OFFICIAL STATEMENT DATED OCTOBER 14, 2026

In the opinion of Bond Counsel, under existing law, assuming continuing compliance by the District (hereinafter defined) after the date of initial delivery of the Bonds described below (the "Bonds") with certain covenants contained in the Bond Order (hereinafter defined) authorizing the Bonds and subject to the matters set forth under "TAX MATTERS" herein, interest on the Bonds for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions (1) will be excludable from the gross income of the owners thereof pursuant to section 103 of the Internal Revenue Code of 1986, as amended to the date of initial delivery of the Bonds (the "Code"), and (2) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals. See "TAX MATTERS" herein.

The District did NOT designate the Bonds as "qualified tax-exempt obligations" for financial institutions. See "TAX MATTERS – Not Qualified Tax-Exempt Obligations for Financial Institutions" herein.

NEW ISSUE – Book Entry Only

RATING: S&P Global Ratings (AG Insured) ....."AA"
See "MUNICIPAL BOND INSURANCE" and "RATING" herein.

LAKEHAVEN MUNICIPAL UTILITY DISTRICT OF COLLIN COUNTY
(A political subdivision of the State of Texas located within Collin County)

$18,475,000
UNLIMITED TAX UTILITY BONDS
SERIES 2026

Dated: November 1, 2026
Interest Accrues: Date of Delivery **Due: September 1, as shown on inside cover**

The $18,475,000 Unlimited Tax Utility Bonds, Series 2026 (the "Bonds") are obligations of Lakehaven Municipal Utility District of Collin County (the "District") and are not obligations of the State of Texas; Collin County, Texas; the City of Farmersville, Texas (the "City"); or any entity other than the District. Neither the full faith and credit nor the taxing power of the State of Texas; Collin County, Texas; the City; nor any entity other than the District is pledged to the payment of principal of or interest on the Bonds.

Principal of the Bonds is payable upon presentation at the principal payment office of the paying agent/registrar, initially, Regions Bank, an Alabama state banking corporation, in Houston, Texas (the "Paying Agent/Registrar"). The Bonds are dated November 1, 2026 (the "Dated Date") and will accrue interest from the date of delivery, which is expected to be on or about November 12, 2026 (the "Date of Delivery"), with interest payable March 1, 2027, and on each September 1 and March 1 thereafter (each an "Interest Payment Date") until the earlier of maturity or redemption and will be calculated on the basis of a 360-day year composed of twelve, thirty-day months. The Bonds will be issued in fully registered form only, without coupons, in denominations of $5,000 or any integral multiple thereof, and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"), acting as securities depository for the Bonds until DTC resigns or is discharged. So long as Cede & Co., as nominee of DTC, is the registered owner of the Bonds, principal of and interest on the Bonds will be payable by the Paying Agent/Registrar (herein defined) to DTC, which will be solely responsible for making such payment to the beneficial owners of the Bonds.

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

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by **ASSURED GUARANTY INC. ("AG")**.

At an election on May 1, 2021, voters of the District authorized the District's issuance of a total of $180,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing water, wastewater, and storm drainage facilities to serve the District (the "Utility System"), $270,000,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Utility System, $94,500,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing a road system to serve the District (the "Road System"), and $141,750,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Road System. The Bonds represent the District's third issuance of unlimited tax bonds for the purpose of acquiring or constructing the Utility System. After issuance of the Bonds, $152,420,000 principal amount of unlimited tax bonds for the Utility System and $81,465,000 principal amount of unlimited tax bonds for the Road System will remain authorized but unissued. See "THE BONDS – Authority for Issuance."

The Bonds, when issued, will constitute valid and legally binding obligations of the District and be payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within the District. See "THE BONDS – Source of Payment."

The Bonds are offered, when, as and if issued by the District, subject, among other things, to the approval of the Attorney General of Texas and the approval of certain legal matters by Winstead PC, Dallas, Texas, Bond Counsel. Delivery of the Bonds is expected through the facilities of DTC on or about November 12, 2026.

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

$18,475,000 Unlimited Tax Utility Bonds, Series 2026

Maturity September 1	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 511520 (b)	Maturity September 1	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 511520 (b)
2028	$ 410,000	7.500%	4.050%	EA2	2040 (c)	$ 760,000	5.125%	5.250%	EN4
2029	440,000	7.500%	4.150%	EB0	2041 (c)	790,000	5.125%	5.300%	EP9
2030	475,000	7.500%	4.250%	EC8	2042 (c)	820,000	5.250%	5.350%	EQ7
2031	505,000	7.500%	4.350%	ED6	2043 (c)	855,000	5.250%	5.400%	ER5
2032	535,000	7.500%	4.450%	EE4	2044 (c)	895,000	5.250%	5.450%	ES3
2033 (c)	570,000	5.000%	4.600%	EF1	2045 (c)	930,000	5.250%	5.500%	ET1
2034 (c)	610,000	5.000%	4.750%	EG9	2046 (c)	965,000	5.375%	5.550%	EU8
2035 (c)	635,000	5.000%	4.900%	EH7	2047 (c)	1,005,000	5.375%	5.580%	EV6
2036 (c)	650,000	5.000%	5.000%	EJ3	2048 (c)	1,045,000	5.500%	5.600%	EW4
2037 (c)	680,000	5.000%	5.050%	EK0	2049 (c)	1,095,000	5.500%	5.620%	EX2
2038 (c)	700,000	5.000%	5.100%	EL8	2050 (c)	1,160,000	5.500%	5.640%	EY0
2039 (c)	730,000	5.125%	5.200%	EM6	2051 (c)	1,215,000	5.500%	5.650%	EZ7

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

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

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

USE OF INFORMATION IN OFFICIAL STATEMENT

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

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

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

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

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

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

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APPENDIX A Financial Statements of the District

APPENDIX B Specimen Municipal Bond Insurance Policy

SALE AND DISTRIBUTION OF THE BONDS

Award and Marketing of the Bonds

After requesting competitive bids for the Bonds, the District has accepted the bid resulting in the lowest net effective interest rate to the District, which was tendered by SAMCO Capital Markets, Inc. (the "Initial Purchaser") to purchase the Bonds bearing the interest rates shown under "MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL REOFFERING YIELDS, AND CUSIPS" on the inside cover of this Official Statement at a price of 97.005373% of the par value thereof, which resulted in a net effective interest rate of 5.584105%, as calculated pursuant to Chapter 1204 of the Texas Government Code, as amended.

Prices and Marketability

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

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

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

Securities Laws

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

MUNICIPAL BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Assured Guaranty Inc. ("AG") will issue its Municipal Bond Insurance Policy (the "Policy") for the Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as APPENDIX B to this Official Statement.

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

Assured Guaranty Inc.

AG is a Maryland domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL" and together with its subsidiaries, "Assured Guaranty"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO." AGL, through its subsidiaries, provides credit enhancement products to the U.S. and non-U.S. public finance (including infrastructure) and structured finance markets, and participates in the asset management business through ownership interests in Sound Point Capital Management, LP and certain of its investment management affiliates,

and in the annuity reinsurance business through Assured Life Reinsurance Ltd. Only AG is obligated to pay claims under the insurance policies AG has issued, and not AGL or any of its shareholders or other affiliates.

AG's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A1" (stable outlook) by Moody's Ratings ("Moody's"). Each rating of AG should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AG in its sole discretion. In addition, the rating agencies may at any time change AG's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AG. AG only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AG on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On August 3, 2026, KBRA announced that it had affirmed AG's insurance financial strength rating of "AA+" (stable outlook).

On July 27, 2026, Moody's announced that it had affirmed AG's insurance financial strength rating of "A1" (stable outlook).

On July 17, 2026, S&P announced that it had affirmed AG's financial strength rating of "AA" (stable outlook).

AG can give no assurance as to any further ratings action that S&P, Moody's and/or KBRA may take. For more information regarding AG's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

Capitalization of AG

At June 30, 2026:

- The policyholders' surplus of AG was approximately $3,088 million.
- The contingency reserve of AG was approximately $1,569 million.
- The net unearned premium reserves and net deferred ceding commission income of AG and its subsidiaries (as described below) were approximately $2,411 million. Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AG and (ii) the net unearned premium reserves and net deferred ceding commissions of AG's wholly owned subsidiary Assured Guaranty UK Limited ("AGUK"), and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA ("AGE").

The policyholders' surplus, contingency reserve, and net unearned premium reserves and net deferred ceding commission income of AG were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AG are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2025 (filed by AGL with the SEC on February 27, 2026);

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2026 (filed by AGL with the SEC on May 8, 2026); and

(iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2026 (filed by AGL with the SEC on August 7, 2026).

All information relating to AG included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Inc.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AG included herein under the caption "MUNICIPAL BOND INSURANCE – Assured Guaranty Inc." or included in a document incorporated by reference herein (collectively, the "AG Information") shall be modified or superseded to the extent that any subsequently included AG Information (either directly or through incorporation by reference) modifies or supersedes such previously included AG Information. Any AG Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

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

RATING

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

The District is not aware of any rating assigned to the Bonds other than the rating discussed above.

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OFFICIAL STATEMENT SUMMARY

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

THE BONDS

The District	Lakehaven Municipal Utility District of Collin County (the "District"), a political subdivision of the State of Texas, is located in Collin County, Texas. See "THE DISTRICT."
The Bonds	The District's $18,475,000 Unlimited Tax Utility Bonds, Series 2026 (the "Bonds") mature on September 1 in the years and amounts set forth on the inside cover of this Official Statement. The Bonds are dated November 1, 2026 (the "Dated Date"), and will accrue interest from the date of delivery, which is expected to be on or about November 12, 2026 (the "Date of Delivery"), with interest payable March 1, 2027, and each September 1 and March 1 thereafter until the earlier of stated maturity or redemption. See "THE BONDS."
Redemption	Bonds maturing on and after September 1, 2033, are subject to redemption, in whole or from time to time in part, at the option of the District on October 1, 2032, and on any date thereafter at a price of par plus accrued interest from the most recent interest payment date to the date of redemption. See "THE BONDS – Redemption of the Bonds."
Book-Entry-Only System	The Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York, pursuant to the book-entry-only system described herein. Beneficial ownership of the Bonds may be acquired in principal denominations of $5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the Beneficial Owners (hereinafter defined) thereof. Principal of and interest on the Bonds will be payable by the Paying Agent/Registrar (hereinafter defined) to Cede & Co., which will make distribution of the amounts so paid to the participating members of The Depository Trust Company for subsequent payment to the Beneficial Owners of the Bonds. See "THE BONDS – Book-Entry-Only System."
Source of Payment	Principal of and interest on the Bonds are payable from the proceeds of a continuing and direct annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District. The Bonds are obligations solely of the District and are not obligations of the State of Texas; Collin County, Texas; the City of Farmersville, Texas; or any political subdivision or entity other than the District. See "THE BONDS – Source of Payment."
Authority of Issuance	The Bonds are issued pursuant to (i) an order adopted by the Board of Directors of the District (the "Board") on the date of sale of the Bonds (the "Bond Order"); (ii) Article XVI, Section 59 of the Texas Constitution and the general laws of the State of Texas, including Chapters 49 and 54 of the Texas Water Code, as amended; (iii) an election held within the District on May 1, 2021; (iv) an order of the Texas Commission on Environmental Quality (the "TCEQ"); and (v) Chapter 8093, Texas Special District Local Laws Code (the "District

	Act"). See "THE BONDS – Authority for Issuance" and "THE DISTRICT – General."
Voted Authorization	At an election held on May 1, 2021, voters of the District authorized the District's issuance of a total of $180,000,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring a waterworks, sanitary sewer and storm drainage system serving the District (the "Utility System"), as well as total of $270,000,000 principal amount of unlimited tax bonds for the purpose of refunding of bonds issued by the District for the Utility System. The Bonds constitute the District's third issuance of unlimited tax bonds for the purpose of acquiring or constructing the Utility System. At an election held on May 1, 2021, voters of the District also authorized the District's issuance of a total of $94,500,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring a road system serving the District (the "Road System"), as well as a total of $141,750,000 principal amount of unlimited tax bonds for the purpose of refunding of bonds issued by the District for the Road System. After issuance of the Bonds, the following voted authorization will remain authorized but unissued: $152,420,000 principal amount of unlimited tax bonds for the Utility System; $81,465,000 principal amount of unlimited tax bonds for the Road System; $270,000,000 of unlimited tax refunding bonds for the Utility System; and $141,750,000 of unlimited tax refunding bonds for the Road System. See "THE BONDS – Authority for Issuance."
Payment Record	The District has never defaulted on the timely payment of debt service due on its prior bonded indebtedness.
Outstanding Bonds	The District has previously issued four series of bonds, as follows: $6,715,000 Unlimited Tax Road Bonds, Series 2024; $5,855,000 Unlimited Tax Utility Bonds, Series 2024; $6,320,000 Unlimited Tax Road Bonds, Series 2025; and $3,250,000 Unlimited Tax Utility Bonds, Series 2025. Of the above-referenced bonds issued by the District, $21,845,000 will remain outstanding as of the Date of Delivery (the "Outstanding Bonds"). See "THE BONDS – Outstanding Bonds."
Use of Proceeds of the Bonds	Proceeds from the sale of the Bonds will be used to reimburse the Developers (as defined herein) for the improvements and related engineering and land costs as shown herein under "THE BONDS – Estimated Use and Distribution of Proceeds of the Bonds." In addition, proceeds from the sale of the Bonds will be used to pay developer interest, six months of capitalized interest and costs of issuance of the Bonds as described herein. See "THE BONDS – Estimated Use and Distribution of Proceeds of the Bonds."
Not Qualified Tax-Exempt Obligations	The District will NOT designate the Bonds as "qualified tax-exempt obligations" pursuant to section 265(b) of the Internal Revenue Code of 1986, as amended. See "TAX MATTERS – Not Qualified Tax-Exempt Obligations for Financial Institutions."
Municipal Bond Insurance	Assured Guaranty Inc. ("AG"). See "MUNICIPAL BOND INSURANCE" and "APPENDIX B – Specimen Municipal Bond Insurance Policy."
Rating	S&P Global Ratings (AG Insured): "AA." See "RATING."
Bond Counsel and General Counsel	Winstead PC, Dallas, Texas. See "LEGAL MATTERS."

Disclosure Counsel	McCall, Parkhurst & Horton L.L.P., Dallas, Texas.
Financial Advisor	Cedar Creek Municipal Advisors, LLC, Houston, Texas.
District Engineer	Kimley-Horn and Associates, Inc., Dallas, Texas.

THE DISTRICT

Description	The District was created by the Texas Commission on Environmental Quality (the "TCEQ") on January 6, 2014, as a municipal utility district. The District acquired certain additional powers via passage of SB 2535, 86th Session of the Texas Legislature, Regular Session, codified as Chapter 8093, Texas Special District Local Laws Code (the "District Act"). The District was confirmed by an election held within the District on May 1, 2021. The District operates under general laws of the State of Texas pursuant to Article III, Section 52, and Article XVI, Section 59 of the Texas Constitution; the general laws of the State of Texas, including Chapters 49 and 54 of the Texas Water Code, applicable to municipal utility districts; and the District Act. The District is vested with all the rights, privileges, authority and functions conferred by the laws of the State of Texas applicable to municipal utility districts, including without limitation those conferred by Chapters 49 and 54, Texas Water Code, as amended, and the District Act. The District was created for the purposes of (i) providing, operating, and maintaining facilities to control storm water, distributing potable water, and collecting and treating wastewater and (ii) constructing, maintaining, or operating road projects. The District currently contains approximately 453.3 total acres and is located entirely within Collin County, Texas, and Farmersville Independent School District. See "THE DISTRICT."
Location	The District is located in Collin County, Texas, in the extraterritorial jurisdiction of the City of Farmersville. The District encompasses approximately 453.3 acres located west of SH 78, north of County Road 550; east of Lavon Lake and a portion of County Road 551, with a portion of County Road 551 turning east and crossing through the District. The District is located in the Farmersville Independent School District.
Developers	GRBK Edgewood LLC ("Green Brick"), a Texas limited liability company, and Meritage Homes of Texas, LLC ("Meritage"), an Arizona limited liability company, are the developers of land within the District. Green Brick and Meritage are collectively referred to herein as the "Developers." To date, the Developers have developed approximately 370.15 acres (1,866 lots) as Lakehaven, Phases 1-8. See "THE DEVELOPERS" and "DEVELOPMENT WITHIN THE DISTRICT – Current Status of Development."
Development in the District	To date, within the District, a total of approximately 1,866 single-family lots on approximately 370.15 acres have been developed as the residential subdivisions of Lakehaven, Phases 1 through 8. As of August 1, 2026, development within the District includes approximately 1,144 completed single-family homes (approximately 1,075 occupied, 65 unoccupied, and 4 model homes), approximately 101 single-family homes under construction, and approximately 621 vacant developed single-family lots. The remaining land within the District includes approximately 13.0 acres intended for a school site and a fire station, approximately 1.70 acres for an amenity center, and

	approximately 68.45 undevelopable acres. See "DEVELOPMENT WITHIN THE DISTRICT – Current Status of Development."
Homebuilders Within the District.....	Homebuilders active in the District include Trophy Signature Homes and Meritage. The homes being marketed in the District range in price from $229,500 to $450,797 and range in size from 1,232 square feet to 3,598 square feet. See "DEVELOPMENT WITHIN THE DISTRICT – Homebuilders Within the District."

