liabilities, and deferred inflows and outflows of resources 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 is different, there are significant differences between the totals presented in these financial statements. For this reason, there is an analysis in the notes to financial statements that describes the adjustments to fund balance to arrive at net position presented in the governmental activities column on the statement of net position. Also, there is an analysis in the notes to financial statements that reconciles the total change in fund balance for all governmental funds to the change in net position, as reported in the governmental activities column in the statement of activities.

Notes to Financial Statements

The notes to financial statements provide additional information that is essential to a full understanding of the data found in the government-wide and fund financial statements.

Financial Analysis of the District as a Whole

The District's overall financial position and activities for the past two years are summarized as follows, based on the information included in the government-wide financial statements.

Summary of Net Position

	2025	2024
Current and other assets	$ 710,976	$ 628,034
Capital assets	6,075,505	3,668,715
Total assets	$ 6,786,481	$ 4,296,749
Long-term liabilities	$ 27,088,376	$ 23,127,330
Other liabilities	251,053	170,537
Total liabilities	27,339,429	23,297,867

Summary of Net Position (Continued)

	2025	2024
Net position		
Investment in capital assets	$ 6,075,505	$ 3,668,715
Restricted	204,043	78,977
Unrestricted	(26,832,496)	(22,748,810)
Total net position	$ (20,552,948)	$ (19,001,118)

The total net position of the District decreased by $1,551,830, or about 8%. The majority of the decrease in net position is related to the conveyance of capital assets to another governmental entity.

At July 31, 2025, unrestricted net position was $(26,832,496). This amount was negative because the District has conveyed the majority of its capital assets upon completion to the City of Waller (City) pursuant to an ordinance granting consent to the creation of the District with the City dated July 30, 2018.

Summary of Changes in Net Position

	2025	2024
Revenues		
Property taxes	$ 522,422	$ 393,969
Other revenues	29,495	29,101
Total revenues	551,917	423,070
Expenses		
Services	311,549	177,548
Conveyance of capital assets	1,180,971	4,511,370
Debt service	611,227	539,622
Total expenses	2,103,747	5,228,540
Change in net position	(1,551,830)	(4,805,470)
Net position, beginning of year	(19,001,118)	(14,195,648)
Net position, end of year	$ (20,552,948)	$ (19,001,118)

Financial Analysis of the District's Funds

The District's combined fund balances as of the end of the fiscal year ended July 31, 2025 were $676,947, an increase of $70,359 from the prior year.

The general fund's fund balance decreased by $11,158 due to service operations expenditures exceeding property tax revenues.

The debt service fund's fund balance decreased by $13,011 due to bond principal and interest requirements and contracted services expenditures exceeding property tax revenues, investment income, and proceeds received from the Road Series 2024 bonds.

The capital projects fund's fund balance increased by $94,528 due to proceeds received from the Road Series 2024 bonds and Series 2024 bond anticipation note exceeding capital outlay expenditures and debt issuance costs.

General Fund Budgetary Highlights

There were several differences between the final budgetary amounts and actual amounts. The major differences between budget and actual were due to property taxes revenues and professional fees expenditures being greater than anticipated and other expenditures being less than anticipated. The fund balance as of July 31, 2025 was expected to be $76,754, and the actual end-of-year fund balance was $45,734.

Capital Assets and Related Debt

Capital Assets

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

Capital Assets

	2025	2024
Land and land improvements	$ 6,075,505	$ 3,668,715

During the current year, additions to capital assets were as follows:

Beacon Hill Detention Pond C, Phase 3	$ 827,141
Mitigation Pond D1, D2 and D3 to serve Beacon Hill	1,579,649
Total additions to capital assets	$ 2,406,790

The developers of the District have constructed facilities on behalf of the District under the terms of contracts with the District. The District has agreed to reimburse the developers for these facilities from the proceeds of future bond sales subject to the approval of the Commission, if required. At July 31, 2025, a liability for developer constructed facilities of $17,197,130 was recorded in the government-wide financial statements.

Debt

The changes in the debt position of the District during the fiscal year ended July 31, 2025 are summarized as follows:

Long-term debt payable, beginning of year	$ 23,127,330
Increases in long-term debt	6,571,811
Decreases in long-term debt	(2,610,765)
Long-term debt payable, end of year	$ 27,088,376

At July 31, 2025, the District had $292,900,000 of unlimited tax bonds authorized, but unissued, for the purpose of acquiring, constructing, and improving the water, sanitary sewer, and drainage systems within the District or for refunding such bonds, $24,950,000 of unlimited tax bonds authorized, but unissued, for the purpose of acquiring, constructing and improving recreational facilities within the District or for refunding such bonds, and $141,040,000 of unlimited tax bonds authorized, but unissued, for the purpose of acquiring, constructing and improving road facilities or for refunding such bonds.

The District's bonds are not rated.

Other Relevant Factors

Relationship to the City of Waller

On January 31, 2022, the District entered into a First Amended and Restated Utility Agreement (Utility Agreement) with the City on behalf of the District for the construction and extension of water, sanitary sewer, and certain drainage and road facilities to serve land within the District. As the system is acquired or constructed, the District shall transfer the system, excluding storm water detention facilities, for ownership, operation and maintenance, but will reserve a security interest in the system. The City will provide water, sanitary sewer, and certain drainage service to all users in the District. The term of the agreement is the earlier to occur of (i) the dissolution of the District by the City, or (ii) the expiration of 45 years from the date of the Utility Agreement.

Water and sewer rates charged by the City to users in the District are the same rates charged to similar users within the City. All revenue derived from these charges belong to the City.

Other stipulations require the District to pay capital recovery fees to the City for any connections previously reserved and additional connections estimated by the City necessary to serve any portion of the District. The District is to pay the City capital recovery fees within 10 days of the District receiving proceeds from future bond sales.