RISK FACTORS

THE BONDS ARE SUBJECT TO SPECIAL INVESTMENT RISKS AS SET FORTH IN THIS OFFICIAL STATEMENT. PROSPECTIVE PURCHASERS OF THE BONDS SHOULD CAREFULLY EXAMINE THIS ENTIRE OFFICIAL STATEMENT, ESPECIALLY THE PORTION OF THIS OFFICIAL STATEMENT ENTITLED "RISK FACTORS," BEFORE MAKING AN INVESTMENT DECISION.

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SELECTED FINANCIAL INFORMATION

(UNAUDITED)

2026 Taxable Assessed Valuation	$368,387,980	(a)
Estimate of Value as of August 1, 2026	$418,544,189	(b)
Direct Debt:		
The Outstanding Bonds	$ 21,845,000	
The Bonds	$ 18,475,000	
Total	$ 40,320,000	
Estimated Overlapping Debt	$ 34,924,254	(c)
Total Direct and Estimated Overlapping Debt	$ 75,244,254	(c)
Direct Debt Ratios:		
As a percentage of 2026 Taxable Assessed Valuation	10.94 %	
As a percentage of Estimate of Value as of August 1, 2026	9.63 %	
Direct and Estimated Overlapping Debt Ratios:		
As a percentage of 2026 Taxable Assessed Valuation	20.43 %	
As a percentage of Estimate of Value as of August 1, 2026	17.98 %	
Utility System Debt Service Fund Balance (as of August 12, 2026)	$ 301,742	(d)
Road System Debt Service Fund Balance (as of August 12, 2026)	$ 280,226	(e)
General Operating Fund Balance (as of August 12, 2026)	$ 889,382	(f)
2026 Tax Rate		
Utility System Debt Service	$0.435	
Road System Debt Service	$0.250	
Maintenance & Operation	$0.515	
Total	$1.200	
Average Annual Debt Service Requirement (2027-2051)	$ 2,776,336	(g)
Maximum Annual Debt Service Requirement (2028)	$ 2,951,225	(g)
Combined Debt Service Tax Rate per $100 of Assessed Taxable Valuation Required to Pay Average Annual Debt Service Requirement (2027-2051) at 95% Collections		
Based on 2026 Taxable Assessed Valuation	$0.80	
Based on Estimate of Value as of August 1, 2026	$0.70	
Combined Debt Service Tax Rate per $100 of Assessed Taxable Valuation Required to Pay Maximum Annual Debt Service Requirement (2028) at 95% Collections		
Based on 2026 Taxable Assessed Valuation	$0.85	
Based on Estimate of Value as of August 1, 2026	$0.75	

(a) Represents the taxable assessed valuation of all taxable property in the District as of January 1, 2026, as certified by the Collin Central Appraisal District (the "Appraisal District"). See "TAX PROCEDURES" and "TAX DATA."

(b) Provided by the Appraisal District for informational purposes only. This estimate reflects the addition of taxable value resulting from new construction within the District from January 1, 2026 to August 1, 2026. No taxes will be levied on this estimated value. See "TAX PROCEDURES."

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

(d) Upon closing of the Bonds, $461,875 of capitalized interest will be deposited into the Utility System Debt Service Fund (defined herein). Neither Texas law nor the Bond Order (defined herein) require that the District maintain any particular sum in the Utility System Debt Service Fund. Funds in the Utility System Debt Service Fund are not available to pay debt service on bonds issued for the Road System (hereinafter defined).

(e) Funds in the Road System Debt Service Fund are not available to pay debt service on bonds issued for the Utility System (hereinafter defined), including the Bonds.

(f) See "RISK FACTORS – Operating Funds."

(g) See "DISTRICT DEBT – Debt Service Requirement Schedule."

LAKEHAVEN MUNICIPAL UTILITY DISTRICT OF COLLIN COUNTY

(A Political Subdivision of the State of Texas Located in Collin County)

$18,475,000
Unlimited Tax Utility Bonds
Series 2026

INTRODUCTION

This Official Statement provides certain information in connection with the issuance by Lakehaven Municipal Utility District of Collin County (the "District") of its $18,475,000 Unlimited Tax Utility Bonds, Series 2026 (the "Bonds").

The Bonds are issued pursuant to (i) an order adopted by the Board of Directors of the District (the "Board") on the date of sale of the Bonds (the "Bond Order"); (ii) Article XVI, Section 59 of the Texas Constitution and the general laws of the State of Texas, including Chapters 49 and 54 of the Texas Water Code, as amended; (iii) an election held within the District on May 1, 2021; (iv) an order of the Texas Commission on Environmental Quality (the "TCEQ"); and (v) Chapter 8093, Texas Special District Local Laws Code (the "District Act").

Unless otherwise indicated, capitalized terms used in this Official Statement have the same meaning assigned to such terms in the Bond Order.

Included in this Official Statement are descriptions of the Bonds and certain information about the District and its finances. ALL DESCRIPTIONS OF DOCUMENTS CONTAINED HEREIN ARE SUMMARIES ONLY AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO EACH SUCH DOCUMENT. Upon payment of reasonable copying, mailing, and handling charges, copies of such documents may be obtained from the District at Winstead PC, 2728 N. Harwood Street, Suite 500, Dallas, Texas 75201 or during the offering period from the District's financial advisor, Cedar Creek Municipal Advisors, LLC, Attn: Ryan Nesmith, 4801 Woodway Drive, Suite 118-E, Houston, TX, 77056.

RISK FACTORS

General

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

Factors Affecting Taxable Values and Tax Payments

Credit Markets and Liquidity in the Financial Markets: Interest rates and the availability of mortgage and development funding have a direct impact on the construction activity, 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, the District is unable to assess the future availability of such funds for continued construction within the District. In addition, since the District is located approximately 40 miles from the central downtown business district of the City of Dallas, the success of development within the District and growth of District taxable property values are, to a great extent, a function of the Dallas metropolitan and regional economies and the national

financial and credit markets. A downturn in the economic conditions of Dallas and the nation could adversely affect development plans in the District and restrain the growth of the District's property tax base.

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

Economic Factors: The rate of development of the District is directly related to the vitality of the future commercial, retail and single-family for rent industries. New construction can be significantly affected by factors such as interest rates, construction costs, energy costs, and consumer demand. Decreased levels of home construction or commercial construction activity would restrict the growth of property values in the District. The District cannot predict the pace or magnitude of any future development or home construction in the District other than that which has occurred to date.

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

Dependence on Principal Taxpayers: The ability of any principal landowner to make full and timely payments of taxes levied against its property by the District and similar taxing authorities will directly affect the District's ability to meet its debt service obligations. As illustrated in this Official Statement under the caption "TAX DATA – Principal Taxpayers," the District's top ten principal taxpayers in 2026 owned property located within the District the aggregate assessed valuation of which comprised approximately 24.83% of the District's total taxable assessed valuation as of January 1, 2026. The Developers owned approximately 23.87% of the District's total taxable assessed valuation as of January 1, 2026. See "THE DEVELOPERS – Description of the Developers."

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

Maximum Impact on District Tax Rate: Assuming no further development, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of District property owners to pay their taxes. The 2026 Taxable Assessed Valuation of property located within the District is $368,387,980 and the Estimate of Value as of August 1, 2026 is $418,544,189. See "TAX DATA." After issuance of the Bonds, the

maximum annual debt service requirement on the Bonds and the Outstanding Bonds (defined herein) is $2,951,225 (2028) and the average annual debt service requirement on the Bonds and the Outstanding Bonds is $2,776,336 (2027-2051). Assuming no increase to nor decrease from the 2026 Taxable Assessed Valuation, tax rates of $0.85 and $0.80 per $100 of assessed taxable valuation at a 95% tax collection rate would be necessary to pay the maximum annual debt service requirement and the average annual debt service requirement, respectively. Assuming no increase to nor decrease from the Estimate of Value as of August 1, 2026, tax rates of $0.75 and $0.70 per $100 of assessed taxable valuation at a 95% tax collection rate would be necessary to pay the maximum annual debt service requirement and the average annual debt service requirement, respectively. See "TAX DATA – Tax Rate Calculations." The District can make no representation that the taxable property values in the District will increase in the future or will maintain a value sufficient to support the aforementioned tax rate or to justify continued payment of taxes by property owners.

For the 2026 tax year, the District levied a total tax rate of $1.20 per $100 of assessed valuation. Such rate is composed of a utility debt service tax rate of $0.435 per $100 of assessed valuation, a road debt service tax rate of $0.250 per $100 of assessed valuation and a maintenance tax rate of $0.515 per $100 of assessed valuation.

Increases in the District's tax rate to substantially higher levels than the current rate of $1.20 per $100 of assessed taxable valuation which the District presently levied may have an adverse impact upon future development of the District, the sale and construction of homes within the District, and the ability of the District to collect, and the willingness of owners of property located within the District to pay, ad valorem taxes levied by the District. In addition, the collection by the District of delinquent taxes owed to it and the enforcement by a registered owner of the Bonds of the District's obligations to collect sufficient taxes may be a costly and lengthy process.

Operating Funds

The District's only source of operating revenue is maintenance tax revenue. The District does not collect water and wastewater revenues from its residents. The District levied a 2026 maintenance tax of $0.515 per $100 of assessed valuation. The District's general fund balance as of August 12, 2026, was $889,382. The revenue produced from a $0.515 maintenance tax in 2026 or a reduced maintenance tax in subsequent years may not be sufficient to offset the operating expenses of the District. Continued maintenance of a positive general fund balance will depend upon (1) cash subsidies from the Developers and (2) continued development and increased amounts of maintenance tax revenues. If funds from these sources are not forthcoming, the District would have to increase its maintenance tax rate.

Tax Collection Limitations

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

Vacant Developed Lots

As of August 1, 2026, approximately 621 developed lots within the District remained available for construction. Failure of the Developers and/or builders to construct taxable improvements on developed lots could result in substantial increases in the rate of taxation by the District during the term of the Bonds to pay debt service on the Bonds and any other tax supported debt of the District issued in the future. Future increases in value will

result primarily from the construction of homes by builders. The District makes no representation that the lot sales and building program will be successful.

Bondholders' Remedies

In the event of default in the payment of principal of or interest on the Bonds, the registered holders of the Bonds ("Bondholders") have a right to seek a writ of mandamus requiring the District to levy adequate taxes each year to make such payments. Except for mandamus, the Bond Order does not provide for remedies to protect and enforce the interests of the Bondholders. 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 Bondholders.

Statutory language authorizing local governments such as the District to sue and be sued does not waive the local government's governmental immunity from suits for money damages, so that in the absence of other waivers of such immunity by the Texas Legislature, a default by the District in its covenants in the Bond Order may not be reduced to a judgment for money damages. If such a judgment against the District were obtained, it could not be enforced by direct levy and execution against the District's property. Further, the Bondholders 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 Bondholders may further be limited by a State of Texas statute reasonably required to attain an important public purpose or by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions, such as the District.

Bankruptcy Limitation to Bondholders' Rights

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

Notwithstanding noncompliance by the District with Texas law requirements, the District could file a voluntary bankruptcy petition under Chapter 9 of the Federal Bankruptcy Code ("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 a Bondholder could potentially and adversely impair the value of the Bondholder's claim.

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

The District may not be placed into bankruptcy involuntarily.

Marketability

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

Future Debt

The District's voters have authorized the issuance of $180,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing a waterworks, sanitary sewer and storm drainage system serving the District (the "Utility System"); $94,500,000 principal amount of unlimited tax bonds for the purpose of acquiring

or constructing a road system serving the District (the "Road System"); $270,000,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Utility System; and $141,750,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Road System.

The Bonds represent the third series of bonds issued by the District for the purpose of acquiring or constructing the Utility System. After issuance of the Bonds, the following principal amounts of unlimited tax bonds will remain authorized but unissued: $152,420,000 for the purpose of acquiring or constructing the Utility System; $81,465,000 for the purpose of acquiring or constructing the Road System; $270,000,000 for the purpose of refunding bonds issued by the District for the Utility System; and $141,750,000 for the purpose of refunding bonds issued by the District for the Road System. The District may also issue any additional bonds as may hereafter be approved by both the Board of Directors and voters of the District as well as certain additional bonds, revenue bonds, special project bonds, and other obligations as described in the Bond Order. The Bond Order imposes no limitation on the amount of additional parity bonds which may be issued by the District (if authorized by the District's voters and, in the case of bonds for the Utility System, approved by the TCEQ). See "THE BONDS – Issuance of Additional Debt".

Based on present engineering cost estimates and development plans, in the opinion of the District's Engineer, the remaining $152,420,000 principal amount of authorized but unissued unlimited tax bonds for the purpose of acquiring or constructing the Utility System will be sufficient to fully finance utility facilities to serve the remaining undeveloped but developable land within the District.

Following the issuance of the Bonds, the District will owe the Developers approximately $50,000,000 for expenditures to construct the Utility System and approximately $20,000,000 for expenditures to construct the Road System. Such expenditures are expected to increase as development continues within the District. If additional bonds are issued in the future and property values have not increased proportionately, such issuance may increase gross debt-to-property-valuation ratios and thereby adversely affect the investment quality or security of the Bonds.

Continuing Compliance with Certain Covenants

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

Approval of the Bonds

The Attorney General of Texas must approve the legality of the Bonds prior to their delivery. The Attorney General of Texas does not pass upon or guarantee the security of the Bonds as an investment, nor has or will the Attorney General of Texas pass upon the adequacy or accuracy of the information contained in this Official Statement.

Environmental Regulations

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

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

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

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

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

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

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

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

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

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

additional PFAS regulation in the future, which could increase the cost of constructing, operating, and maintaining water production and distribution facilities.

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

The TCEQ issued the General Permit for Phase II (Small) Municipal Separate Storm Sewer Systems (the "MS4 Permit") on August 15, 2024. The MS4 Permit authorizes the discharge of stormwater to surface water in the state from small municipal separate storm sewer systems. While the District is currently not subject to the MS4 permit, if the District's inclusion were required at a future date, the District could incur substantial costs to develop, implement, and maintain the necessary plans as well as to install or implement best management practices to minimize or eliminate unauthorized pollutants that may otherwise be found in stormwater runoff in order to comply with the MS4 Permit.

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

In 2023, the Supreme Court of the United States issued its decision in *Sackett v. EPA*, which clarified the definition of "waters of the United States" and significantly restricted the reach of federal jurisdiction under the CWA. Under the *Sackett* decision, "waters of the United States" includes only geographical features that are described in ordinary parlance as "streams, oceans, rivers, and lakes" and to adjacent wetlands that are indistinguishable from such bodies of water due to a continuous surface connection. Subsequently, the EPA and USACE issued a final rule amending the definition of "water 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 and other types of special purpose districts, including the Regional District, could potentially be subject to additional restrictions and requirements, including additional permitting requirements, in the future.

Potential Impact of Natural Disaster

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

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

Future and Proposed Legislation

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in Congress and in the State of Texas that, if enacted, could alter or amend the federal or state tax

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

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

Bond Insurance Risk Factors

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

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

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

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

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

Neither the District or the Initial Purchaser have made independent investigation into the claims paying ability of the bond insurer and no assurance or representation regarding the financial strength or projected financial strength of the bond insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal and interest on the Bonds and the claims paying ability of the bond insurer, particularly over the life of the investment. See "MUNICIPAL BOND INSURANCE" and "RATING" herein for further information provided by the bond insurer and the Policy, which includes further instructions for obtaining current financial information concerning the bond insurer.

Collection of Taxes

The District's ability to pay debt service on the Bonds may be adversely affected by its ability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien on the property in favor of the District on a parity with the lien of all other local taxing authorities. Such lien can be foreclosed in judicial proceedings. The District's ability to collect ad valorem taxes through such foreclosure may be impaired by (a) collection procedures, (b) a bankruptcy court's stay of a tax collection procedure against a taxpayer or (c) market conditions limiting the proceeds from a foreclosure sale of taxable property including the taxpayer's right to redeem property for a specified period of time after foreclosure at the foreclosure sale price. See "TAXING PROCEDURES – Assessment and Levy of Taxes."

THE BONDS

General

The following is a description of certain terms and conditions of the Bonds, which description is qualified in its entirety by reference to the Bond Order of the Board of Directors of the District (the "Board") authorizing the issuance of the Bonds. A copy of the Bond Order may be obtained from the District upon request and payment of the costs for duplication thereof. The Bond Order authorize the issuance and sale of the Bonds and prescribe the terms, conditions and provisions for the payment of the principal of and interest on the Bonds by the District.

Description

The Bonds are dated November 1, 2026 (the "Dated Date"), and will accrue interest from the date of delivery, which is expected to be on or about November 12, 2026 (the "Date of Delivery"), with interest payable March 1, 2027, and each September 1 and March 1 thereafter (each an "Interest Payment Date") until earlier of stated maturity or prior redemption.

The Bonds will be issued as fully registered bonds in the denomination of $5,000 or any integral multiple thereof. Principal of the Bonds will be payable to the Bondholder thereof at maturity or earlier redemption upon presentation of Bonds at the principal payment office of Regions Bank, an Alabama state banking corporation, Houston, Texas (the "Paying Agent/Registrar"). Interest on the Bonds will be payable by check, dated as of the interest payment date, and mailed by the Paying Agent/Registrar to Bondholders as shown on the records of the Paying Agent/Registrar at the close of business on the 15th day of the calendar month next preceding each Interest Payment Date (the "Record Date"), or by other such customary banking arrangements as may be acceptable to the Paying Agent/Registrar and the Bondholder at the expense and risk of the Bondholder.