Contingencies

The developers of the District are constructing facilities that will serve the District. The District has agreed to reimburse the developers for these costs, plus interest, from the proceeds of future bond sales, to the extent approved by the Commission, if required. The District's engineer has stated that current construction contract amounts are approximately $1,646,000. This amount has not been recorded in the financial statements since the facilities are not complete nor operational.

Economic Dependency

The District's developers own the majority of the taxable property in the District. The District's ability to meet its obligations is dependent on the developers' ability to pay future property taxes.

Since inception, the developers have advanced $408,468 to the District for operations. The District does not have sufficient funds nor anticipated revenues sufficient to liquidate these advances during the forthcoming fiscal year. These advances have been recorded as liabilities in the government-wide financial statements.

Subsequent Event

On December 4, 2025, the District issued its Series 2025 Unlimited Tax Bonds in the amount of $2,500,000 at a net effective interest rate of approximately 4.815%. The bonds were sold to reimburse the District's developers for facilities constructed within the District.

Waller County Municipal Utility District No. 33
Statement of Net Position and Governmental Funds Balance Sheet
July 31, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets						
Cash	$ 5,014	$ 30,478	$ -	$ 35,492	$ -	$ 35,492
Short-term investments	1,318	513,626	154,671	669,615	-	669,615
Property taxes receivable	2,054	3,815	-	5,869	-	5,869
Interfund receivable	67,418	-	-	67,418	(67,418)	-
Capital assets, land and land improvements	-	-	-	-	6,075,505	6,075,505
Total Assets	$ 75,804	$ 547,919	$ 154,671	$ 778,394	$ 6,008,087	$ 6,786,481
Liabilities						
Accounts payable	$ 28,016	$ 144	$ -	$ 28,160	$ -	$ 28,160
Accrued interest payable	-	-	-	-	222,893	222,893
Interfund payable	-	64,713	2,705	67,418	(67,418)	-
Long-term liabilities						
Due within one year	-	-	-	-	125,000	125,000
Due after one year	-	-	-	-	26,963,376	26,963,376
Total Liabilities	28,016	64,857	2,705	95,578	27,243,851	27,339,429
Deferred Inflows of Resources						
Deferred property tax revenues	2,054	3,815	-	5,869	(5,869)	-
Fund Balances/Net Position						
Fund balances						
Restricted						
Unlimited tax road bonds	-	479,247	-	479,247	(479,247)	-
Roads	-	-	151,966	151,966	(151,966)	-
Unassigned	45,734	-	-	45,734	(45,734)	-
Total fund balances	45,734	479,247	151,966	676,947	(676,947)	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 75,804	$ 547,919	$ 154,671	$ 778,394		
Net position						
Investment in capital assets					6,075,505	6,075,505
Restricted for debt service					191,736	191,736
Restricted for capital projects					12,307	12,307
Unrestricted					(26,832,496)	(26,832,496)
Total net position					$ (20,552,948)	$ (20,552,948)

Waller County Municipal Utility District No. 33
Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances
Year Ended July 31, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues						
Property taxes	$ 180,582	$ 335,971	$ -	$ 516,553	$ 5,869	$ 522,422
Penalty and interest	-	4,019	-	4,019	-	4,019
Investment income	906	18,795	5,650	25,351	-	25,351
Other income	-	125	-	125	-	125
Total Revenues	181,488	358,910	5,650	546,048	5,869	551,917
Expenditures/Expenses						
Service operations						
Professional fees	156,445	-	-	156,445	88,243	244,688
Contracted services	11,000	23,712	-	34,712	2,500	37,212
Other expenditures	25,201	4,448	-	29,649	-	29,649
Capital outlay	-	-	2,651,514	2,651,514	(2,651,514)	-
Conveyance of capital assets	-	-	-	-	1,180,971	1,180,971
Debt service						
Principal retirement	-	55,000	-	55,000	(55,000)	-
Interest and fees	-	374,901	-	374,901	78,808	453,709
Debt issuance costs	-	-	157,518	157,518	-	157,518
Total Expenditures/Expenses	192,646	458,061	2,809,032	3,459,739	(1,355,992)	2,103,747
Deficiency of Revenues Over Expenditures	(11,158)	(99,151)	(2,803,382)	(2,913,691)	1,361,861	
Other Financing Sources (Uses)						
General obligation bonds issued	-	86,140	1,878,860	1,965,000	(1,965,000)	
Discount on debt issued	-	-	(58,950)	(58,950)	58,950	
Bond anticipation note issued	-	-	1,078,000	1,078,000	(1,078,000)	
Total Other Financing Sources	-	86,140	2,897,910	2,984,050	(2,984,050)	
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(11,158)	(13,011)	94,528	70,359	(70,359)	
Change in Net Position					(1,551,830)	(1,551,830)
Fund Balance/Net Position						
Beginning of year	56,892	492,258	57,438	606,588	-	(19,001,118)
End of year	$ 45,734	$ 479,247	$ 151,966	$ 676,947	$ -	$ (20,552,948)

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Waller County Municipal Utility District No. 33 (District) was created by an order of the Texas Commission on Environmental Quality (Commission), dated August 7, 2019, pursuant to Article XVI, Section 59 of the Texas Constitution. The District operates in accordance with Chapters 49 and 54 of the Texas Water Code and is subject to the continuing supervision of the Commission. The principal functions of the District are to finance and construct waterworks, wastewater, drainage, road, and recreational facilities and to provide such facilities to the customers of the District. All services, except storm water detention, are provided by the City of Waller (City).

The District is governed by a Board of Directors (Board) consisting of five individuals who are residents or owners of property within the District and are elected by voters within the District. The Board sets the policies of the District. The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America for state and local governments, as defined by the Governmental Accounting Standards Board. The following is a summary of the significant accounting and reporting policies of the District:

Reporting Entity

The accompanying government-wide financial statements present the financial statements of the District. There are no component units that are legally separate entities for that the District is considered to be financially accountable. Accountability is defined as the District's substantive appointment of the voting majority of the component unit's governing board. Furthermore, to be financially accountable, the District must be able to impose its will upon the component unit or there must be a possibility that the component unit may provide specific financial benefits to, or impose specific financial burdens on, the District.

Government-Wide and Fund Financial Statements

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities that engage in a single governmental program, such as the provision of water, wastewater, drainage, and other related services. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented with a column for adjustments to convert to the government-wide financial statements.

The government-wide financial statements report information on all of the activities of the District. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Governmental activities generally are financed through taxes, charges for services, and intergovernmental revenues. The statement of activities reflects the revenues and expenses of the District.

The fund financial statements provide information about the District's governmental fund. Separate statements for each governmental fund are presented. The emphasis of fund financial statements is directed to specific activities of the District.

The District presents the following major governmental funds:

General Fund – The general fund is the primary operating fund of the District, which accounts for all financial resources not accounted for in another fund. Revenues are derived primarily from property taxes, charges for services, and interest income.

Debt Service Fund – The debt service fund is used to account for financial resources that are restricted, committed, or assigned to expenditures for principal and interest-related costs, as well as the financial resources being accumulated for future debt service.

Capital Projects Fund – The capital projects fund is used to account for financial resources that are restricted, committed, or assigned to expenditures for capital outlays.

Fund Balances – Governmental Funds

The fund balances for the District's governmental funds can be displayed in up to five components:

Nonspendable – Amounts that are not in a spendable form or are required to be maintained intact.

Restricted – Amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.

Committed – Amounts that can be used only for the specific purposes determined by resolution of the Board. Commitments may be changed or lifted only by issuance of a resolution by the District's Board.

Assigned – Amounts intended to be used by the District for specific purposes as determined by management. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

Unassigned – The residual classification for the general fund and includes all amounts not contained in the other classifications.

The District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance are available. The District applies committed amounts first, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

Nonexchange transactions, in which the District receives (or gives) value without directly giving (or receiving) equal value in exchange, include property taxes and donations. Recognition standards are based on the characteristics and classes of nonexchange transactions. Revenues from property taxes are recognized in the period for which the taxes are levied. Donations are recognized as revenues, net of estimated uncollectible amounts, as soon as all eligibility requirements imposed by the provider have been met. Amounts received before all eligibility requirements have been met are reported as liabilities. Intergovernmental revenues are recognized as revenues, net of estimated refunds and uncollectible amounts, in the accounting period when an enforceable legal claim to the assets arises and the use of resources is required or is first permitted.

Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and liabilities are generally included on the balance sheet. The statement of governmental fund revenues, expenditures, and changes in fund balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in spendable resources. General capital asset acquisitions are reported as expenditures and proceeds of long-term debt are reported as other financing sources. Under the modified accrual basis of accounting, revenues are recognized when both measurable and available. The District considers revenues

reported in the governmental fund to be available if they are collectible within 60 days after year-end. Principal revenue sources considered susceptible to accrual include taxes, charges for services, and investment income. Other revenues are considered to be measurable and available only when cash is received by the District. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized as expenditures when payment is due.

Deferred Outflows and Inflows of Resources

A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period, and a deferred inflow of resources is an acquisition of net position that is applicable to a future reporting period.

Interfund Transactions

Transfers from one fund to another fund are reported as interfund receivables and payables if there is intent to repay the amount and if there is the ability to repay the advance on a timely basis. Transfers represent legally authorized transfers from the fund receiving resources to the fund through which the resources are to be expended.

Pension Costs

The District does not participate in a pension plan and, therefore, has no pension costs.

Use of Estimates

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

Investments and Investment Income

Investments in certificates of deposit, U.S. Government and agency securities, and certain pooled funds, which have a remaining maturity of one year or less at the date of purchase, are recorded at amortized cost. All other investments are carried at fair value. Fair value is determined using quoted market values.

Investment income includes dividends and interest income and the net change for the year in the fair value of investments carried at fair value. Investment income is credited to the fund in which the investment is recorded.

Property Taxes

An appraisal district annually prepares appraisal records listing all property within the District and the appraised value of each parcel or item as of January 1. Additionally, on January 1, a tax lien attaches to property to secure the payment of all taxes and penalty and interest ultimately imposed for the year on the property. After the District receives its certified appraisal roll from the appraisal district, the rate of taxation is set by the Board of the District based upon the aggregate appraisal value. Taxes are due and payable October 1 or when billed, whichever is later, and become delinquent after January 31 of the following year.

In the governmental funds, property taxes are initially recorded as receivables and deferred inflows of resources at the time the tax levy is billed. Revenues recognized during the fiscal year ended July 31, 2025 include collections during the current period or within 60 days of year-end related to the 2024 and prior years' tax levies.

In the government-wide statement of net position, property taxes are considered earned in the budget year for which they are levied. For the District's fiscal year ended July 31, 2025, the 2024 tax levy is considered earned during the current fiscal year. In addition to property taxes levied, any delinquent taxes are recorded net of amounts considered uncollectible.

Capital Assets

The District conveys the majority of its capital assets, exclusive of detention facilities, to the City upon completion pursuant to an ordinance granting the creation of the District with the City dated July 30, 2018.

Debt Issuance Costs

Debt issuance costs, other than prepaid insurance, do not meet the definition of an asset or deferred outflows of resources since the costs are not applicable to a future period and, therefore, are recognized as an expense/expenditure in the period incurred.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are recognized as a component of long-term liabilities and amortized over the life of the related debt using the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount.

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

Net Position/Fund Balance

Fund balance and net position are reported as restricted when constraints placed on them are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or are imposed by law through constitutional provisions or enabling legislation.

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

The components of unrestricted net position at July 31, 2025 are as follows.