Book-Entry-Only System

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

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

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934.

DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a rating of AA+ from S&P Global Ratings. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

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

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

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

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

or Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

Use of Certain Terms in Other Sections of this Official Statement

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

The information concerning 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 thereof.

Successor Paying Agent/Registrar

Provision is made in the Bond Order for replacing the Paying Agent/Registrar. If the District replaces the Paying Agent/Registrar, such Paying Agent/Registrar shall, promptly upon the appointment of a successor, deliver the Paying Agent/Registrar's records to the successor Paying Agent/Registrar, and the successor Paying Agent/Registrar shall act in the same capacity as the previous Paying Agent/Registrar. Any successor Paying Agent/Registrar selected by the District shall be a legally qualified 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 and perform the services of Paying Agent/Registrar for the Bonds under the Bond Order.

Registration, Transfer and Exchange

In the event the Book-Entry-Only system is discontinued, the Bonds are transferable only on the bond register kept by the Paying Agent/Registrar upon surrender at the principal payment office of the Paying Agent/Registrar in Houston, Texas. A Bond may be assigned by the execution of an assignment form on the Bonds or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. At any time after the date of initial delivery, any Bond may be transferred upon its presentation and surrender at the designated offices of the Paying Agent/Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the Bondholder. The Bonds are exchangeable upon presentation at the designated office(s) of the Paying Agent/Registrar, for an equal principal amount of Bonds of the same maturity in authorized denominations. To the extent possible, new Bonds issued in exchange or transfer of Bonds will be delivered to the Bondholder or assignee of the Bondholder within not more than three (3) business days after the receipt by the Paying Agent/Registrar of the request in proper form to transfer or exchange the Bonds. New Bonds registered and delivered in an exchange or transfer shall be in the denomination of $5,000 in principal amount for a Bond, or any integral multiple thereof for any one maturity and shall bear interest at the same rate and be for a like aggregate principal or maturity amount as the Bond or Bonds surrendered for exchange or transfer. Neither the Paying Agent/Registrar nor the District is required to issue, transfer, or exchange any Bond during a period beginning at the opening of business on a Record Date and ending at the close of business on the next succeeding Interest Payment Date or to transfer or exchange any Bond selected for redemption, in whole or in part, beginning fifteen (15) calendar days prior to, and ending on the date of the mailing of notice of redemption, or where such redemption is scheduled to occur within forty-five (45) calendar days. No service charge will be made for any transfer or exchange, but the District or Paying Agent/Registrar may require payment of a sum sufficient to cover any tax or governmental charge payable in connection therewith.

Replacement of Bonds

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

Authority for Issuance

At an election held on May 1, 2021, voters of the District also authorized the District's issuance of a total of $180,000,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring the Utility System, as well as a total of $270,000,000 principal amount of unlimited tax bonds for the purpose of refunding of bonds issued by the District for the Utility System. The Bonds constitute the District's third issuance of unlimited tax bonds for the purpose of acquiring or constructing the Utility System.

At an election on May 1, 2021, voters of the District authorized the District's issuance of a total of $94,500,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring the Road System, as well as total of $141,750,000 principal amount of unlimited tax bonds for the purpose of refunding of bonds issued by the District for the Road System.

The Bonds are issued pursuant to (i) the Bond Order; (ii) Article XVI, Section 59 of the Texas Constitution and the general laws of the State of Texas, including Chapters 49 and 54 of the Texas Water Code, as amended; (iii) an election held within the District on May 1, 2021; (iv) an order of the TCEQ; and (v) the District Act.

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.

Payment Record

The District has never defaulted on the timely payment of debt service due on its prior bonded indebtedness.

Source of Payment

The Bonds, when issued, will constitute valid and binding obligations of the District, and the principal thereof and the interest thereon, and such additional tax bonds of the District as may hereafter be authorized by District voters, if any, and subsequently issued, are payable from and secured by the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District. See "TAX PROCEDURES" and "TAX DATA – Tax Rate Calculations" for tax adequacy, manner of assessing and collecting taxes, and the remedy to the District in the event of tax delinquencies; and "Bondholders' Remedies" below for the remedies available to Bondholders in the event of default in the performance of any of the covenants set forth in the Bond Order or in the event of default in the payment of principal of or interest on the Bonds.

The Bonds are obligations solely of the District and are not obligations of the State of Texas; Collin County, Texas; the City; or any political subdivision other than the District.

Redemption of the Bonds

The District reserves the right, at its option, to redeem the Bonds maturing on and after September 1, 2033, prior to their scheduled maturities, in whole or in part, on October 1, 2032, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest to the date fixed for redemption. Notice of the exercise of the reserved right of redemption will be given at least thirty (30) days prior to the redemption date by sending such notice by first class mail to the Bondholder of each Bond to be redeemed in whole or in part at the address shown on the bond register. If fewer than all of the Bonds are optionally redeemed at any time, the particular maturities and amounts of Bonds to be optionally redeemed shall be selected by the District in integral multiples of $5,000 within any one maturity and if fewer than all of the Bonds within a maturity are to be redeemed, the Paying Agent/Registrar (or DTC in accordance with its procedures while the Bonds are in book-entry-only form) shall designate by method of random selection the Bonds within such maturity to be redeemed.

If the Book-Entry-Only System is discontinued, the Bondholder of any Bond, all or a portion of which has been called for redemption, shall be required to present same to the Paying Agent/Registrar for payment of the

redemption price on the portion of the Bond so called for redemption and issuance of a new Bond in the principal amount equal to the portion of such Bond not redeemed.

Annexation

Under existing Texas law, because the District lies wholly within the extraterritorial jurisdiction of the City, the District may be annexed for full purposes by the City without the District's consent, subject to compliance by the City with various requirements of Chapter 43 of the Texas Local Government Code, as amended. The District may be annexed and dissolved by the City only if (i) such annexation has been approved by a majority of those voting in an election held for that purpose within the area to be annexed and (ii) if the registered voters in the area to be annexed do not own more than 50% of the land in the area, a petition has been signed by more than 50% of the land owners, consenting to annexation. If the District is annexed, the City must assume the District's assets and obligations (including the Bonds) and abolish the District within ninety (90) days of the date of annexation. Annexation of territory by the City is a policy-making matter within the discretion of the Mayor and City Council of the City, subject to the requirements of Chapter 43 of the Texas Local Government Code, as amended, and therefore, the District makes no representation that the City will ever annex the District and assume its debt. Moreover, no representation is made concerning the ability of the City to make debt service payments should the annexation occur.

In 2021, the District entered into a Development Agreement (the "DA") with the City and Lakehaven Farmersville, LLC (for purposes of this paragraph, the "DA Owner"), the Developers' predecessor in interest.

Under the DA, (1) the District has consented to the full-purpose annexation of the District by the City at any time on or after 100 percent of the land in the District has been developed with water, sanitary sewer and drainage facilities and roads and the District has issued bonds to reimburse fully the Developers of any such facilities and roads to the fullest extent allowed under the then-current rules of the TCEQ, and (2) the City has agreed not to annex the District for full municipal purposes prior to such time.

Defeasance

The Bond Order provides that the District may discharge its obligations to the Bondholders 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) for obligations of the District payable from revenues or from ad valorem taxes or both or with a commercial bank or trust company designated in the proceedings authorizing such discharge, amounts sufficient to provide for the payment and/or redemption of the Bonds; provided that such deposits may be currently invested and reinvested only in (a) direct noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the District adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the District adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent. The foregoing obligations may be in book entry form, and shall mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment and/or redemption of the Bonds. If any of such Bonds are to be redeemed prior to their respective dates of maturity, provision must have been made for giving notice of redemption as provided in the Bond Order.

There is no assurance that the current law will not be changed in a manner which would permit other investments to be made with amounts deposited to defease the Bonds. Because the Bond Order does not contractually limit such investments, Bondholders may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as currently permitted under Texas law. There is also no assurance that any investment held for such discharge will maintain its rating.

District Annexation, Dissolution, and Consolidation

In certain circumstances, under Texas law, the District may alter its boundaries to: (1) upon satisfying certain conditions, annex additional territory; and (2) exclude land subject to taxation within the District that is not served by District facilities if the District simultaneously annexes land of equal acreage and value that may be practicably served by District facilities. No representation is made concerning the likelihood that the District would affect any changes in its boundaries.

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 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.

Issuance of Additional Debt

The District's voters have authorized the issuance of $180,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Utility System; $94,500,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Road System; $270,000,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Utility System; and $141,750,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued by the District for the Road System.

The Bonds represent the third series of bonds issued by the District for the purpose of acquiring or constructing the Utility System. After issuance of the Bonds, the following principal amounts of unlimited tax bonds will remain authorized but unissued: $152,420,000 for the purpose of acquiring or constructing the Utility System; $81,465,000 for the purpose of acquiring or constructing the Road System; $270,000,000 for the purpose of refunding bonds issued by the District for the Utility System; and $141,750,000 for the purpose of refunding bonds issued by the District for the Road System. The District may also issue any additional bonds as may hereafter be approved by both the Board of Directors and voters of the District as well as certain additional bonds, revenue bonds, special project bonds, and other obligations as described in the Bond Order. The Bond Order imposes no limitation on the amount of additional parity bonds which may be issued by the District (if authorized by the District's voters and, in the case of bonds for the Utility System, approved by the TCEQ).

Based on present engineering cost estimates and development plans, in the opinion of the District's Engineer, the remaining $152,420,000 principal amount of authorized but unissued unlimited tax bonds for the purpose of acquiring or constructing the Utility System will be sufficient to fully finance utility facilities to serve the remaining undeveloped but developable land within the District.

Following the issuance of the Bonds, the District will owe the Developers approximately $50,000,000 for expenditures to construct the Utility System and approximately $20,000,000 for expenditures to construct the Road System. Such expenditures are expected to increase as development continues within the District. See "RISK FACTORS – Future Debt".

Before issuing any authorized but unissued bonds for the Utility System, the District would have to obtain approval of the TCEQ for the issuance of such bonds and the projects to be financed thereby. In addition to the above-mentioned bonds, the District has the right to issue such additional tax bonds or combination tax and revenue bonds as may be hereafter approved by the voters of the District. The District also has the right to issue revenue notes, bond anticipation notes, and tax anticipation notes without the necessity of voter approval. In addition, the District has the right to enter into contracts and to pledge its taxing power to secure any payments the District is required to make under such contracts, provided the provisions of the contract are approved by the voters of the District. The District further has the right to issue refunding bonds from its voted authorization without additional voter approval. Under certain conditions, including required elections, the District may provide facilities for parks and fire protection. The City provides the District with facilities for parks and fire protection; therefore, it is not anticipated that the District will issue bonds for these purposes.

Outstanding Bonds

The District has previously issued four series of bonds, as follows: $6,715,000 Unlimited Tax Road Bonds, Series 2024; $5,855,000 Unlimited Tax Utility Bonds, Series 2024; $6,320,000 Unlimited Tax Road Bonds, Series 2025; and $3,250,000 Unlimited Tax Utility Bonds, Series 2025. Of the above-referenced bonds issued by the District, $21,845,000 will remain outstanding as of the Date of Delivery (the "Outstanding Bonds").

No Arbitrage

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

Bondholders' Remedies

The Bond Order contains a covenant that, while any of the Bonds are outstanding, there shall be assessed, levied, and collected an annual ad valorem tax, without legal limit as to rate or amount, on all taxable property within the District, sufficient to pay principal of and interest on the Bonds, and any additional tax-supported bonds when due and to pay the expenses necessary in collecting taxes. Texas law and the Bond Order provides that in the event that the District defaults in the payment of the principal of or interest on any of the Bonds when due, fails to make payments required by the Bond Order into the Debt Service Fund, or defaults in the observance or performance of any of the covenants, conditions, or obligations set forth in the Bond Order, any Bondholder shall be entitled at any time to a writ of mandamus from a court of competent jurisdiction compelling and requiring the Board to observe and perform any covenant, obligation, or condition prescribed by the Bond Order. Such right is in addition to all other rights the Bondholders may be provided by the laws of the State of Texas.

Except for mandamus, the Bond Order does not specifically provide for remedies to a Bondholder in the event of a District default, nor does it provide for the appointment of a trustee to protect and enforce the interests of the Bondholders. There is no acceleration of maturity of the Bonds in the event of default. Consequently, the remedy of mandamus is a remedy which may have to be relied upon from year to year by the Bondholders.

Even if the Bondholders could obtain a judgment against the District, such judgment could not be enforced by direct levy and execution against the District's property. Further, the Bondholders cannot themselves foreclose on property within the District or sell property within the District in order to pay the principal of and interest on the Bonds. Certain traditional legal remedies also may be unavailable. The enforceability of the rights and remedies of the Bondholders may be further limited by federal bankruptcy laws, reorganization, or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. See "Bankruptcy Limitation to Bondholders' Rights" below.

Bankruptcy Limitation to Bondholders' Rights

Other than a writ of mandamus and other relief authorized by law, the Bond Order does not expressly provide a specific remedy for a default. Even if a Bondholder could obtain a judgment against the District for a default in the payment of principal or interest, such judgment could not be satisfied by execution against any property of the District. If the District defaults, a Bondholder could petition for a writ of mandamus issued by a court of competent jurisdiction requiring the District and the District's officials to observe and perform the covenants, obligations or conditions prescribed in the Bond Order. Such remedy might need to be enforced on a periodic basis. The enforcement of a claim for payment on the Bonds would be subject to the applicable provisions of the federal bankruptcy laws, any other similar laws affecting the rights of creditors of political subdivisions, and general principles of equity. See "RISK FACTORS – Bondholders' Remedies," and "– Bankruptcy Limitation to Bondholders' Rights."

Legal Investment and Eligibility to Secure Public Funds in Texas

Pursuant to the Public Securities Procedures Act, Chapter 1201, Texas Government Code, as amended, and Section 49.186, Texas Water Code, the Bonds, whether rated or unrated, are (a) legal investments for banks,

savings banks, trust companies, building and loan associations, savings and loan associations, insurance companies, fiduciaries, and trustees and (b) legal investments for the public funds of cities, towns, villages, school districts, and other political subdivisions or public agencies of the State of Texas. Most political subdivisions in the State of Texas are required to adopt investment guidelines under the Public Funds Investment Act, Chapter 2256, Texas Government Code, and such political subdivisions may impose a requirement consistent with such law that the Bonds have a rating of not less than "A" or its equivalent to be legal investments for such entity's funds. The Bonds are eligible under the Public Funds Collateral Act, Chapter 2257, Texas Government Code, to secure deposits of public funds of the State of Texas or any political subdivision or public agency of the State of Texas and are lawful and sufficient security for those deposits to the extent of their market value.

The District has not reviewed the laws in other states to determine whether the Bonds are legal investments for various institutions in those states or eligible to serve as collateral for public funds in those states. The District has made no investigation of any other laws, rules, regulations, or investment criteria that might affect the suitability of the Bonds for any of the above purposes or limit the authority of any of the above persons or entities to purchase or invest in the Bonds.

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Estimated Use and Distribution of Proceeds of the Bonds

Proceeds from the sale of the Bonds will be used to reimburse the Developers for the improvements and related engineering and land costs as shown below. In addition, proceeds from the sale of the Bonds will be used to pay developer interest, six months of capitalized interest and costs of issuance of the Bonds as described below.

Construction Costs	Amount
A. Lakehaven Blvd. & Phase 1 – W, WW, & D	**$** 895,559
B. Lakehaven Phase 1 – W, WW, & D	2,937,098
C. Lakehaven Phase 2 – Clearing & Grubbing	259,127
D. Lakehaven Phase 3 – W, WW, & D	2,352,376
E. Lakehaven Phase 1 – Clearing & Grubbing	44,254
F. Engineering, Testing & Misc. Fees (Items D & E)	270,641
G. Lakehaven WWTP Phase 1 – Wet Well	764,322
H. Lakehaven WWTP Phase 1 – Equipment	2,411,605
I. Lakehaven WWTP Phase 1 – Concrete	1,634,846
J. Lakehaven WWTP Phase 1 – Electrical & Mechanical	901,652
K. Lakehaven WWTP Phase 1 – Fencing	146,732
L. Lakehaven WWTP Phase 1 – SCADA	126,373
M. Land Acquisition Costs	939,263
Total Construction Costs	**$ 13,683,848**
Non-Construction Costs	
A. Legal Fees	$ 461,875
B. Financial Advisor Fees	324,688
C. Capitalized Interest	461,875
D. Developer Interest	1,918,099
E. Bond Discount	553,257
F. Developer Advances & Operating Expenses	852,726
G. Bond Application Report Costs	91,950
H. Bond Issuance Expenses	70,001
I. TCEQ Bond Issuance Fee	46,188
J. Attorney General Fee	9,500
K. Contingency (a)	993
Total Non-Construction Costs	**$ 4,791,152**
TOTAL BOND ISSUE REQUIREMENT	**$ 18,475,000**

(a) Represents the difference between actual and allotted Bond Discount.

In the instance that approved estimated amounts exceed the actual costs, the difference comprises a surplus which may be expended for uses approved by the TCEQ, where required. In the instance that actual costs exceed previously approved estimated amounts and contingencies, additional TCEQ approval and the issuance of additional bonds may be required. The Engineer has advised the District that proceeds of the sale of the Bonds should be sufficient to pay the costs of the above-described facilities. However, the District cannot and does not guarantee the sufficiency of such funds for such purposes.