General fund, unrestricted fund balance	$	47,788
Long-term debt in excess of conveyed capital assets and unexpended bond proceeds		(26,880,284)
Total	$	(26,832,496)

The District has financed facilities, the majority of which have been conveyed to the City, which has caused long-term debt to be in excess of capital assets.

Reconciliation of Government-Wide and Fund Financial Statements

Amounts reported for net position of governmental activities in the statement of net position and fund balances in the governmental funds balance sheet are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the fund financial statements.	$	6,075,505
Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.		5,869
Accrued expenses, including interest on long-term liabilities, are not payable with current financial resources and are not reported in the funds.		(222,893)
Long-term debt obligations are not due and payable in the current period and are not reported in the fund financial statements.		(27,088,376)
Adjustment to fund balance to arrive at net position.	$	(21,229,895)

Amounts reported for change in net position of governmental activities in the statement of activities are different from change in fund balances in the governmental funds statement of revenues, expenditures and changes in fund balances because:

Change in fund balances.	$	70,359
Governmental funds report capital outlays as expenditures. However, for government-wide financial statements, the majority of capital assets constructed by the District are conveyed to the City upon completion. This is the amount by which capital outlay expenditures exceeded conveyed capital assets and noncapitalizaed costs in the current period.		1,379,800
Governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		58,950
Governmental funds report proceeds from the sales of bonds and bond anticipation notes because they provide current financial resources to governmental funds. Principal payments on debt are recorded as expenditures. None of these transactions, however, have any effect on net position.		(2,988,000)

Revenues that do not provide current financial resources are not reported as revenues for the fund financial statements but are reported as revenues in the statement of activities.	$	5,869
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 fund financial statements.		(78,808)
Change in net position of governmental activities.	$	(1,551,830)

Note 2. Deposits, Investments and Investment Income

Deposits

Custodial credit risk is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The District's deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law requires collateralization of all deposits with federal depository insurance; a surety bond; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities of the State of Texas; or certain collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States.

At July 31, 2025, none of the District's bank balances were exposed to custodial credit risk.

Investments

The District may legally invest in obligations of the United States or its agencies and instrumentalities, direct obligations of Texas or its agencies or instrumentalities, collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States, other obligations guaranteed as to principal and interest by the State of Texas or the United States or their agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States, obligations of states, agencies, and counties and other political subdivisions with an investment rating not less than "A," certificates of deposit of financial institutions domiciled in Texas, and certain bankers' acceptances, repurchase agreements, mutual funds, commercial paper, guaranteed investment contracts, and investment pools.

The District's investment policy may be more restrictive than the Public Funds Investment Act.

The District invests in TexSTAR, an external investment pool that is not registered with the Securities and Exchange Commission. A Board of Directors, made up of participants and representatives of the administrator and investment manager, has oversight of TexSTAR. The District's investments may be redeemed at any time. The District's investments in TexSTAR are reported at amortized cost.

At July 31, 2025, the District has the following investments and maturities:

Type	Amortized Cost	Maturities in Years: Less Than 1	1–5	6–10	More Than 10
TexSTAR	$ 669,615	$ 669,615	$ -	$ -	$ -

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy does not allow investments in certain mortgage-backed securities, collateralized mortgage obligations with a final maturity date in excess of 10 years, and interest rate indexed collateralized mortgage obligations. The external investment pool is presented as an investment with a maturity of less than one year because it is redeemable in full immediately.

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At July 31, 2025, the District's investments in TexSTAR were rated "AAAm" by Standard & Poor's.

Summary of Carrying Values

The carrying values of deposits and investments shown previously are included in the balance sheet and statement of net position captions at July 31, 2025 as follows:

Carrying value	
Deposits	$ 35,492
Investments	669,615
Total	$ 705,107

Investment Income

Investment income of $25,351 for the year ended July 31, 2025 consisted of interest income.

Note 3. Capital Assets

A summary of changes in capital assets for the year ended July 31, 2025 is presented below:

Governmental Activities	Balances, Beginning of Year	Additions	Balances, End of Year
Capital assets, non-depreciable			
Land and land improvements	$ 3,668,715	$ 2,406,790	$ 6,075,505

Note 4. Long-Term Liabilities

Changes in long-term liabilities for the year ended July 31, 2025 were as follows.

Governmental Activities	Balances, Beginning of Year	Increases	Decreases	Balances, End of Year	Amounts Due in One Year
Bonds payable					
General obligation bonds	$ 6,745,000	$ 1,965,000	$ 55,000	$ 8,655,000	$ 125,000
Less discounts on bonds	196,278	58,950	5,006	250,222	-
	6,548,722	1,906,050	49,994	8,404,778	125,000
Bond anticipation notes	-	1,078,000	-	1,078,000	-
Due to developers – construction	16,170,140	3,587,761	2,560,771	17,197,130	-
Due to developers – advances	408,468	-	-	408,468	-
Total governmental activities long-term liabilities	$ 23,127,330	$ 6,571,811	$ 2,610,765	$ 27,088,376	$ 125,000

General Obligation Bonds

	Road Series 2022	Road Series 2023
Amounts outstanding, July 31, 2025	$2,945,000	$3,745,000
Interest rates	5.00% to 5.45%	5.000% to 5.625%
Maturity dates, serially beginning/ending	September 1, 2025/2049	September 1, 2025/2049
Interest payment dates	March 1/September 1	March 1/September 1
Callable dates*	September 1, 2029	September 1, 2030

	Road Series 2024
Amount outstanding, July 31, 2025	$1,965,000
Interest rates	4.00% to 4.60%
Maturity dates, serially beginning/ending	September 1, 2026/2050
Interest payment dates	March 1/September 1
Callable date*	September 1, 2031

*Or any date thereafter, callable at par plus accrued interest to the date of redemption.