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DISTRICT DEBT
(UNAUDITED)

2026 Taxable Assessed Valuation	$368,387,980	(a)
Estimate of Value as of August 1, 2026	$418,544,189	(b)
Direct Debt:		
The Outstanding Bonds	$ 21,845,000	
The Bonds	$ 18,475,000	
Total	$ 40,320,000	
Estimated Overlapping Debt	$ 34,924,254	(c)
Total Direct and Estimated Overlapping Debt	$ 75,244,254	(c)
Direct Debt Ratios:		
As a percentage of 2026 Taxable Assessed Valuation	10.94 %	
As a percentage of Estimate of Value as of August 1, 2026	9.63 %	
Direct and Estimated Overlapping Debt Ratios:		
As a percentage of 2026 Taxable Assessed Valuation	20.43 %	
As a percentage of Estimate of Value as of August 1, 2026	17.98 %	
Utility System Debt Service Fund Balance (as of August 12, 2026)	$ 301,742	(d)
Road System Debt Service Fund Balance (as of August 12, 2026)	$ 280,226	(e)
General Operating Fund Balance (as of August 12, 2026)	$ 889,382	(f)
2026 Tax Rate		
Utility System Debt Service	$0.435	
Road System Debt Service	$0.250	
Maintenance & Operation	$0.515	
Total	$1.200	
Average Annual Debt Service Requirement (2027-2051)	$ 2,776,336	(g)
Maximum Annual Debt Service Requirement (2028)	$ 2,951,225	(g)
Combined Debt Service Tax Rate per $100 of Assessed Taxable Valuation Required to Pay Average Annual Debt Service Requirement (2027-2051) at 95% Collections		
Based on 2026 Taxable Assessed Valuation	$0.80	
Based on Estimate of Value as of August 1, 2026	$0.70	
Combined Debt Service Tax Rate per $100 of Assessed Taxable Valuation Required to Pay Maximum Annual Debt Service Requirement (2028) at 95% Collections		
Based on 2026 Taxable Assessed Valuation	$0.85	
Based on Estimate of Value as of August 1, 2026	$0.75	

(a) Represents the taxable assessed valuation of all taxable property in the District as of January 1, 2026, as certified by the Appraisal District. See "TAX PROCEDURES" and "TAX DATA."

(b) Provided by the Appraisal District for informational purposes only. This estimate reflects the addition of taxable value resulting from new construction within the District from January 1, 2026 to August 1, 2026. No taxes will be levied on this estimated value. See "TAX PROCEDURES."

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

(d) Upon closing of the Bonds, $461,875 of capitalized interest is expected to be deposited into the Utility System Debt Service Fund. Neither Texas law nor the Bond Order require that the District maintain any particular sum in the Utility System Debt Service Fund. Funds in the Utility System Debt Service Fund are not available to pay debt service on bonds issued for the Road System.

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

(f) See "RISK FACTORS – Operating Funds."

(g) See "DISTRICT DEBT – Debt Service Requirement Schedule."

Direct and Estimated Overlapping Debt Statement

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

Taxing Jurisdiction	Outstanding Debt July 31, 2026	Overlapping Percent	Overlapping Amount
Collin County	$1,133,210,000	0.15%	$ 1,686,867
Collin County Community College District	438,250,000	0.16	693,831
Farmersville Independent School District	126,550,000	25.72	32,543,556
Total Estimated Overlapping Debt			$34,924,254
Direct Debt (a)			$40,320,000
Total Direct and Estimated Overlapping Debt (a)			$75,244,254

(a) Includes the Bonds and the Outstanding Bonds.

Debt Ratios

Direct Debt Ratios (a):	
As a percentage of the 2026 Taxable Assessed Valuation	10.94 %
As a percentage of the Estimate of Value as of August 1, 2026	9.63 %
Direct and Estimated Overlapping Debt Ratios (a):	
As a percentage of the 2026 Taxable Assessed Valuation	20.43 %
As a percentage of the Estimate of Value as of August 1, 2026	17.98 %

(a) See "TAX DATA – Analysis of Tax Base."

Under Texas law ad valorem taxes levied by each taxing authority other than the District create a lien which is on a parity with the lien in favor of the District on all taxable property within the District. In addition to the ad valorem taxes required to retire the foregoing direct and overlapping debt, the various taxing authorities mentioned above are also authorized by Texas law to assess, levy, and collect ad valorem taxes for operation, maintenance, administration, and/or general revenue purposes. Certain of the jurisdictions have in the past levied such taxes. The District has the power to assess, levy, and collect ad valorem taxes for operation and maintenance purposes, and such taxes have been authorized by the duly qualified voters of the District. See "TAX DATA – Tax Rate Distribution."

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Debt Service Requirement Schedule

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

Year Ending 12/31	Outstanding Debt Service	The Bonds		Total Combined Debt Service
		Principal	Interest	
2027	$ 1,530,513	$ -	$ 822,396	$ 2,352,908
2028	1,516,788	410,000	1,024,438	2,951,225
2029	1,506,813	440,000	993,688	2,940,500
2030	1,501,838	475,000	960,688	2,937,525
2031	1,496,638	505,000	925,063	2,926,700
2032	1,494,613	535,000	887,188	2,916,800
2033	1,491,138	570,000	847,063	2,908,200
2034	1,486,963	610,000	818,563	2,915,525
2035	1,487,963	635,000	788,063	2,911,025
2036	1,502,563	650,000	756,313	2,908,875
2037	1,500,088	680,000	723,813	2,903,900
2038	1,511,100	700,000	689,813	2,900,913
2039	1,514,819	730,000	654,813	2,899,631
2040	1,521,094	760,000	617,400	2,898,494
2041	1,525,300	790,000	578,450	2,893,750
2042	1,527,244	820,000	537,963	2,885,206
2043	1,537,075	855,000	494,913	2,886,988
2044	1,539,150	895,000	450,025	2,884,175
2045	1,543,869	930,000	403,038	2,876,906
2046	1,555,763	965,000	354,213	2,874,975
2047	1,558,850	1,005,000	302,344	2,866,194
2048	1,559,031	1,045,000	248,325	2,852,356
2049	1,566,494	1,095,000	190,850	2,852,344
2050	690,825	1,160,000	130,625	1,981,450
2051	-	1,215,000	66,825	1,281,825
	$ 20,065,319	$ 18,475,000	$ 15,266,864	$ 69,408,389

Average Annual Debt Service Requirement on the Bonds and the Outstanding Bonds (2027-2051) ..... $ 2,776,336

Maximum Annual Debt Service Requirement on the Bonds and the Outstanding Bonds (2028) ..... $ 2,951,225

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TAX PROCEDURES

Authority to Levy Taxes

The Board is authorized to levy an annual ad valorem tax on all taxable property within the District in an amount sufficient to pay the principal of and interest on the Bonds, and any additional bonds payable from taxes that the District may hereafter issue and to pay the expenses of assessing and collecting such taxes. See "RISK FACTORS – Future Debt." The District agrees in the Bond Order to levy such a tax from year-to-year as described more fully herein under "THE BONDS – Source of Payment." Under Texas law, the Board is also authorized to levy and collect an annual ad valorem tax for the operation and maintenance of the District and its water, wastewater and drainage system and for the payment of certain contractual obligations if authorized by its voters. See "TAX DATA – Tax Rate Limitation."

Property Tax Code and County-Wide Appraisal District

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

The Tax Code requires, among other matters, county-wide appraisal and equalization of taxable property values and establishes in each county of the State of Texas an appraisal district with the responsibility for recording and appraising property for all taxing units within a county and an appraisal review board with the responsibility for reviewing and equalizing the values established by the appraisal district. The Collin Central Appraisal District (the "Appraisal District" or "CAD") has the responsibility for appraising property for all taxing units within Collin County, including the District. Such appraisal values are subject to review and change by the Collin County Appraisal Review Board (the "Appraisal Review Board"). The appraisal roll as approved by the Appraisal Review Board must be used by the District in establishing its tax roll and tax rate.

Exempt Property

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

Furthermore, the District must grant exemptions to disabled veterans or the surviving spouse or children of a deceased veteran who died while on active duty in the armed forces, if requested, but only to the maximum extent of between $5,000 and $12,000 depending upon the disability rating of the veteran claiming the exemption. A veteran who receives a disability rating of 100% is entitled to an exemption of full value of the veteran's residential homestead. Furthermore, qualifying surviving spouses of persons 65 years of age and older are entitled to receive a resident homestead exemption equal to the exemption received by the deceased spouse and surviving spouses of a deceased veteran who had received a disability rating of 100% are entitled to receive a residential homestead exemption equal to the exemption received by the deceased spouse until such surviving spouse remarries. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if the residence homestead was donated by a charitable organization. Also, the surviving spouse of a member of the armed forces who was killed 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.

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

Freeport Goods Exemption and "Goods-in-Transit": A "Freeport Exemption" applies to goods, wares, merchandise, other tangible personal property and ores, other than oil, natural gas, and petroleum products (defined as liquid and gaseous materials immediately derived from refining oil 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 certain tangible personal property as defined by the Tax Code. The exemption excludes oil, natural gas, petroleum products, aircraft, and certain special inventory including dealer's motor vehicles, dealer's vessel and outboard motor vehicles, dealer's heavy equipment, and retail manufactured housing inventory. For tax year 2012 and subsequent years, such Goods-in-Transit Exemption is further limited to tangible personal property acquired in or imported into Texas for storage purposes and which is stored under a contract of bailment by a public warehouse operator at one or more 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. For tax year 2012 and subsequent years, 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. However, taxing units who took official action as allowed by prior law before October 1, 2011, to tax goods-in-transit property, and who pledged such taxes for the payment of debt, may continue to impose taxes against the goods-in-transit property until the debt is discharged without further action, if cessation of the imposition would impair the obligations of the contract by which the debt was created. The District has not taken official action to allow taxation of all such goods-in-transit personal property.

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 formally approved by the Appraisal Review Board, it is used by the District in establishing its tax roll and tax rate. Assessments under the Tax Code are to be based on one hundred percent (100%) of market value, as such is defined in the Tax Code.

The Tax Code permits land designated for agricultural use, open space or timberland to be appraised at its value based on the land's capacity to produce agricultural or timber products rather than at its market value. The Tax Code permits, under certain circumstances, that residential real property inventory held by a person in the trade or business be valued at the price that such property would bring if sold as a unit to a purchaser who would continue the business. Landowners wishing to avail themselves of the agricultural use, open space or timberland designation or residential real property inventory designation must apply for the designation, and the appraiser is required by the Tax Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by some political subdivisions while claiming it as to another. If a landowner of qualified open-space land is a member of the United States Armed Forces, subject to certain conditions, the appraisal of the land as qualified open-space land does not change while the landowner is deployed or stationed

outside of Texas. If a claimant receives the agricultural use designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use, including taxes for the previous three years for agricultural use and taxes for the previous five years for open space land and timberland.

The Tax Code requires the CAD to implement a plan for periodic reappraisal of property. The plan must provide for appraisal of all real property in the CAD at least once every three years. It is not known what frequency of reappraisal will be utilized by the CAD 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 CAD 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 CAD chooses formally to include such values on its appraisal roll.

Tax Abatements

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

Reappraisal of Property after Disaster

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

Agricultural, Open Space, Timberland, and Inventory Deferment

The Property Tax Code permits land designated for agricultural use (including wildlife management), open space, or timberland to be appraised at its value based on the land's capacity to produce agriculture or timber products rather than at its fair market value. The Property Tax Code permits, under certain circumstances, that residential real property inventory held by a person in the trade or business be valued at the price all such property would bring if sold as a unit to a purchaser who would continue the business. Landowners wishing to avail themselves of any of such designations must apply for the designation, and the Appraisal District 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 and not as to others. If a claimant receives the designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use for the three (3) years prior to the loss of the designation for agricultural, timberland or open space land. The Developers have executed waivers of special appraisal, waiving their rights to special valuation as to taxation on property within the District.

Assessment and Levy

The District is responsible for the levy and collection of its taxes unless it elects to transfer the collection functions to another governmental entity or private tax assessor/collector approved by the Board. Each year the rate of taxation is set by the Board based upon the valuation of property within the District as of the preceding January 1. Taxes are due when billed, and become delinquent after January 31 of the following year. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent. The delinquent tax also accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. In addition, if the District engages an attorney for the collection of delinquent taxes, the Board may impose a further penalty not to exceed twenty percent (20%) on all taxes, penalty, and interest unpaid on July 1. The Tax Code also makes provision for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes under certain circumstances.

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 of 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 CAD to compel compliance with the Tax Code.

The 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 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.

District's Rights in the Event of Tax Delinquencies

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

At any time after taxes on property become delinquent, the District may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the District must join other taxing units that have claims for delinquent taxes against all or part of the same property. Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, by taxpayer redemption rights, or by bankruptcy proceedings that restrict the collection of taxpayer debts. The District's ability to foreclose its tax lien or collect penalties or interest on delinquent taxes may be limited on property owned by a financial institution which is under receivership by the Federal Deposit Insurance Corporation pursuant to the Federal Deposit Insurance Act, 12 U.S.C. 1825, as amended. See "THE BONDS – Tax Collection Limitations" and "– Bondholders' Remedies."

Rollback of Operation and Maintenance Tax Rate

Chapter 49 of the Texas Water Code, as amended, classifies municipal utility districts differently based on their current operation and maintenance tax rate or on the percentage of projected build-out that a district has completed. Districts that have adopted an operation and maintenance tax rate for the current year that is 2.5 cents or less per $100 of taxable value are classified herein as "Special Taxing Units." Districts that have financed, completed, and issued bonds to pay for all land, improvements and facilities necessary to serve at least 95% of the projected build-out of the district are classified as "Developed Districts." Districts that do not meet either of

the classifications previously discussed can be classified herein as "Developing Districts." The impact each classification has on the ability of a district to increase its maintenance and operations tax rate pursuant to Chapter 49 is described for each classification below. Debt service and contract tax rates cannot be reduced by a rollback election held within any of the districts described below.

Special Taxing Units

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

Developed Districts

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

Developing Districts

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

The District

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

TAX DATA

General

Taxable property within the District is subject to the assessment, levy and collection by the District of an annual ad valorem tax, without legal limitation as to rate or amount, sufficient to pay principal of and interest on the Bonds, and any future tax-supported bonds that may be issued from time to time as authorized. Taxes are levied by the District each year against the District's assessed valuation as of January 1 of that year. Taxes become due October 1 of such year, or when billed, and generally become delinquent after January 31 of the following year. The Board covenants in the Bond Order to assess and levy, for each year that all or any part of the Bonds remain outstanding and unpaid, a tax ample and sufficient to produce funds to pay the principal of and interest on the Bonds. The actual rate of such tax will be determined from year to year as a function of the District's tax base, its debt service requirements, and its available funds. In addition, the District has the power and authority to assess, levy, and collect ad valorem taxes, in an unlimited amount, for operation and maintenance purposes. For the 2026 tax year, the District levied a total tax rate of $1.20 per $100 of assessed valuation. Such rate is composed of a utility debt service tax rate of $0.435 per $100 of assessed valuation, a road debt service tax rate of $0.250 per $100 of assessed valuation and a maintenance tax rate of $0.515 per $100 of assessed valuation.

Tax Rate Limitation

Utility System Debt Service:	Unlimited (no legal limit as to rate or amount)
Road System Debt Service:	Unlimited (no legal limit as to rate or amount)
Maintenance:	$1.20 per $100 of assessed valuation

Historical Values and Tax Collection History

The following statement of tax collections sets forth in condensed form the historical assessed valuation and tax collections of the District. Such summary has been prepared for inclusion herein based upon information obtained from District records. Reference is made to such records, including the District's annual audited financial statements, for more complete information.

Tax Year	Assessed Valuation	Tax Rate	Adjusted Levy	Collections Current Year	Current Year Ended 9/30	Collections 8/31/2026
2022 (a)	$ 2,273,930	$ 1.200	$ 27,287	100.00%	2023	100.00%
2023	6,527,736	1.200	78,333	100.00	2024	100.00
2024	83,138,557	1.200	997,663	99.24	2025	99.52
2025	231,627,787	1.200	2,779,533	99.33	2026	99.33

(a) The District levied its first tax rate in 2022.

Analysis of Tax Base

The following table illustrates the values and composition of property located within the District for the 2022 – 2026 tax years.

Type of Property	2026 Taxable Assessed Valuation	2025 Taxable Assessed Valuation	2024 Taxable Assessed Valuation	2023 Taxable Assessed Valuation	2022 Taxable Assessed Valuation
Land	$190,351,182	$121,176,958	$ 58,669,258	$ 18,075,965	$ 18,075,965
Improvements	190,555,814	115,869,000	35,560,690	-	-
Personal Property	1,741,929	790,736	230,702	-	-
Exemptions	(14,260,945)	(6,208,907)	(11,322,093)	(11,548,229)	(15,802,035)
Total	$368,387,980	$231,627,787	$ 83,138,557	$ 6,527,736	$ 2,273,930

Tax Rate Distribution

The following table illustrates the breakdown of the District's tax rate in the 2022–2026 tax years:

	2026	2025	2024	2023	2022
Utility System Debt Service	$0.435	$0.200	$0.000	$0.000	$0.000
Road System Debt Service	$0.250	$0.200	$0.000	$0.000	$0.000
Maintenance & Operations (a)	$0.515	$0.800	$1.200	$1.200	$1.200
Total	$1.200	$1.200	$1.200	$1.200	$1.200

(a) See "TAX PROCEDURES – Rollback of Operation and Maintenance Tax Rate."