Annual Debt Service Requirements

The following schedule shows the annual debt service requirements to pay principal and interest on general obligation bonds outstanding at July 31, 2025:

Year	Principal	Interest	Total
2026	$ 125,000	$ 438,083	$ 563,083
2027	180,000	430,684	610,684
2028	190,000	421,883	611,883
2029	195,000	412,709	607,709
2030	210,000	403,058	613,058
2031–2035	1,230,000	1,848,962	3,078,962
2036–2040	1,605,000	1,504,512	3,109,512
2041–2045	2,085,000	1,037,555	3,122,555
2046–2050	2,705,000	406,920	3,111,920
2051	130,000	2,990	132,990
Total	$ 8,655,000	$ 6,907,356	$ 15,562,356

The bonds are payable from the proceeds of an ad valorem tax levied upon all property within the District subject to taxation, without limitation as to rate or amount.

Bonds voted	
Water, sewer, and drainage facilities and refunding bonds	$ 292,900,000
Recreational facilities and refunding bonds	24,950,000
Road facilities and refunding bonds	149,750,000
Bonds sold	
Road facilities and refunding bonds	8,710,000

Due to Developers

The developers of the District have constructed facilities on behalf of the District under the terms of contracts with the District. The District has agreed to reimburse the developers for these facilities from the proceeds of future bond sales subject to the approval of the Commission, if required. At July 31, 2025, a liability for developer constructed facilities of $17,197,130 was recorded in the government-wide financial statements.

Developer Advances

Developers of the District have advanced $408,468 to the District for operating expenses. The District has agreed to repay the advances, plus interest, to the extent approved by the Commission from the proceeds of future bond sales. The District does not have sufficient funds nor anticipated revenues sufficient to liquidate these advances during the forthcoming fiscal year. These amounts have been recorded in the financial statements as long-term liabilities.

Bond Anticipation Note

On December 11, 2024, the District issued its Series 2024 Bond Anticipation Note (note) in the amount of $1,078,000. The note bears interest at the rate of 5.70% and matures December 10, 2025, unless called for earlier redemption. The note is a special limited obligation of the District and is payable solely from the proceeds from the sale of bonds and, therefore, has been excluded from the current portion of long-term liabilities.

Note 5. Significant Bond Resolution and Commission Requirements

(A) The Road Bond Resolutions require that the District levy and collect an ad valorem road debt service tax sufficient to pay principal and interest on road bonds when due. During the year ended July 31, 2025, the District levied an ad valorem road debt service tax at the rate of $0.6500 per $100 of assessed valuation, which resulted in a tax levy of $340,825 on the taxable valuation of $52,434,618 for the 2024 tax year. The interest and principal requirements to be paid from the road debt service tax revenues and available resources are $540,845, of which $195,241 has been paid and $345,604 is due September 1, 2025.

(B) In accordance with the Road Series 2022, Road Series 2023, and Road Series 2024 Bond Resolutions, a portion of the bond proceeds were deposited into the debt service fund and reserved for the payment of bond interest during the construction period. This bond interest reserve is reduced as the interest is paid.

Bond interest reserve, beginning of year		$ 270,847
Additions – Interest appropriated from bond proceeds, Series 2024		86,140
Deductions – Appropriation from bond interest paid		
Series 2022	$ (116,589)	
Series 2023	(154,258)	
Series 2024	(17,707)	(288,554)
Bond interest reserve, end of year		$ 68,433

Note 6. Maintenance Taxes

At an election held November 5, 2019, voters authorized a maintenance tax not to exceed $1.50 per $100 of assessed valuation on all property within the District subject to taxation. During the year ended July 31, 2025, the District levied an ad valorem maintenance tax at the rate of $0.3500 per $100 of assessed valuation, which resulted in a tax levy of $183,521 on the taxable valuation of $52,434,618 for the 2024 tax year. The maintenance tax is being used by the general fund to pay expenditures of operating the District.

At an election held November 5, 2019, voters authorized a road maintenance tax not to exceed $0.25 per $100 of assessed valuation on all property within the District subject to taxation. During the year ended July 31, 2025, the District did not levy an ad valorem road maintenance tax for the 2024 tax year. The road maintenance tax will be used by the general fund to pay expenditures of maintaining road facilities within the District.

Note 7. Risk Management

The District is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets, errors and omissions, and natural disasters for which the District carries commercial insurance. The District has not significantly reduced insurance coverage or had settlements that exceeded coverage amounts in the past three fiscal years.

Note 8. Economic Dependency

The District's developers own the majority of the taxable property in the District. The District's ability to meet its obligations is dependent on the developers' ability to pay future property taxes.

Note 9. Contingencies

The developers of the District are constructing facilities that will serve the District. The District has agreed to reimburse the developers for these costs, plus interest, from the proceeds of future bond sales, to the extent approved by the Commission, if required. The District's engineer has stated that current construction contract amounts are approximately $1,646,000. This amount has not been recorded in the financial statements since the facilities are not complete nor operational.

Note 10. Subsequent Event

On December 4, 2025, the District issued its Series 2025 Unlimited Tax Bonds in the amount of $2,500,000 at a net effective interest rate of approximately 4.815%. The bonds were sold to reimburse the District's developers for facilities constructed within the District.

Required Supplementary Information

Waller County Municipal Utility District No. 33
Budgetary Comparison Schedule – General Fund
Year Ended July 31, 2025

	Original Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	$ 160,000	$ 180,582	$ 20,582
Investment income	-	906	906
Total Revenues	160,000	181,488	21,488
Expenditures			
Service operations			
Professional fees	91,900	156,445	(64,545)
Contracted services	10,800	11,000	(200)
Other expenditures	37,438	25,201	12,237
Total Expenditures	140,138	192,646	(52,508)
Excess (Deficiency) of Revenues Over Expenditures	19,862	(11,158)	(31,020)
Fund Balance, Beginning of Year	56,892	56,892	-
Fund Balance, End of Year	$ 76,754	$ 45,734	$ (31,020)

Budgets and Budgetary Accounting

An annual operating budget is prepared for the general fund by the District's consultants. The budget reflects resources expected to be received during the year and expenditures expected to be incurred. The Board is required to adopt the budget prior to the start of its fiscal year. The budget is not a spending limitation (a legally restricted appropriation). The original budget of the general fund was not amended during fiscal 2025.

The District prepares its annual operating budget on a basis consistent with accounting principles generally accepted in the United States of America. The Budgetary Comparison Schedule – General Fund presents the original and revised budget amounts, if revised, compared to the actual amounts of revenues and expenditures for the current year.

Supplementary Information

Waller County Municipal Utility District No. 33
Other Schedules Included Within This Report
July 31, 2025

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

[X] Notes Required by the Water District Accounting Manual
See “Notes to Financial Statements,” Pages 10–20

[X] Schedule of Services and Rates

[X] Schedule of General Fund Expenditures

[X] Schedule of Temporary Investments

[X] Analysis of Taxes Levied and Receivable

[X] Schedules of Long-Term Debt Service Requirements by Years

[X] Changes in Long-Term Bonded Debt

[X] Comparative Schedules of Revenues and Expenditures – General Fund and Debt Service Fund

[X] Board Members, Key Personnel, and Consultants

Waller County Municipal Utility District No. 33
Schedule of Services and Rates
Year Ended July 31, 2025

1. Services to be provided by the District

___ Retail Water	___ Wholesale Water	_X_ 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 District services are provided by the City of Waller.

Waller County Municipal Utility District No. 33
Schedule of General Fund Expenditures
Year Ended July 31, 2025

Personnel (including benefits)		$ -
Professional Fees		
Auditing	$ 15,300	
Legal	104,088	
Engineering	37,057	
Financial advisor	-	156,445
Purchased Services for Resale		
Bulk water and wastewater service purchases		-
Regional Water Fee		-
Contracted Services		
Bookkeeping	11,000	
General manager	-	
Appraisal district	-	
Tax collector	-	
Security	-	
Other contracted services	-	11,000
Utilities		-
Repairs and Maintenance		-
Administrative Expenditures		
Directors' fees	17,238	
Office supplies	962	
Insurance	-	
Other administrative expenditures	7,001	25,201
Capital Outlay		
Capitalized assets	-	
Expenditures not capitalized	-	-
Tap Connection Expenditures		-
Solid Waste Disposal		-
Fire Fighting		-
Parks and Recreation		-
Lease Expenditures		-
Total Expenditures		$ 192,646

Waller County Municipal Utility District No. 33
Schedule of Temporary Investments
July 31, 2025

	Interest Rate	Maturity Date	Face Amount	Accrued Interest Receivable
General Fund				
TexSTAR	4.32%	Demand	$ 1,318	$ -
Debt Service Fund				
TexSTAR	4.32%	Demand	513,626	-
Capital Projects Fund				
TexSTAR	4.32%	Demand	73,876	-
TexSTAR	4.32%	Demand	80,795	-
			154,671	-
Totals			$ 669,615	$ -

Waller County Municipal Utility District No. 33
Analysis of Taxes Levied and Receivables
Year Ended July 31, 2025

		Maintenance Taxes	Road Debt Service Taxes
Receivable, Beginning of Year		$ -	$ -
Additions and corrections to prior years' taxes		(885)	(1,039)
Adjusted Receivable, Beginning of Year		(885)	(1,039)
2024 Original Tax Levy		188,028	349,195
Additions and corrections		(4,507)	(8,370)
Adjusted tax levy		183,521	340,825
Total to be accounted for		182,636	339,786
Tax repayments (collections):	Current year	(181,467)	(337,010)
	Prior year	885	1,039
Receivable, End of Year		$ 2,054	$ 3,815
Receivable, by Years			
2024		$ 2,054	$ 3,815

Waller County Municipal Utility District No. 33
Analysis of Taxes Levied and Receivables
July 31, 2025 **(Continued)**

	2024	2023	2022	2021
Property Valuations				
Land	$ 13,110,296	$ 11,719,212	$ 7,129,038	$ 2,239,305
Improvements	42,894,608	30,372,371	5,932,665	-
Personal property	84,480	31,000	81,830	-
Exemptions	(3,654,766)	(2,718,690)	(975,974)	-
Total Property Valuations	$ 52,434,618	$ 39,403,893	$ 12,167,559	$ 2,239,305
Tax Rates per $100 Valuation				
Road debt service tax rates	$ 0.6500	$ 0.5400	$ -	$ -
Maintenance tax rates*	0.3500	0.4600	1.0000	1.0000
Total Tax Rates per $100 Valuation	$ 1.0000	$ 1.0000	$ 1.0000	$ 1.0000
Tax Levy	$ 524,346	$ 394,039	$ 121,676	$ 22,393
Percent of Taxes Collected to Taxes Levied**	99%	100%	100%	100%

*Maximum tax rate approved by voters: $1.50 on November 5, 2019

**Calculated as taxes collected for a tax year divided by taxes levied for that tax year.

Waller County Municipal Utility District No. 33
Schedule of Long-Term Debt Service Requirements by Years
July 31, 2025