Principal Taxpayers

Based upon information supplied by the Appraisal District, the following table lists principal District taxpayers, type of property owned by such taxpayers, and the assessed valuation of such property as of January 1, 2026. The information reflects the composition of the Appraisal District's record of property ownership as of January 1, 2026.

Taxpayer	Type of Property	Assessed Valuation 2026 Tax Roll	Percent of 2026 Roll
TSHH LLC (a) (b)	Land & Improvements	$ 57,143,837	15.51%
Meritage Homes of Texas LLC (a)	Land & Improvements	30,774,573	8.35%
Homeowner	Land & Improvements	618,410	0.17%
Homeowner	Land & Improvements	443,278	0.12%
Homeowner	Land & Improvements	416,451	0.11%
Homeowner	Land & Improvements	416,170	0.11%
Homeowner	Land & Improvements	413,882	0.11%
Homeowner	Land & Improvements	413,436	0.11%
Homeowner	Land & Improvements	409,740	0.11%
Homeowner	Land & Improvements	407,274	0.11%
Total		$ 91,457,051	24.83%

(a) See "THE DEVELOPERS."
(b) Doing business as Trophy Signature Homes.

Tax Rate Calculations

The tax rate calculations set forth below are presented to indicate the tax rates per $100 of assessed taxable valuation that would be required to meet certain debt service requirements on the Bonds and the Outstanding Bonds if no growth occurs in the District's tax base beyond the District's 2026 Taxable Assessed Valuation and Estimate of Value as of August 1, 2026. The calculations also assume collection of 95% of taxes levied, no use of District funds on hand, and no sale of additional bonds by the District.

Average Annual Debt Service Requirement (2027-2051) (a)	$ 2,776,336
Tax Rate of $0.80 on the 2026 Taxable Assessed Valuation produces	$ 2,799,749
Tax Rate of $0.70 on the Estimate of Value as of August 1, 2026 produces	$ 2,783,319
Maximum Annual Debt Service Requirement (2028) (a)	$ 2,951,225
Tax Rate of $0.85 on the 2026 Taxable Assessed Valuation produces	$ 2,974,733
Tax Rate of $0.75 on the Estimate of Value as of August 1, 2026 produces	$ 2,982,127

(a) See "DISTRICT DEBT – Debt Service Requirement Schedule."

Overlapping Taxes

Property located within the District is subject to taxation by several taxing authorities in addition to the District. Set forth below is a compilation of all 2026 taxes levied upon property located within the District. Under Texas law, ad valorem taxes levied by each taxing authority other than the District entitled to levy taxes against property located within the District create a lien which is on a parity with the tax lien of the District.

In addition to the ad valorem taxes required to make the debt service payments on bonded debt of the District and of such other jurisdictions (see "DISTRICT DEBT – Direct and Estimated Overlapping Debt Statement"), certain taxing jurisdictions are authorized by Texas law to assess, levy and collect ad valorem taxes for operation, maintenance, administrative and/or general revenue purposes.

Taxing Jurisdiction	2026 Tax Rate Per $100 of A.V.
The District	$ 1.200000
Collin County	0.151400
Collin County Community College District	0.081220
Collin County ESD No. 1	0.100000
Farmersville Independent School District	1.213100
Total Tax Rate	$ 2.745720

THE DISTRICT

General

The District was created by the TCEQ on January 6, 2014, as a municipal utility district. The District acquired certain additional powers via passage of SB 2535, 86th Session of the Texas Legislature, Regular Session, codified as Chapter 8093, Texas Special District Local Laws Code (the "District Act"). The District was confirmed by an election held within the District on May 1, 2021. The District operates under general laws of the State of Texas pursuant to Article III, Section 52, and Article XVI, Section 59 of the Texas Constitution; the general laws of the State of Texas, including Chapters 49 and 54 of the Texas Water Code, applicable to municipal utility districts; and the District Act. The District is vested with all the rights, privileges, authority and functions conferred by the laws of the State of Texas applicable to municipal utility districts, including, without limitation, those conferred by Chapters 49 and 54, Texas Water Code, as amended, and the District Act.

The District is empowered to purchase, construct, operate, and maintain all works, improvements, facilities and plants necessary for the construction of roadway facilities, and is also empowered to provide for the supply of water; the collection, transportation and treatment of wastewater; and the control and diversion of storm water, among other things. The District may also provide solid waste collection and disposal service, and operate and maintain recreational facilities. The District may operate and maintain a fire department, independently or with one or more other conservation and reclamation districts, if approved by the voters and the TCEQ. The District does not operate and/or maintain a fire department; rather, it has contracted with the City for the provision of fire protection and emergency medical services. The District is subject to the continuing supervision of the TCEQ.

Location

The District is located in Collin County, Texas, in the extraterritorial jurisdiction of the City. The District encompasses approximately 453.3 acres located west of SH 78, north of County Road 550; east of Lavon Lake and a portion of County Road 551, with a portion of County Road 551 turning east and crossing through the District. The District is located in the Farmersville Independent School District.

Management of the District

- Board of Directors -

The District is governed by a board, consisting of five directors, which has control over and management supervision of all affairs of the District. Directors' terms are four years with elections held within the District on the first Saturday in May in each even numbered year. All of the directors own property in the District.

Name	Position	Term Expires May
Dean Dumke	President	2030
Andrew Prine	Vice President	2030
Guymon Phillips	Secretary	2030
Stephen Pepper	Assistant Secretary	2028
Daniella Giglio	Assistant Secretary	2028

Tax Assessor/Collector – The tax assessor/collector for the District is Kenneth Maun, the Collin County Tax Assessor/Collector.

Bookkeeper – The District's bookkeeper is Dye & Tovery, LLC.

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

Bond Counsel and General Counsel – The District has engaged Winstead PC, Dallas, Texas, as Bond Counsel in connection with the issuance of the Bonds. The fees of Bond Counsel are contingent upon the sale of and delivery of the Bonds. Winstead PC also serves as the District's general counsel.

Auditor – The District engaged McCall Gibson Swedlund Barfoot PLLC to audit its financial statements for the fiscal year ended June 30, 2026. The District's audited financial statements are attached as "APPENDIX A" to this Official Statement.

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

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

Operating History

The following sets forth in condensed form the historical results of the District's general operating fund. For the fiscal year ended June 30, 2026, such summary has been prepared by the Financial Advisor for inclusion herein based on information obtained from the District's audited financial statements, reference to which is made for further and more complete information. See "APPENDIX A – Financial Statements of the District." The District is required by statute to have a certified public accountant prepare and file an annual audit of its financial records with the TCEQ.

	Fiscal Year Ending June 30,			
	2026	2025	2024	2023
Revenues				
Property Taxes	$1,862,085	$1,032,730	$ 144,612	$ 27,287
Investment Revenues	21,471	13,637	1,196	138
Total Revenues	$1,883,556	$1,046,367	$ 145,808	$ 27,425
Expenditures				
Professional Fees	$ 149,674	$ 204,583	$ 197,948	$ 71,762
Contracted Services	1,520,358	767,364	133,959	12,173
Repairs & Maintenances	6,091	-	-	-
Other	19,300	17,686	12,320	12,870
Total Expenditures	$1,695,423	$ 989,633	$ 344,227	$ 96,805
Net Change in Fund Balance	$ 188,133	$ 56,734	$(198,419)	$ (69,380)
Other Financing Sources:				
Transfers In (Out)	$ -	$ 64,298		
Developer Advances	-	326,555	$ 92,215	$ 63,133
Beginning Fund Balance	$ 327,310	$(120,277)	$ (14,073)	$ (7,826)
Ending Fund Balance	$ 515,443	$ 327,310	$(120,277)	$ (14,073)

PHOTOGRAPHS TAKEN WITHIN THE DISTRICT

(August 2026)













DEVELOPMENT WITHIN THE DISTRICT

Current Status of Development

To date, within the District, a total of approximately 1,866 single-family lots on approximately 370.15 acres have been developed as the residential subdivisions of Lakehaven, Phases 1-8. As of August 1, 2026, development within the District includes approximately 1,144 completed single-family homes (approximately 1,075 occupied, 65 unoccupied, and 4 model homes), approximately 101 single-family homes under construction, and approximately 621 vacant developed single-family lots.

The remaining land within the District includes approximately 13.0 acres intended for a school site and a fire station, approximately 1.70 acres for an amenity center, and approximately 68.45 undevelopable acres.

The table below summarizes the development within the District as of August 1, 2026:

Lakehaven	Acreage	Section Lots	Homes Completed	Homes Under Construction	Vacant Lots
Phase 1	30.41	159	156	-	3
Phase 2	49.23	267	267	-	-
Phase 3	30.64	169	169	-	-
Phase 4	68.11	262	243	17	2
Phase 5	52.57	250	141	6	103
Phase 8	35.88	201	100	1	100
Phase 6	42.81	227	53	50	124
Phase 7	60.50	331	15	27	289
Total Residential Developed	370.15	1,866	1,144	101	621 (a)
Fire Station/School Site	13.00				
Amenity Center	1.70				
Undevelopable	68.45				
Remaining Developable	0.00				
District Total	453.30				

(a) See "RISK FACTORS – Vacant Developed Lots."

Homebuilders within the District

Homebuilders active in the District include Trophy Signature Homes and Meritage. The homes being marketed in the District range in price from $229,500 to $450,797 and range in size from 1,232 square feet to 3,598 square feet.

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THE DEVELOPERS

Role of the Developer

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

Description of the Developers

GRBK Edgewood LLC ("Green Brick"), a Texas limited liability company, and Meritage Homes of Texas, LLC ("Meritage"), an Arizona limited liability company are the developers of land within the District. Green Brick and Meritage are herein referred to as the "Developers." To date, the Developers have developed approximately 370.15 acres (1,866 lots) as Lakehaven, Phases 1 through 8.

The Developers currently operate under a Joint Ownership and Development Agreement (the "JODA") where each Developer owns an undivided one-half interest in the Property. The costs to develop the land within the District are shared evenly by the Developers and one-half of the lots developed will be allocated to each of the Developers for home construction to begin.

- Green Brick -

Green Brick is a subsidiary of Green Brick Partners, Inc., which is a publicly traded company on the New York Stock Exchange and a and a national homebuilder. Green Brick Partners, Inc. files annual, quarterly, and current reports, proxy statements, and other information with the SEC. Green Brick Partners, Inc.'s SEC filings are available to the public over the internet at the SEC's website at http://www.sec.gov. You may also read and copy any document that has been filed with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information regarding the operation of the Public Reference Room. In addition, Green Brick Partners, Inc. makes available on its website http://www.greenbrickpartners.com its annual reports on form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K (and any amendments to those reports) filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as soon as practicable after they have been electronically filed with the SEC. Unless otherwise specified, information contained on Green Brick Partners, Inc.'s website, available by hyperlink from Green Brick Partners, Inc.'s website or on the SEC's website, is not incorporated into this Official Statement. The District has not obtained any representations from Green Brick Partners, Inc. concerning its publicly available filings or undertaken any review thereof and assumes no responsibility for the information contained therein.

While Green Brick Partners, Inc. may provide internal financing to its subsidiaries, including Green Brick, it is not in any way responsible for the payment of taxes to the District or for the payment of interest and principal on the Bonds. Neither Green Brick nor Green Brick Partners, Inc. have made any commitment to pay debt service on the Bonds, and reference to the financial information of Green Brick Partners, Inc. in this Official Statement should not be so construed. Green Brick is not responsible for, liable for, obligated to, and have not made any commitment for payment of the Bonds or other obligations of the District, and any description of their financing arrangements or financial condition described herein should not be construed as an implication to that effect. Green Brick has no legal commitment to the District or owners of the Bonds to continue development of land within the District and may sell or otherwise dispose of their properties within the District, or any other assets, at any time. Further, the Developer's financial condition is subject to change at any time.

As of August 1, 2026, Green Brick owned 0 completed homes, 0 homes under construction, and 0 vacant developed lots. However, Green Brick has transferred title to a wholly owned subsidiary, TSHH LLC ("Trophy Signature Homes"). Trophy Signature Homes owned 22 completed homes, 43 homes under construction, and 475 vacant developed lots within the District, as of August 1, 2026.

- Meritage -

Meritage is a subsidiary of and controlled by Meritage Home Corporation ("MHC"). MHC is a publicly traded corporation whose stock is listed on the New York Stock Exchange under the ticker symbol "MTH." Audited financial statements for MHC can be found online at https://investors.meritagehomes.com. MHC is subject to the information requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith files reports and other information with the SEC. Reports, proxy statements, and other information filed by MHC can be inspected at the office of the SEC at Judiciary Plaza, Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such material can be obtained from the Public Reference Section of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. Copies of the above reports, proxy statements and other information may also be inspected at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005. The SEC maintains a website at http://www.sec.gov that contains reports, proxy information statements and other information regarding registrants that file electronically with the SEC.

While MHC may provide internal financing to its subsidiaries, including Meritage, it is not in any way responsible for the payment of taxes to the District or for the payment of interest and principal on the Bonds. Neither Meritage nor MHC have made any commitment to pay debt service on the Bonds, and reference to the financial information of MHC in this Official Statement should not be so construed. Meritage is not responsible for, liable for, obligated to, and have not made any commitment for payment of the Bonds or other obligations of the District, and any description of their financing arrangements or financial condition described herein should not be construed as an implication to that effect. Meritage has no legal commitment to the District or owners of the Bonds to continue development of land within the District and may sell or otherwise dispose of their properties within the District, or any other assets, at any time. Further, the Developer's financial condition is subject to change at any time.

As of August 1, 2026, Meritage owned 43 completed homes, 58 homes under construction, and 146 vacant developed lots within the District.

Agricultural Waiver

On November 28, 2023 and November 30, 2023, Meritage and Greenbrick, respectively, executed a Waiver of Special Appraisal affecting all land within the District, which was recorded in the real property records of Collin County and is a covenant running with the land, waiving the right to have undeveloped land located within the District classified as agricultural, open-space or timberland. In addition, such agreement waives the right of the Developers to have its lots and houses (if any) classified as business inventory. Such agreement may not be modified without approval of the TCEQ and is binding on purchasers of such land within the District.

Construction and Reimbursement Agreements

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

THE SYSTEM

General

The District's roadway facilities and water, sewer, and drainage facilities have been designed in accordance with accepted engineering practices and the recommendation of certain governmental agencies having regulatory or supervisory jurisdiction over construction and operation of such facilities. According to the Engineer, the design of all such facilities has been approved by all governmental agencies that have jurisdiction over the District.

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

Water and Wastewater System

Copeville Special Utility District ("Copeville SUD") holds the water CCN for the land included in the District. Copeville SUD receives water from North Texas Municipal Water District through a wholesale water agreement dated August 3, 1998. Through a Non Standard Service Agreement ("NSSA") between Copeville SUD, TCCI Land Development, and Lakehaven Farmersville, LLC dated May 26, 2021, Copeville SUD agrees to reserve and dedicate 2,000 living unit equivalents of capacity to provide water service to the property within the District. This NSSA was assigned to Green Brick and Meritage via an assignment dated May 28, 2021. The NSSA outlines developer funded utility improvement requirements necessary to fulfill Copeville SUDs commitment to providing water service.

The District obtains water supply from Copeville SUD who purchases water from North Texas Municipal Water District.

The wastewater generated by the development within the District will flow by gravity through internal sanitary sewer lines to a Wastewater Treatment Plant within the Lakehaven subdivision owned by the City of Farmersville.

Based on the First Amended and Restated Agreement Relating to the Creation and Operation of Lakehaven MUD between the City of Farmersville, the District, and Lakehaven Farmersville, LLC dated May 11, 2021, the construction of a Wastewater Treatment Plant is required in order to provide wastewater service to the District. The City of Farmersville is the wastewater provider and is the permit holder for a 0.5 MGD TPDES Permit No. WQ0014778001. Per the agreement, the District may utilize up to 0.5 MGD of capacity.

The First Amendment to the above agreement, effective October 27, 2022, between the City of Farmersville, the District, Meritage, and Green Brick, outlines the agreement of the parties to build a permanent Wastewater Treatment Plant. The Wastewater Treatment Plant will have a first phase including headworks with a capacity of 0.50 MGD while the remainder of the wastewater treatment facilities will support a minimum capacity of 0.25 MGD. The first phase of the improvements, which provide 0.25 MGD of capacity to the District, were completed and accepted in January 2025. The second phase of the Wastewater Treatment Plant is complete, bringing the total capacity to 0.50 MGD and the facility has been dedicated to the City.

Drainage System

The storm water runoff within the District will be directed within the streets via curb and gutters to collector lines provided by the District. The storm water collection system will be designed to convey the 100-year storm within a pipe system to interior drainage ponds which in turn will convey flow to existing drainage courses. The interior drainage ponds throughout the District are intended to capture onsite flows, mitigate flooding within the development limits, and allow for a controlled release into existing drainage course including Elm Creek Tributary 1, the culverts under County Road 550, and unnamed tributaries on the southwest corner, northwest corner, and western property boundary. All storm improvements will be accepted by the District.