Due During Fiscal Years Ending July 31	Road Series 2022		
	Principal Due September 1	Interest Due March 1, September 1	Total
2026	$ 55,000	$ 152,487	$ 207,487
2027	60,000	149,613	209,613
2028	65,000	146,487	211,487
2029	65,000	143,238	208,238
2030	70,000	139,862	209,862
2031	75,000	136,238	211,238
2032	80,000	132,362	212,362
2033	85,000	128,238	213,238
2034	90,000	123,862	213,862
2035	95,000	119,238	214,238
2036	100,000	114,362	214,362
2037	105,000	109,238	214,238
2038	110,000	103,807	213,807
2039	115,000	98,070	213,070
2040	120,000	92,078	212,078
2041	130,000	85,605	215,605
2042	135,000	78,649	213,649
2043	145,000	71,299	216,299
2044	150,000	63,461	213,461
2045	160,000	55,130	215,130
2046	170,000	46,261	216,261
2047	175,000	36,924	211,924
2048	185,000	27,114	212,114
2049	195,000	16,759	211,759
2050	210,000	5,722	215,722
Totals	$ 2,945,000	$ 2,376,104	$ 5,321,104

Waller County Municipal Utility District No. 33
Schedule of Long-Term Debt Service Requirements by Years
July 31, 2025 **(Continued)**

Due During Fiscal Years Ending July 31	Road Series 2023		
	Principal Due September 1	Interest Due March 1, September 1	Total
2026	$ 70,000	$ 199,456	$ 269,456
2027	75,000	195,831	270,831
2028	80,000	191,956	271,956
2029	85,000	187,831	272,831
2030	90,000	183,456	273,456
2031	95,000	178,831	273,831
2032	100,000	173,956	273,956
2033	105,000	168,832	273,832
2034	110,000	163,456	273,456
2035	115,000	157,759	272,759
2036	125,000	151,610	276,610
2037	130,000	145,075	275,075
2038	140,000	138,069	278,069
2039	145,000	130,587	275,587
2040	155,000	122,713	277,713
2041	165,000	114,106	279,106
2042	170,000	104,894	274,894
2043	180,000	95,269	275,269
2044	195,000	84,956	279,956
2045	205,000	73,828	278,828
2046	215,000	62,016	277,016
2047	230,000	49,500	279,500
2048	240,000	36,281	276,281
2049	255,000	22,360	277,360
2050	270,000	7,594	277,594
Totals	$ 3,745,000	$ 3,140,222	$ 6,885,222

Waller County Municipal Utility District No. 33
Schedule of Long-Term Debt Service Requirements by Years
July 31, 2025 **(Continued)**

Due During Fiscal Years Ending July 31	Road Series 2024		
	Principal Due September 1	Interest Due March 1, September 1	Total
2026	$ -	$ 86,140	$ 86,140
2027	45,000	85,240	130,240
2028	45,000	83,440	128,440
2029	45,000	81,640	126,640
2030	50,000	79,740	129,740
2031	50,000	77,740	127,740
2032	55,000	75,613	130,613
2033	55,000	73,357	128,357
2034	60,000	70,985	130,985
2035	60,000	68,495	128,495
2036	65,000	65,853	130,853
2037	70,000	62,950	132,950
2038	70,000	59,940	129,940
2039	75,000	56,785	131,785
2040	80,000	53,375	133,375
2041	80,000	49,855	129,855
2042	85,000	46,225	131,225
2043	90,000	42,330	132,330
2044	95,000	38,168	133,168
2045	100,000	33,780	133,780
2046	105,000	29,167	134,167
2047	105,000	24,442	129,442
2048	110,000	19,550	129,550
2049	115,000	14,375	129,375
2050	125,000	8,855	133,855
2051	130,000	2,990	132,990
Totals	$ 1,965,000	$ 1,391,030	$ 3,356,030

Waller County Municipal Utility District No. 33
Schedule of Long-Term Debt Service Requirements by Years
July 31, 2025 **(Continued)**

Due During Fiscal Years Ending July 31	Annual Requirements For All Series		
	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2026	$ 125,000	$ 438,083	$ 563,083
2027	180,000	430,684	610,684
2028	190,000	421,883	611,883
2029	195,000	412,709	607,709
2030	210,000	403,058	613,058
2031	220,000	392,809	612,809
2032	235,000	381,931	616,931
2033	245,000	370,427	615,427
2034	260,000	358,303	618,303
2035	270,000	345,492	615,492
2036	290,000	331,825	621,825
2037	305,000	317,263	622,263
2038	320,000	301,816	621,816
2039	335,000	285,442	620,442
2040	355,000	268,166	623,166
2041	375,000	249,566	624,566
2042	390,000	229,768	619,768
2043	415,000	208,898	623,898
2044	440,000	186,585	626,585
2045	465,000	162,738	627,738
2046	490,000	137,444	627,444
2047	510,000	110,866	620,866
2048	535,000	82,945	617,945
2049	565,000	53,494	618,494
2050	605,000	22,171	627,171
2051	130,000	2,990	132,990
Totals	$ 8,655,000	$ 6,907,356	$ 15,562,356

Waller County Municipal Utility District No. 33
Changes in Long-Term Bonded Debt
Year Ended July 31, 2025

	Bond Issues			
	Road Series 2022	Road Series 2023	Road Series 2024	Totals
Interest rates	5.00% to 5.45%	5.000% to 5.625%	4.00% to 4.60%	
Dates interest payable	March 1/ September 1	March 1/ September 1	March 1/ September 1	
Maturity dates	September 1, 2025/2049	September 1, 2025/2049	September 1, 2026/2050	
Bonds outstanding, beginning of current year	$ 3,000,000	$ 3,745,000	$ -	$ 6,745,000
Bonds sold during the current year	-	-	1,965,000	1,965,000
Retirements, principal	55,000	-	-	55,000
Bonds outstanding, end of current year	$ 2,945,000	$ 3,745,000	$ 1,965,000	$ 8,655,000
Interest paid during the current year	$ 155,237	$ 201,206	$ 17,707	$ 374,150

Paying agent's name and address

Series 2022 – The Bank of New York Mellon Trust Company, N.A., Houston, Texas
Series 2023 – The Bank of New York Mellon Trust Company, N.A., Houston, Texas
Series 2024 – The Bank of New York Mellon Trust Company, N.A., Houston, Texas