Road System

Construction of the roads within the boundaries of the District has been financed with funds advanced by the Developers. Roadways within the District are constructed of reinforced concrete with curbs on lime-stabilized

subgrade. Roads vary in width but are sized to accommodate the anticipated traffic demands of the full build-out of the project. The District owns and maintains the roads constructed within the District.

100-Year Flood Plain

"Flood Insurance Rate Map" or "FIRM" means an official map of a community on which the Federal Emergency Management Agency (FEMA) has delineated the appropriate areas of flood hazards. The 1% chance of probable inundation, also known as the 100-year flood plain is depicted on these maps. The "100-year flood plain" (or 1% chance of probable inundation) as shown on the FIRM is the estimated geographical area that would be flooded by a rainstorm of such intensity to statistically have a one percent chance of occurring in any given year. Generally speaking, homes must be built above the 100-year flood plain in order to meet local regulatory requirements and to be eligible for federal flood insurance. Approximately 39 acres of the District lie within the Federal Emergency Management Agency (herein defined as "FEMA") 100-year flood plain. This acreage has been planned for green space and will not be utilized for residential development in Lakehaven.

Atlas 14

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

LEGAL MATTERS

Legal Opinions

The District will furnish to the Initial Purchaser a transcript of certain certified proceedings incident to the issuance and authorization of the Bonds, including a certified copy of the approving opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State of Texas, to the effect that the Attorney General has examined a transcript of proceedings authorizing the issuance of the Bonds, and that based upon such examination, the Bonds are valid and binding obligations of the District payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within the District. The District will also furnish the approving legal opinion of Winstead PC, Dallas, Texas, Bond Counsel, to the effect that, based upon an examination of such transcript, the Bonds are valid and binding obligations of the District under the Constitution and laws of the State of Texas, except to the extent that enforcement of the rights and remedies of the Bondholders may be limited by laws relating to governmental immunity, bankruptcy, reorganization, or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. The legal opinion of Bond Counsel will further state that the Bonds are payable, both as to principal and interest, from the levy of ad valorem taxes, without legal limitation as to rate or amount upon all taxable property within the District, and that interest on the Bonds is excludable from gross income of the owners for federal income tax purposes under existing law and is not an item of tax preference for purposes of the federal alternative minimum tax.

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

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

Legal Review

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 a continuing direct annual ad valorem tax levied, without legal limit as to rate or amount, upon all taxable property within the District and based upon their examination of a transcript of certified proceedings relating to the issuance and sale of the Bonds; the approving legal opinion of Bond Counsel, to a like effect, and to the effect that interest on the Bonds is excludable from gross income of the holders for federal tax purposes pursuant to section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the "annual adjusted financial statement income" (as defined in section 56A of the Code) of "applicable corporations" (as defined in section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations.

In its capacity as Bond Counsel, Winstead PC, has reviewed the information appearing in this Official Statement under the captioned sections "THE BONDS" (except for the subsections "Book-Entry-Only System" and "– Estimated Use and Distribution of Proceeds of the Bonds"), "TAX PROCEDURES," "THE DISTRICT – General," and "– Management of the District – Bond Counsel and General Counsel," "LEGAL MATTERS," "TAX MATTERS," and "CONTINUING DISCLOSURE OF INFORMATION" (except for the subsection "– Compliance with Prior Undertakings") solely to determine whether such information fairly summarizes the law and documents referred to therein. Such firm has not independently verified factual information contained in this Official Statement, nor has such firm 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 such firm'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 of the other information contained herein.

No-Litigation Certificate

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

No Material Adverse Change

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

TAX MATTERS

Tax Exemption

The delivery of the Bonds is subject to the opinion of Winstead PC, Bond Counsel, to the effect that interest on the Bonds for federal income tax purposes (1) is excludable from the gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date of such opinion (the "Code"), of the owners thereof pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof. The statutes, regulations, rulings, and court decisions on which such opinion is based are subject to change.

In rendering the foregoing opinions, Bond Counsel will rely upon the representations and certifications of the District pertaining to the use, expenditure, and investment of the proceeds of the Bonds and will assume continuing compliance by the District with the provisions of the Bond Order subsequent to the issuance of the Bonds. The Bond Order contains covenants by the City with respect to, among other matters, the use of the proceeds of the Bonds and the facilities financed or refinanced therewith by persons other than state or local

governmental units, the manner in which the proceeds of the Bonds are to be invested, if required, the periodic calculation and payment to the United States Treasury of any arbitrage "profits" from the investment of proceeds, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Bonds to be includable in the gross income of the owners thereof from the date of the issuance of the Bonds.

For taxable years beginning after December 31, 2022, an "applicable corporation" (as defined in section 59(k) of the Code) may be subject to a 15% 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 a corporation to alternative minimum tax consequences.

Except as described above, Bond Counsel will express no other opinion with respect to any other federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the District described above. No ruling has been sought from the Internal Revenue Service (the "IRS") with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on municipal obligations. If an audit of the Bonds is commenced, under current procedures the IRS is likely to treat the District as the "taxpayer," and the owners of the Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Bonds, the District may have different or conflicting interests from the owners of the Bonds. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit, regardless of its ultimate outcome.

Tax Changes

Existing law may change to reduce or eliminate the benefit to Bond holders of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed or future changes in tax law.

Ancillary Tax Consequences

Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions (see "TAX MATTERS – Not Qualified Tax-Exempt Obligations for Financial Institutions" herein), property and casualty insurance companies, life insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, owners of an interest in a financial asset securitization investment trust ("FASIT"), individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

For taxable years beginning after 2022, the Code imposes a minimum tax of 15 percent of the adjusted financial statement income of certain large corporations, generally consisting of corporations (other than S corporations, regulated investment companies and real estate investment trusts) with more than $1 billion in average annual adjusted financial statement income, determined over a three-year period. For this purpose, adjusted financial statement income generally consists of the net income or loss of the taxpayer set forth on the taxpayer's applicable financial statement for the taxable year, subject to various adjustments, but is not reduced for interest earned on tax-exempt obligations, such as the Bonds. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential impact of owning the Bonds.

Tax Accounting Treatment of Discount Bonds

The initial public offering price to be paid for certain Bonds is less than the amount payable on such Bonds at maturity (the "Discount Bonds"). An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the Discount Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bonds. A portion of such original issue discount, allocable to the holding period of a Discount Bond by the initial purchaser, will be treated as interest for federal income tax purposes, excludable from gross income on the same terms and conditions as those for other interest on the Bonds. Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Bond, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Bond and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during his taxable year.

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions (see "TAX MATTERS – Not Qualified Tax-Exempt Obligations for Financial Institutions" herein), life insurance companies, property and casualty insurance companies, S corporations with "subchapter C" earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Bond by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Bond was held) is includable in gross income.

Owners of Discount Bonds should consult with their own tax advisors with respect to the determination for federal income tax purposes of accrued interest upon disposition of Discount Bonds and with respect to the state and local tax consequences of owning Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on the Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

Bonds (the "Premium Bonds") may be greater than the stated redemption price on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial purchaser of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial purchaser must be reduced each year by the amortizable Bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable Bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser's yield to maturity.

Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable Bond premium on Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

Collateral Tax Consequences Summary

The following discussion is a brief discussion of certain collateral federal income tax consequences resulting from the purchase, ownership, or disposition of the Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Bond. This discussion is based on existing statutes, regulations, published rulings, and court decisions, all of which are subject to change or modification, retroactively. Prospective investors should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance

companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by section 884 of the Code.

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

Under section 6012 of the Code, owners of tax-exempt obligations, such as the Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

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

State, Local, and Foreign Taxes

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

Changes in Law

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 or otherwise prevent owners of the Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Bonds.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

Not Qualified Tax-Exempt Obligations for Financial Institutions

The District did NOT designate the Bonds as "qualified tax-exempt obligations" for purposes of section 265(b)(3)(B) of the Code.

CONTINUING DISCLOSURE OF INFORMATION

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

Annual Reports

The District will provide certain financial information and operating data annually. The financial information and operating data which will be provided is found in the section titled "SELECTED FINANCIAL INFORMATION," "DISTRICT DEBT – Direct and Estimated Overlapping Debt Statement," "DISTRICT DEBT – Debt Service Requirement Schedule," "TAX DATA," and "APPENDIX A – Financial Statements of the District."

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

The District's current fiscal year end is June 30. Accordingly, it must provide updated information by the last day of December of each year beginning in 2027, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify the MSRB of the change.

Event Notices

The District will provide timely notices of certain events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten business days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other 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; (13) consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, 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, if material, or agreement to covenants, events of default remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

For these purposes, any event described in (12) in the immediately preceding paragraph is considered to occur when any of the following occur: (i) the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District; (ii) or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and order of a court or governmental authority; or (iii) the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

The term "financial obligation" shall mean, for purposes of the events in clauses (15) and (16), a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a (a) or (b); provided that financial obligation shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in Rule 15c2-12) has been provided to the MSRB consistent with Rule 15c2-12. Neither the Bonds nor the Bond Order make any provision for debt service reserves or liquidity enhancement.

In addition, the District will provide timely notice of any failure by the District to provide information, data, financial statements, or notices in accordance with its agreement described above.

Availability of Information from MSRB

The District has agreed to provide the foregoing information only to the MSRB. Investors will be able to access continuing disclosure information filed with the MSRB through its EMMA system at www.emma.msrb.org.

Limitations and Amendments

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

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

Compliance with Prior Undertakings

The District entered into its first continuing disclosure agreement pursuant to SEC Rule 15c2-12 in connection with the issuance of the first series of its Outstanding Bonds in 2024. Thereafter, the District has complied in all material respects with its continuing disclosure agreements made in accordance with SEC Rule 15c2-12.

OFFICIAL STATEMENT

General

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

The District's audited financial statements for the year ended June 30, 2026, were prepared by McCall Gibson Swedlund Barfoot Ellis PLLC, Certified Public Accountants, and have been included herein as "APPENDIX A." McCall Gibson Swedlund Barfoot Ellis PLLC, Certified Public Accountants, has agreed to the publication of its audit opinion on such financial statements in this Official Statement.

Experts

The information contained in this Official Statement relating to engineering, to the description of the System generally and, in particular, the engineering information included in the section captioned "THE SYSTEM," has been provided by the Engineer. Such information has been included herein in reliance upon the authority of said firm as an expert in the field of civil engineering.

The information contained in this Official Statement relating to assessed valuations of property generally and, in particular, that information concerning valuations contained in the sections captioned "TAX DATA" and "DISTRICT DEBT" has been provided by the Appraisal District, in reliance upon the authority of said appraisal district as an expert in the field of tax assessing and real property appraisal.

Updating of Official Statement

The District will keep this Official Statement current by amendment or sticker to reflect material changes in the affairs of the District and, to the extent that information actually comes to its attention, to the other matters described in the Official Statement, until the delivery of the Bonds to the Initial Purchaser, unless the Initial Purchaser notifies the District on or before such date that less than all of the Bonds have been sold to ultimate customers, in which case the District's obligations hereunder will extend for an additional period of time (but not more than 90 days after the date the District delivers the Bonds) until all of the Bonds have been sold to ultimate customers.

Certification of Official Statement

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

This Official Statement was approved by the Board of Directors of Lakehaven Municipal Utility District of Collin County as of the date shown on the first page thereof.

/s/ Dean Dumke
President, Board of Directors
Lakehaven Municipal Utility District of Collin County

ATTEST:

/s/ Guymon Phillips
Secretary, Board of Directors
Lakehaven Municipal Utility District of Collin County

APPENDIX A

FINANCIAL STATEMENTS OF THE DISTRICT

LAKEHAVEN MUNICIPAL UTILITY DISTRICT OF COLLIN COUNTY

COLLIN COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

JUNE 30, 2026

McCALL GIBSON SWEDLUND BARFOOT ELLIS PLLC
Certified Public Accountants

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McCall Gibson Swedlund Barfoot Ellis PLLC

Certified Public Accountants

Chris Swedlund
Noel W. Barfoot
Joseph Ellis
Ashlee Martin

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

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Lakehaven Municipal Utility
District of Collin County
Collin County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Lakehaven Municipal Utility District of Collin County (the "District"), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Board of Directors
Lakehaven Municipal Utility
District of Collin County

Supplementary Information

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

McCall Gibson Swedlund Barfoot Ellis PLLC

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

October 14, 2026

LAKEHAVEN MUNICIPAL UTILITY DISTRICT OF COLLIN COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2026

Management's discussion and analysis of Lakehaven Municipal Utility District of Collin County (the "District") financial performance provides an overview of the District's financial activities for the year ended June 30, 2026. Please read it in conjunction with the District's financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

USING THIS ANNUAL REPORT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

FUND FINANCIAL STATEMENTS

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has three governmental fund types. The General Fund accounts for resources not accounted for in another fund, maintenance tax revenues, operating costs and general expenditures. The Debt Service Fund accounts for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes. The Capital Projects Fund accounts for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

FUND FINANCIAL STATEMENTS (Continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

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

FINANCIAL SUMMARY AND DETAILED ANALYSES

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, liabilities exceeded assets by $7,656,844 as of June 30, 2026. A portion of the District's net position reflects its net investment in capital assets which includes the District's capital assets less any debt used to acquire those assets that is still outstanding.

On the following page is a comparative analysis of government-wide changes in net position.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Summary of Changes in the Statement of Net Position		
	2026	2025	Change Positive (Negative)
Current and Other Assets	$ 2,484,776	$ 1,444,498	$ 1,040,278
Capital Assets (Net of Accumulated Depreciation)	68,140,241	47,528,567	20,611,674
Total Assets	$ 70,625,017	$ 48,973,065	$ 21,651,952
Due to Developer	$ 55,167,154	$ 40,331,753	$ (14,835,401)
Bonds Payable	22,312,308	12,638,569	(9,673,739)
Other Liabilities	802,399	445,439	(356,960)
Total Liabilities	$ 78,281,861	$ 53,415,761	$ (24,866,100)
Net Position:			
Net Investment in Capital Assets	$ (8,957,125)	$ (4,796,882)	$ (4,160,243)
Restricted	1,051,383	407,978	643,405
Unrestricted	248,898	(53,792)	302,690
Total Net Position	$ (7,656,844)	$ (4,442,696)	$ (3,214,148)

The following table provides a summary of the District's operations for the years ended June 30, 2026, and June 30, 2025. The District's net position decreased by $3,214,148 during the current fiscal year, compared to a decrease of $3,481,118 in the prior fiscal year. Total revenues increased by $1,797,889, or 163.0%, primarily due to an increase in property tax revenues of $1,785,056, reflecting an increase in taxable property values from approximately $83.1 million to $230.1 million. The District's combined property tax rate remained unchanged at $1.20 per $100 of taxable valuation. Total expenses increased by $1,530,919, or 33.4%, from $4,583,873 in the prior fiscal year to $6,114,792 in the current fiscal year. This increase was primarily attributable to increases in service operations, depreciation and debt service expenses. Overall, the increase in revenues exceeded the increase in expenses.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Summary of Changes in the Statement of Activities		
	2026	2025	Change Positive (Negative)
Revenues:			
Property Taxes	$ 2,836,133	$ 1,051,077	$ 1,785,056
Other Revenues	64,511	51,678	12,833
Total Revenues	$ 2,900,644	$ 1,102,755	$ 1,797,889
Expenses:			
Service Operations	$ 2,723,797	$ 2,021,340	$ (702,457)
Depreciation	1,493,232	961,424	(531,808)
Debt Service	1,897,763	1,601,109	(296,654)
Total Expenses	$ 6,114,792	$ 4,583,873	$ (1,530,919)
Change in Net Position	$ (3,214,148)	$ (3,481,118)	$ 266,970
Net Position, Beginning	(4,442,696)	(961,578)	(3,481,118)
Net Position, Ending	$ (7,656,844)	$ (4,442,696)	$ (3,214,148)

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of June 30, 2026, were $1,940,949, an increase of $781,297 from the prior year.

The following summarizes the changes in fund balance for each of the District's governmental funds:

The District's General Fund fund balance increased by $188,133, primarily due to property tax revenues exceeding operating costs. Of the General Fund fund balance, $87,227 was nonspendable and $428,216 was unassigned and available for use by the District for day-to-day operations.

The Debt Service Fund fund balance increased by $795,025, primarily due to receiving capitalized interest from the issuance of the Road and Tax Utility bond sales and property tax revenues exceeding bond interest and contracted services costs.

The Capital Projects Fund fund balance decreased by $201,861, primarily due to capital outlay, developer interest and bond issuance costs exceeding bond proceeds received from the issuance of the Road and Tax Utility bond sales and investment revenues.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

SIGNIFICANT CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

CAPITAL ASSETS

Capital assets as of June 30, 2026, total $68,140,241 (net of accumulated depreciation) and included land, water, sanitary sewer, paving and drainage infrastructure. Additional information on the District's capital assets can be found in Note 6. Significant additions to capital assets include clearing and grading and engineering for Lakehaven Phase 5; clearing and grading, paving, and water, sewer, and drainage construction and engineering for Lakehaven Phase 6; clearing and grading and engineering for Lakehaven Phases 7 and 8; paving and water, sewer, and drainage construction and engineering for Lakehaven Phase 7; paving and water, sewer, and drainage construction and engineering for Lakehaven Phase 8; and yard piping and engineering for Farmersville Wastewater Treatment Plant Phase 2.