Bond authority	Tax and Refunding Bonds	Recreational and Refunding Bonds	Road and Refunding Bonds
Amount authorized by voters	$ 292,900,000	$ 24,950,000	$ 149,750,000
Amount issued	$ -	$ -	$ 8,710,000
Remaining to be issued	$ 292,900,000	$ 24,950,000	$ 141,040,000

Debt service fund cash and temporary investment balances as of July 31, 2025:	$ 544,104
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 598,552

Waller County Municipal Utility District No. 33
Comparative Schedule of Revenues and Expenditures – General Fund
Four Years Ended July 31,

	Amounts			
	2025	**2024**	**2023**	**2022**
General Fund				
Revenues				
Property taxes	$ 180,582	$ 181,506	$ 121,506	$ 22,245
Penalty and interest	-	-	512	-
Investment income	906	1,863	1,519	-
Other income	-	1,388	6,291	-
Total Revenues	181,488	184,757	129,828	22,245
Expenditures				
Service operations				
Professional fees	156,445	128,743	108,521	89,063
Contracted services	11,000	11,002	23,547	20,504
Other expenditures	25,201	24,685	23,847	12,841
Total Expenditures	192,646	164,430	155,915	122,408
Excess (Deficiency) of Revenues Over Expenditures	(11,158)	20,327	(26,087)	(100,163)
Other Financing Sources				
Developer advances received	-	-	75,000	106,400
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(11,158)	20,327	48,913	6,237
Fund Balance (Deficit), Beginning of Year	56,892	36,565	(12,348)	(18,585)
Fund Balance (Deficit), End of Year	$ 45,734	$ 56,892	$ 36,565	$ (12,348)
Total Active Retail Water Connections	N/A	N/A	N/A	N/A
Total Active Retail Wastewater Connections	N/A	N/A	N/A	N/A

Percent of Fund Total Revenues			
2025	**2024**	**2023**	**2022**
99.5 %	98.2 %	93.6 %	100.0 %
-	-	0.4	-
0.5	1.0	1.2	-
-	0.8	4.8	-
100.0	100.0	100.0	100.0
86.2	69.7	74.6	400.4
6.0	5.9	27.1	92.2
13.9	13.4	18.4	57.7
106.1	89.0	120.1	550.3
(6.1) %	11.0 %	(20.1) %	(450.3) %

Waller County Municipal Utility District No. 33
Comparative Schedule of Revenues and Expenditures – Debt Service Fund
Three Years Ended July 31,

	Amounts		
	2025	**2024**	**2023**
Debt Service Fund			
Revenues			
Property taxes	$ 335,971	$ 212,781	$ -
Penalty and interest	4,019	1,605	-
Investment income	18,795	20,761	9,072
Other income	125	-	-
Total Revenues	358,910	235,147	9,072
Expenditures			
Current			
Professional fees	-	937	-
Contracted services	23,712	16,841	-
Other expenditures	4,448	2,781	-
Debt service			
Principal retirement	55,000	-	-
Interest and fees	374,901	205,810	40,023
Total Expenditures	458,061	226,369	40,023
Excess (Deficiency) of Revenues Over Expenditures	(99,151)	8,778	(30,951)
Other Financing Sources			
General obligation bonds issued	86,140	201,206	313,225
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	(13,011)	209,984	282,274
Fund Balance, Beginning of Year	492,258	282,274	-
Fund Balance, End of Year	$ 479,247	$ 492,258	$ 282,274

Percent of Fund Total Revenues		
2025	**2024**	**2023**
93.6 %	90.5 %	- %
1.1	0.7	-
5.3	8.8	100.0
0.0	-	-
100.0	100.0	100.0
-	0.4	-
6.6	7.2	-
1.2	1.2	-
15.3	-	-
104.5	87.5	441.2
127.6	96.3	441.2
(27.6) %	3.7 %	(341.2) %

Waller County Municipal Utility District No. 33
Board Members, Key Personnel, and Consultants
Year Ended July 31, 2025

Complete District mailing address:	Waller County Municipal Utility District No. 33 c/o Allen Boone Humphries Robinson LLP 3200 Southwest Freeway, Suite 2600 Houston, TX 77027	
District business telephone number:	713.860.6400	
Submission date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):		May 13, 2024
Limit on fees of office that a director may receive during a fiscal year:		$ 7,200

Board Members	Term of Office Elected & Expires	Fees*	Expense Reimbursements	Title at Year-End
Jeff E. Ross	Elected 05/24–05/28	$ 5,304	$ 39	President
Stanley V. Grisham	Elected 05/22–05/26	2,652	594	Vice President
Joel Halbert Berry, IV	Elected 05/24–05/28	4,199	-	Secretary
Terry D. Beasley	Elected 05/22–05/26	2,652	417	Assistant Vice President
Jeremy Weber	Appointed 06/22-05/26	2,431	789	Assistant Secretary

*Fees are the amounts actually paid to a director during the District's fiscal year.

Waller County Municipal Utility District No. 33
Board Members, Key Personnel, and Consultants
Year Ended July 31, 2025 **(Continued)**

Consultants	Date Hired	Fees and Expense Reimbursements	Title
Allen Boone Humphries Robinson LLP	08/14/19	$ 95,561	General Counsel
		71,898	Bond Counsel
Forvis Mazars, LLP	02/01/22	31,000	Auditor
LJA Engineering, Inc.	10/08/19	37,057	Engineer
Masterson Advisors LLC	10/08/19	55,980	Financial Advisor
Myrtle Cruz, Inc.	08/14/19	18,387	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	02/04/20	-	Delinquent Tax Attorney
Tax Tech, Incorporated	03/03/20	23,748	Tax Assessor/ Collector
Waller County Appraisal District	Legislative Action	6,362	Appraiser

Investment Officer			
Mary Jarmon	11/13/19	N/A	Bookkeeper