Capital Assets At Year-End, Net of Accumulated Depreciation

	2026	2025	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	$ 4,294,143	$ 4,294,143	$
Construction in Progress			
Capital Assets, Net of Accumulated Depreciation:			
Water System	$ 9,776,678	$ 5,610,292	$ 4,166,386
Sanitary Sewer	14,336,398	9,548,309	4,788,089
Drainage/Detention Facilities	17,827,370	11,040,150	6,787,220
Paving	21,905,652	17,035,673	4,869,979
Total Net Capital Assets	$ 68,140,241	$ 47,528,567	$ 20,611,674

Additionally, the District entered into agreements (see Note 10 and Note 11) with Copeville Special Utility District ("SUD") and the City of Farmersville (the "City") whereby water facilities and wastewater facilities constructed within the District will be conveyed to the SUD and the City, respectively, for operation and maintenance for the benefit of District residents. The District's policy is to record its investment in the conveyed facilities as capital assets in the District's financial statements.

LONG-TERM DEBT ACTIVITY

At year-end, the District had total bond debt payable of $22,140,000. The changes in the debt position of the District during the fiscal year ended June 30, 2026, are summarized as follows:

Bond Debt Payable, July 1, 2025	$ 12,570,000
Add: Bond Sales - Series 2025 Road and Series 2025 Utility	9,570,000
Bond Debt Payable, June 30, 2026	$ 22,140,000

The Series 2024 Road bonds do not have an underlying rating but carry an insured rating of "AA" from S&P Global Ratings based on insurance issued by Build America Mutual Assurance. The Series 2024 Tax Utility bonds do not have an underlying rating but carry an insured rating of "AA" from S&P Global Ratings based on insurance issued by Assured Guaranty. The Series 2025 Tax Utility bonds do not have an underlying rating but carry an insured rating of "AA" from S&P Global Ratings based on insurance issued by Build America Mutual Assurance. The Series 2025 Tax Road bonds do not have an underlying rating but carry an insured rating of "AA" from S&P Global Ratings based on insurance issued by Assured Guaranty. The above ratings reflect changes, if any, through June 30, 2026.

As of June 30, 2026, the District has recorded an amount due to Developer of $55,167,154 which consist of advances for operating and capital costs for completed projects.

CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

The adopted budget for fiscal year 2027 projects an increase in General Fund fund balance of $859,033. Compared to the fiscal year 2026 results, revenues are expected to increase by $480,604, primarily due to higher maintenance tax revenues, while expenditures are expected to decrease by $190,134, primarily due to decreases in contracted services and professional fees.

On September 10, 2026, subsequent to year end, the Commission approved the District's Series 2026 utility bond application for the issuance of $18,475,000 in unlimited tax bonds. Proceeds from the bonds will be used to fund the remainder of Lakehaven Boulevard and Phases 1 and 2 utilities; the remainder of Lakehaven Phase 2 clearing and grubbing; the remainder of Lakehaven Wastewater Treatment Plant Phase 1 wet well; Lakehaven Phase 3 clearing and grubbing and utilities; a portion of Lakehaven Wastewater Treatment Plant Phase 1 equipment and Phase 1 electrical and mechanical improvements; Lakehaven Wastewater Treatment Plant Phase 1 concrete, Phase 1 fencing, and Phase 1 supervisory control and data acquisition; land acquisition costs; and developer advances and operating expenses. Additional proceeds will be used to fund developer interest costs, capitalized interest and various bond issuance costs. The District expects to close on the bonds in November 2026.

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Lakehaven Municipal Utility District of Collin County, c/o Winstead PC, 2728 N. Harwood Street, Suite 500, Dallas, Texas 75201.

LAKEHAVEN MUNICIPAL UTILITY DISTRICT OF COLLIN COUNTY
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
JUNE 30, 2026

	General Fund	Debt Service Fund
ASSETS		
Cash	$ 6,229	$ 56
Investments	884,723	1,381,887
Property Taxes Receivable	71,988	9,103
Prepaid Costs	87,227	
Land		
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	$ 1,050,167	$ 1,391,046
LIABILITIES		
Accounts Payable	$ 462,736	$
Accrued Interest Payable		
Due to Developer		
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	$ 462,736	$ -0-
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	$ 71,988	$ 9,103
FUND BALANCES		
Nonspendable:		
Prepaid Costs	$ 87,227	$
Restricted for Authorized Construction		
Restricted for Debt Service		1,381,943
Unassigned	428,216	
TOTAL FUND BALANCES	$ 515,443	$ 1,381,943
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 1,050,167	$ 1,391,046
NET POSITION		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
TOTAL NET POSITION		

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
$ 88	$ 6,373	$	$ 6,373
43,475	2,310,085		2,310,085
	81,091		81,091
	87,227		87,227
		4,294,143	4,294,143
		63,846,098	63,846,098
$ 43,563	$ 2,484,776	$ 68,140,241	$ 70,625,017
$	$ 462,736	$	$ 462,736
		339,663	339,663
		55,167,154	55,167,154
		295,000	295,000
		22,017,308	22,017,308
$ -0-	$ 462,736	$ 77,819,125	$ 78,281,861
$ -0-	$ 81,091	$ (81,091)	$ -0-
$	$ 87,227	$ (87,227)	$
43,563	43,563	(43,563)	
	1,381,943	(1,381,943)	
	428,216	(428,216)	
$ 43,563	$ 1,940,949	$ (1,940,949)	$ -0-
$ 43,563	$ 2,484,776		
		$ (8,957,125)	$ (8,957,125)
		1,051,383	1,051,383
		248,898	248,898
		$ (7,656,844)	$ (7,656,844)

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

LAKEHAVEN MUNICIPAL UTILITY DISTRICT OF COLLIN COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2026

Total Fund Balances - Governmental Funds		$ 1,940,949
Land and capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		68,140,241
Deferred inflows of resources related to property tax revenues for the 2025 and prior tax levies became part of recognized revenue in the governmental activities of the District.		81,091
Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year-end consist of:		
Due to Developer	$ (55,167,154)	
Accrued Interest Payable	(339,663)	
Bonds Payable Within One Year	(295,000)	
Bonds Payable After One Year	(22,017,308)	(77,819,125)
Total Net Position - Governmental Activities		$ (7,656,844)

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

LAKEHAVEN MUNICIPAL UTILITY DISTRICT OF COLLIN COUNTY
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2026

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	$ 1,862,085	$ 911,304
Investment and Miscellaneous Revenues	21,471	37,561
TOTAL REVENUES	$ 1,883,556	$ 948,865
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	$ 149,674	$
Contracted Services	1,520,358	19,790
Repairs and Maintenance	6,091	
Depreciation		
Other	19,300	1,910
Capital Outlay		
Developer Interest		
Debt Service:		
Bond Interest		765,849
Bond Issuance Costs		
TOTAL EXPENDITURES/EXPENSES	$ 1,695,423	$ 787,549
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 188,133	$ 161,316
OTHER FINANCING SOURCES (USES)		
Long-Term Debt Issued	$	$ 633,709
Bond Discount		
Bond Premium		
TOTAL OTHER FINANCING SOURCES (USES)	$ -0-	$ 633,709
NET CHANGE IN FUND BALANCES	$ 188,133	$ 795,025
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - JULY 1, 2025	327,310	586,918
FUND BALANCES/NET POSITION - JUNE 30, 2026	$ 515,443	$ 1,381,943

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
$	$ 2,773,389	$ 62,744	$ 2,836,133
5,479	64,511		64,511
$ 5,479	$ 2,837,900	$ 62,744	$ 2,900,644
$	$ 149,674	$	$ 149,674
	1,540,148		1,540,148
	6,091		6,091
		1,493,232	1,493,232
	21,210		21,210
7,269,505	7,269,505	(7,269,505)	
1,006,674	1,006,674		1,006,674
	765,849	154,357	920,206
977,557	977,557		977,557
$ 9,253,736	$ 11,736,708	$ (5,621,916)	$ 6,114,792
$ (9,248,257)	$ (8,898,808)	$ 5,684,660	$ (3,214,148)
$ 8,936,291	$ 9,570,000	$ (9,570,000)	$
(160,080)	(160,080)	160,080	
270,185	270,185	(270,185)	
$ 9,046,396	$ 9,680,105	$ (9,680,105)	$ -0-
$ (201,861)	$ 781,297	$ (781,297)	$
		(3,214,148)	(3,214,148)
245,424	1,159,652	(5,602,348)	(4,442,696)
$ 43,563	$ 1,940,949	$ (9,597,793)	$ (7,656,844)

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

LAKEHAVEN MUNICIPAL UTILITY DISTRICT OF COLLIN COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2026

Net Change in Fund Balances - Governmental Funds	$	781,297
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.		62,744
Governmental funds do not account for depreciation and amortization. However, in the Statement of Net Position, capital and intangible assets are depreciated and amortized, and the depreciation and amortization expense is recorded in the Statement of Activities.		(1,493,232)
Governmental funds report capital expenditures as expenditures in the period purchased. However, in the Statement of Net Position, capital assets are increased by new purchases and the Statement of Activities is not affected.		7,269,505
Governmental funds report bond premiums/discounts as other financing sources/uses in the year received/paid. However, in the Statement of Net Position, bond premiums and discounts are amortized over the life of the bonds and the current year amortized portion is recorded in the Statement of Activities.		(110,105)
Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end.		(154,357)
Governmental funds report bond proceeds as other financing sources. Issued bonds increase long-term liabilities in the Statement of Net Position.		(9,570,000)
Change in Net Position - Governmental Activities	$	(3,214,148)

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

NOTE 1. CREATION OF DISTRICT

Lakehaven Municipal Utility District of Collin County (the "District") was created by an order of the Texas Commission on Environmental Quality (the "Commission"), effective January 6, 2014, in accordance with the Texas Water Code, Chapters 49 and 54. The District is empowered to purchase, operate, and maintain all facilities, plants and improvements necessary to provide water, wastewater service, storm sewer drainage, irrigation, and construct roads for the residents of the District. The Board of Directors held its first meeting on November 6, 2017, and the first bonds were issued on September 11, 2024.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

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

Financial Statement Presentation

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

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

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

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

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

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

Government-Wide Financial Statements

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

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

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

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

Governmental Funds

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

General Fund – To account for resources not required to be accounted for in another fund, maintenance tax revenues, operating costs and general expenditures.

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

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

Basis of Accounting

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

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

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

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

The water facilities constructed within the District have been conveyed to Copeville Special Utility District for operation and maintenance and the wastewater facilities constructed within the District have been conveyed to the City of Farmersville. The District's policy is to record its investment in the conveyed facilities as capital assets in the District's financial statements. See Note 6 for additional information.

Budgeting

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

Pensions

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

Measurement Focus

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

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

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

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

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

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

Unassigned: all other spendable amounts in the General Fund.

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

Accounting Estimates

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Pronouncements

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

NOTE 3. LONG-TERM DEBT

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

	July 1, 2025	Additions	Retirements	June 30, 2026
Bonds Payable	$ 12,570,000	$ 9,570,000	$	$ 22,140,000
Unamortized Discounts	(152,669)	(160,080)	(11,439)	(301,310)
Unamortized Premiums	221,238	270,185	17,805	473,618
Bonds Payable, Net	$ 12,638,569	$ 9,680,105	$ 6,366	$ 22,312,308

Amount Due Within One Year	$ 295,000
Amount Due After One Year	22,017,308
Bonds Payable, Net	$ 22,312,308

	Series 2024 Road	Series 2024 Utility
Amount Outstanding – June 30, 2026	$6,715,000	$5,855,000
Interest Rates	4.00% - 6.50%	4.00% -6.00%
Maturity Date	September 1, 2026/2049	September 1, 2026/2049
Interest Payment Dates	September 1/ March 1	September 1/ March 1
Callable Dates	September 1, 2030*	October 1, 2030*

NOTE 3. LONG-TERM DEBT (Continued)

	Series 2025 Road	Series 2025 Utility
Amount Outstanding – June 30, 2026	$6,320,000	$3,250,000
Interest Rates	4.00% - 6.50%	4.00% -6.50%
Maturity Date	September 1, 2027/2050	September 1, 2027/2050
Interest Payment Dates	September 1/ March 1	September 1/ March 1
Callable Dates	September 1, 2031*	September 1, 2031*

* Or any date thereafter at a price of par plus unpaid accrued interest in whole or in part, at the option of the District. Series 2024 Road term bonds maturing on September 1, 2039, are subject to mandatory redemption by random selection beginning September 1, 2038. Series 2024 Utility term bonds maturing on September 1, 2033, September 1, 2035, September 1, 2037, September 1, 2039, September 1, 2041, September 1, 2043, September 1, 2045, September 1, 2047, and September 1, 2049 are subject to mandatory redemption by random selection beginning September 1, 2032, September 1, 2034, September 1, 2036, September 1, 2038, September 1, 2040, September 1, 2042, September 1, 2044, September 1, 2046, and September 1, 2048 respectively. Series 2025 Road term bonds maturing on September 1, 2040, September 1, 2042, and September 1, 2044 are subject to mandatory redemption by random selection beginning September 1, 2039, September 1, 2041, and September 1, 2043 respectively. Series 2025 Utility term bonds maturing on September 1, 2048, and September 1, 2050 are subject to mandatory redemption by random selection beginning September 1, 2047, and September 1, 2049 respectively.

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

Fiscal Year	Principal	Interest	Total
2027	$ 295,000	$ 1,009,750	$ 1,304,750
2028	530,000	983,650	1,513,650
2029	550,000	949,300	1,499,300
2030	575,000	914,325	1,489,325
2031	605,000	879,238	1,484,238
2032-2036	3,480,000	3,895,276	7,375,276
2037-2041	4,405,000	3,053,534	7,458,534
2042-2046	5,550,000	2,002,869	7,552,869
2047-2051	6,150,000	643,077	6,793,077
	$ 22,140,000	$ 14,331,019	$ 36,471,019

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

NOTE 3. LONG-TERM DEBT (Continued)

As of June 30, 2026, the District had authorized but unissued bonds in the amount of $170,895,000 for the purposes of acquiring or construction of water, sewer and drainage facilities, $81,465,000 for road facilities, $270,000,000 for the purpose of refunding water, sewer and drainage facilities bonds and $141,750,000 for the purpose of refunding road bonds.

During the fiscal year ended June 30, 2026, the District levied an ad valorem debt service tax at the rate of $0.40 per $100 of assessed valuation, allocated $0.20 to fund utility debt service requirements and $0.20 to fund road debt service requirements, which resulted in a tax levy of $920,407 on the adjusted taxable valuation of $230,101,864 for the 2025 tax year. The bond orders require that the District levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 7 for maintenance tax.

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

NOTE 4. SIGNIFICANT BOND ORDER AND LEGAL REQUIREMENTS

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

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

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District's deposits was $6,373 and the bank balance was $26,887. The District was not exposed to custodial credit risk.

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

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

	Cash
GENERAL FUND	$ 6,229
DEBT SERVICE FUND	56
CAPITAL PROJECTS FUND	88
TOTAL DEPOSITS	$ 6,373

Investments

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

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

The District invests in LOGIC (Local Government Investment Cooperative), an external public fund investment pool that is not SEC-registered. LOGIC is organized and existing as a business trust under the laws of the State of Texas with all participant funds and all investment assets held and managed in trust by a Board of Trustees for the benefit of the participants. Hilltop Securities, Inc. and J.P. Morgan Investment Management, Inc. serve as co-administrators of the pool. LOGIC measures all of its portfolio assets at amortized cost for financial reporting purposes. The District measures its investments in LOGIC at amortized cost. There are no limitations or restrictions on withdrawals from LOGIC.

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
GENERAL FUND		
LOGIC	$ 884,723	$ 884,723
DEBT SERVICE FUND		
LOGIC	1,381,887	1,381,887
CAPITAL PROJECTS FUND		
LOGIC	43,475	43,475
TOTAL INVESTMENTS	$ 2,310,085	$ 2,310,085

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. As of June 30, 2026, the District's investment in LOGIC was rated AAAm by Standard and Poor's.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investment in LOGIC to have maturities of less than one year due to the fact that the share position can usually be redeemed each day at the discretion of the District unless there have been significant changes in values.

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

NOTE 6. CAPITAL ASSETS

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

	July 1, 2025	Increases	Decreases	June 30, 2026
Capital Assets Not Being Depreciated				
Land and Land Improvements	$ 4,294,143	$ - 0 -	$ - 0 -	$ 4,294,143
Capital Assets Subject to Depreciation				
Water System	$ 5,798,053	$ 4,368,165	$	$ 10,166,218
Sanitary Sewer	9,884,499	5,169,213		15,053,712
Drainage/ Detention Facilities	11,324,093	7,173,736		18,497,829
Paving	17,752,159	5,393,792		23,145,951
Total Capital Assets Subject to Depreciation	$ 44,758,804	$ 22,104,906	$ - 0 -	$ 66,863,710
Accumulated Depreciation				
Water System	$ 187,761	$ 201,779	$	$ 389,540
Sanitary Sewer	336,190	381,124		717,314
Drainage/ Detention Facilities	283,943	386,516		670,459
Paving	716,486	523,813		1,240,299
Total Accumulated Depreciation	$ 1,524,380	$ 1,493,232	$ - 0 -	$ 3,017,612
Total Depreciable Capital Assets, Net of Accumulated Depreciation	$ 43,234,424	$ 20,611,674	$ - 0 -	$ 63,846,098
Total Capital Assets, Net of Accumulated Depreciation	$ 47,528,567	$ 20,611,674	$ - 0 -	$ 68,140,241

Capital assets owned and maintained by the District include paving and drainage infrastructure. Developers have financed the construction of water facilities and wastewater facilities which serve District residents. These facilities have been conveyed to the Copeville Special Utility District or the City of Farmersville in accordance with the agreements (see Notes 10 and 11). In exchange for conveyance of these assets, each entity agrees to provide service to residents of the District. The District's policy is to record its investment in the conveyed facilities as capital assets in the District's financial statements.

NOTE 7. MAINTENANCE TAX

On May 1, 2021, the voters of the District approved the levy and collection of a maintenance tax not to exceed $1.20 per $100 of assessed valuation of taxable property within the District. During the year ended June 30, 2026, the District levied an ad valorem maintenance tax rate of $0.80 per $100 of assessed valuation, which resulted in a tax levy of $1,840,815 on the adjusted taxable valuation of $230,101,864 for the 2025 tax year.

NOTE 8. RISK MANAGEMENT

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

NOTE 9. UNREIMBURSED COSTS

The District has entered into financing agreements with the Developer which calls for the Developer to fund operating advances as well as costs associated with the construction of roads, water, wastewater, and drainage infrastructure. The District has an obligation to reimburse the Developer for these costs from future bond issues or other lawfully available funds. The following table summarizes the current activity related to unreimbursed costs

Due to Developers, July 1, 2025	$	40,331,753
Add: Current Year Additions		23,218,591
Less: Current Year Reimbursements		(8,383,190)
Due to Developers, June 30, 2026	$	55,167,154

NOTE 10. WATER SERVICE CONTRACT

Pursuant to a Non-Standard Water Utility Service Contract between Copeville Special Utility District ("SUD") and the Developer, dated May 27, 2021, the SUD agreed to provide retail water utility service to the District and reserve and dedicate 2,000 Living Unit Equivalents of capacity in its system to provide for the complete build-out of the District. The SUD purchases wholesale water from the North Texas Municipal Water District ("NTMWD"). The Developer is responsible for making off-site water improvements consisting of 12-inch waterlines connecting to a NTMWD treated water pipeline with a 500,000 gallon ground storage tank.

NOTE 11. WASTEWATER SERVICES AGREEMENT

Pursuant to a First Amended and Restated Agreement Relating to Creation and Operation of the District dated May 11, 2021, the City of Farmersville (the "City") will construct and operate a wastewater treatment plant along with collection and treatment facilities (the "Sewer Facilities"), providing service to the District. The costs of the Sewer Facilities will be borne by the City. The District will be subject to capital recovery fees. The Commission approved a wastewater treatment permit for the treatment of 500,000 gallons per day of wastewater.

NOTE 12. INTERLOCAL COOPERATION AGREEMENTS FOR LAW ENFORCEMENT SERVICES, FIRE PROTECTION AND EMERGENCY MEDICAL SERVICES

Effective November 17, 2021, the District entered into Interlocal Agreements with the City, one for law enforcement services and one for fire protection and emergency medical services (the "Agreements"). The respective Agreements set forth the terms under with the City will provide law enforcement services and fire-fighting services to the District in return for payments by the District to the City. The City agrees to provide the District with the services of one or more peace officers for routine patrols on an as-needed basis for patrol, traffic, criminal investigation and all resources and equipment at the same level and to the same degree as are provided to the citizens of the City and provide the District with all of the customary and usual services of a fire department, including fire suppression, fire prevention, training, safety education, maintenance, communications, medical emergency services, photography and administration. The District recorded expenditures of $1,491,094 for these services during the current fiscal year.

NOTE 13. BOND SALES

On September 10, 2025, the District closed on the sale of $6,320,000 of Unlimited Tax Road Bonds, Series 2025. Proceeds from the bonds were used to reimburse the Developer for construction, engineering, and land right-of-way costs for paving facilities for Lakehaven, Phase 1, 2 and 4. Additional proceeds were used to fund capitalized interest and pay for issuance costs of the bonds.

On September 10, 2025, the District closed on the sale of $3,250,000 of Unlimited Tax Utility Bonds, Series 2025. Proceeds from the bonds were used to reimburse the Developer for construction and engineering costs for water, wastewater, and drainage facilities and land costs for Lakehaven Boulevard and Phase 1, Lakehaven, Phase 2 and the Lakehaven Wastewater Treatment Plant, Phase 1. Additional proceeds were used to reimburse operating advances, fund capitalized interest and pay for issuance costs of the bonds.

NOTE 14. TCEQ ORDER APPROVING BOND APPLICATION

On September 10, 2026, subsequent to year end, the Commission approved the District's Series 2026 utility bond application for the issuance of $18,475,000 in unlimited tax bonds. Proceeds from the bonds will be used to fund the remainder of Lakehaven Boulevard and Phases 1 and 2 utilities; the remainder of Lakehaven Phase 2 clearing and grubbing; the remainder of Lakehaven Wastewater Treatment Plant Phase 1 wet well; Lakehaven Phase 3 clearing and grubbing and utilities; a portion of Lakehaven Wastewater Treatment Plant Phase 1 equipment and Phase 1 electrical and mechanical improvements; Lakehaven Wastewater Treatment Plant Phase 1 concrete, Phase 1 fencing, and Phase 1 supervisory control and data acquisition; land acquisition costs; and developer advances and operating expenses. Additional proceeds will be used to fund developer interest costs, capitalized interest and various bond issuance costs. The District expects to close on the bonds in November 2026.

LAKEHAVEN MUNICIPAL UTILITY DISTRICT OF COLLIN COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2026

LAKEHAVEN MUNICIPAL UTILITY DISTRICT OF COLLIN COUNTY
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2026

	Budgeted Amounts Original	Actual Amounts Budgetary Basis	Variance Over (Under) Actual Amounts
BUDGETARY REVENUES			
Property Taxes	$ 1,886,329	$ 1,862,085	$ (24,244)
Investment and Miscellaneous Revenues	558	21,471	20,913
TOTAL BUDGETARY REVENUES	$ 1,886,887	$ 1,883,556	$ (3,331)
BUDGETARY EXPENDITURES			
Service Operations:			
Professional Fees	$ 144,918	$ 149,674	$ 4,756
Contracted Services	878,088	1,520,358	642,270
Repairs and Maintenance		6,091	6,091
Other	19,783	19,300	(483)
TOTAL BUDGETARY EXPENDITURES	$ 1,042,789	$ 1,695,423	$ 652,634
NET CHANGE IN FUND BALANCE	$ 844,098	$ 188,133	$ (655,965)
BUDGETARY FUND BALANCE - JULY 1, 2025	327,310	327,310	
BUDGETARY FUND BALANCE - JUNE 30, 2026	$ 1,171,408	$ 515,443	$ (655,965)

See accompanying independent auditor's report.

LAKEHAVEN MUNICIPAL UTILITY DISTRICT OF COLLIN COUNTY
NOTES TO BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2026

The unappropriated budget is adopted annually for the General Fund by the District's Board of Directors. The Budget is prepared using the same method of accounting as for financial reporting, the modified accrual basis of accounting which is consistent with generally accepted accounting principles. The original General Fund budget for the current year was adopted on June 11, 2025 and was not amended.

For the fiscal year ended June 30, 2026, actual revenues were $3,331 lower than budgeted revenues, primarily due to property tax revenues being lower than anticipated partially offset by higher investment and miscellaneous revenues. Expenditures were $652,634 more than budgeted, primarily due to higher contracted services, specifically emergency services. Emergency services expenses approximately doubled from the prior year, reflecting an increase in the City of Farmersville's emergency services budget and the number of meters served by the District that resulted in higher fees charged, contributing significantly to the unfavorable expenditure variance. Overall, there was a negative variance compared to the budget of $655,965.

See accompanying independent auditor's report.

LAKEHAVEN MUNICIPAL UTILITY DISTRICT OF COLLIN COUNTY

SUPPLEMENTARY INFORMATION – REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

JUNE 30, 2026

LAKEHAVEN MUNICIPAL UTILITY DISTRICT OF COLLIN COUNTY
SERVICES AND RATES
FOR THE YEAR ENDED JUNE 30, 2026

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

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

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

N/A Other (specify):

2. RETAIL SERVICE PROVIDERS: (Not Applicable)

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

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

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

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

See accompanying independent auditor's report.

LAKEHAVEN MUNICIPAL UTILITY DISTRICT OF COLLIN COUNTY
SERVICES AND RATES
FOR THE YEAR ENDED JUNE 30, 2026

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes X No _____

County in which District is located:

Collin County, Texas

Is the District located within a city?

Entirely _____ Partly _____ Not at all X

Is the District located within a City's extra territorial jurisdiction (ETJ):

Entirely X Partly _____ Not at all _____

ETJ in which District is located:

City of Farmersville, Texas.

Are Board Members appointed by an office outside the District?

Yes _____ No X

See accompanying independent auditor's report.

LAKEHAVEN MUNICIPAL UTILITY DISTRICT OF COLLIN COUNTY
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2026

PROFESSIONAL FEES:		
Auditing	$	17,750
Engineering		30,658
Legal		101,266
TOTAL PROFESSIONAL FEES	$	149,674
CONTRACTED SERVICES:		
Bookkeeping	$	29,264
Emergency Services		1,491,094
TOTAL CONTRACTED SERVICES	$	1,520,358
REPAIRS AND MAINTENANCE	$	6,091
ADMINISTRATIVE EXPENDITURES:		
Director Fees, Including Payroll Taxes	$	13,323
Insurance		4,190
Office Supplies and Postage		373
Travel, Training and Meetings		1,414
TOTAL ADMINISTRATIVE EXPENDITURES	$	19,300
TOTAL EXPENDITURES	$	1,695,423

See accompanying independent auditor's report.

LAKEHAVEN MUNICIPAL UTILITY DISTRICT OF COLLIN COUNTY
INVESTMENTS
JUNE 30, 2026

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
GENERAL FUND					
LOGIC	XXXX9001	Varies	Daily	$ 884,723	$ -0-
DEBT SERVICE FUND					
LOGIC	XXXX9002	Varies	Daily	$ 1,381,887	$ -0-
CAPITAL PROJECTS FUND					
LOGIC	XXXX9003	Varies	Daily	$ 43,475	$ -0-
TOTAL - ALL FUNDS				$ 2,310,085	$ -0-

See accompanying independent auditor's report.

LAKEHAVEN MUNICIPAL UTILITY DISTRICT OF COLLIN COUNTY
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2026

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE - JULY 1, 2025	$ 18,347		$ -0-	
Adjustments to Beginning Balance	74,911	$ 93,258		$ -0-
Original 2025 Tax Levy	$ 1,852,988		$ 926,494	
Adjustment to 2025 Tax Levy	(12,173)	1,840,815	(6,087)	920,407
TOTAL TO BE ACCOUNTED FOR		$ 1,934,073		$ 920,407
TAX COLLECTIONS:				
Prior Years	$ 39,476		$ -0-	
Current Year	1,822,609	1,862,085	911,304	911,304
TAXES RECEIVABLE - JUNE 30, 2026		$ 71,988		$ 9,103
TAXES RECEIVABLE BY YEAR:				
2025		$ 18,206		$ 9,103
2024		4,768		
2023		20,695		
2022		28,319		
TOTAL		$ 71,988		$ 9,103

See accompanying independent auditor's report.

LAKEHAVEN MUNICIPAL UTILITY DISTRICT OF COLLIN COUNTY
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2026

	2025	2024	2023	2022
PROPERTY VALUATIONS:				
Land	$ 121,147,258	$ 58,669,258	$ 18,075,965	$ 15,351,165
Improvements	115,757,025	35,560,690		
Personal Property	790,736	230,702		
Exemptions	(7,593,155)	(11,322,093)	(11,548,229)	(13,077,235)
TOTAL PROPERTY VALUATIONS	$ 230,101,864	$ 83,138,557	$ 6,527,736	$ 2,273,930
TAX RATES PER $100 VALUATION:				
Debt Service	$ 0.40	$ 0.00	$ 0.00	$ 0.00
Maintenance	0.80	1.20	1.20	1.20
TOTAL TAX RATES PER $100 VALUATION	$ 1.20	$ 1.20	$ 1.20	$ 1.20
ADJUSTED TAX LEVY*	$ 2,761,222	$ 997,662	$ 110,293	$ 71,019
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	99.01 %	99.52 %	81.24 %	60.12 %

* Based upon the adjusted tax levy at the time of the audit for the fiscal year in which the tax was levied, with the exception of the 2023 and 2022 levy amounts. During the current year, the 2023 and 2022 tax levies were increased by $31,960 and $43,732, respectively, due to rollback taxes being levied due to a change in land use.

Maintenance Tax – A rate not to exceed $1.20 per $100 of assessed valuation approved by voters on May 1, 2021.

See accompanying independent auditor's report.

LAKEHAVEN MUNICIPAL UTILITY DISTRICT OF COLLIN COUNTY
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2026

	SERIES-2024 ROAD		
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1/ March 1	Total
2027	$ 155,000	$ 287,181	$ 442,181
2028	165,000	276,781	441,781
2029	170,000	265,894	435,894
2030	180,000	254,519	434,519
2031	190,000	242,494	432,494
2032	195,000	232,419	427,419
2033	205,000	224,419	429,419
2034	215,000	216,019	431,019
2035	225,000	207,219	432,219
2036	235,000	198,019	433,019
2037	250,000	188,319	438,319
2038	260,000	178,119	438,119
2039	270,000	167,519	437,519
2040	285,000	156,419	441,419
2041	300,000	144,719	444,719
2042	315,000	132,419	447,419
2043	325,000	119,619	444,619
2044	345,000	106,219	451,219
2045	360,000	92,119	452,119
2046	375,000	77,418	452,418
2047	395,000	61,771	456,771
2048	415,000	45,065	460,065
2049	430,000	27,637	457,637
2050	455,000	9,383	464,383
2051			
	$ 6,715,000	$ 3,911,709	$ 10,626,709

See accompanying independent auditor's report.

LAKEHAVEN MUNICIPAL UTILITY DISTRICT OF COLLIN COUNTY
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2026

	SERIES-2024 UTILITY		
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1/ March 1	Total
2027	$ 140,000	$ 240,400	$ 380,400
2028	145,000	231,850	376,850
2029	155,000	222,850	377,850
2030	160,000	214,200	374,200
2031	165,000	206,900	371,900
2032	175,000	200,100	375,100
2033	185,000	192,900	377,900
2034	190,000	185,400	375,400
2035	200,000	177,600	377,600
2036	210,000	169,400	379,400
2037	220,000	160,800	380,800
2038	225,000	151,900	376,900
2039	240,000	142,600	382,600
2040	250,000	132,800	382,800
2041	260,000	122,600	382,600
2042	270,000	112,000	382,000
2043	285,000	100,900	385,900
2044	295,000	89,300	384,300
2045	310,000	77,200	387,200
2046	325,000	64,500	389,500
2047	340,000	51,200	391,200
2048	355,000	37,300	392,300
2049	370,000	22,800	392,800
2050	385,000	7,700	392,700
2051			
	$ 5,855,000	$ 3,315,200	$ 9,170,200

See accompanying independent auditor's report.

LAKEHAVEN MUNICIPAL UTILITY DISTRICT OF COLLIN COUNTY
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2026

Due During Fiscal Years Ending June 30	SERIES-2025 ROAD		
	Principal Due September 1	Interest Due September 1/ March 1	Total
2027	$	$ 319,556	$ 319,556
2028	145,000	314,844	459,844
2029	150,000	305,256	455,256
2030	155,000	295,344	450,344
2031	165,000	284,944	449,944
2032	175,000	273,894	448,894
2033	180,000	262,356	442,356
2034	190,000	250,331	440,331
2035	200,000	237,656	437,656
2036	210,000	226,956	436,956
2037	220,000	218,219	438,219
2038	230,000	208,938	438,938
2039	245,000	198,988	443,988
2040	255,000	188,044	443,044
2041	270,000	176,231	446,231
2042	280,000	163,681	443,681
2043	295,000	150,384	445,384
2044	310,000	136,200	446,200
2045	325,000	121,119	446,119
2046	340,000	105,113	445,113
2047	360,000	87,825	447,825
2048	375,000	69,450	444,450
2049	395,000	50,200	445,200
2050	415,000	29,950	444,950
2051	435,000	9,787	444,787
	$ 6,320,000	$ 4,685,266	$ 11,005,266

See accompanying independent auditor's report.

LAKEHAVEN MUNICIPAL UTILITY DISTRICT OF COLLIN COUNTY
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2026

	SERIES-2025 UTILITY		
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1/ March 1	Total
2027	$	$ 162,613	$ 162,613
2028	75,000	160,175	235,175
2029	75,000	155,300	230,300
2030	80,000	150,262	230,262
2031	85,000	144,900	229,900
2032	90,000	139,213	229,213
2033	95,000	133,200	228,200
2034	100,000	127,300	227,300
2035	100,000	122,487	222,487
2036	105,000	118,388	223,388
2037	115,000	113,988	228,988
2038	120,000	109,137	229,137
2039	125,000	103,853	228,853
2040	130,000	98,194	228,194
2041	135,000	92,147	227,147
2042	145,000	85,672	230,672
2043	150,000	78,756	228,756
2044	160,000	71,394	231,394
2045	165,000	63,572	228,572
2046	175,000	55,284	230,284
2047	185,000	46,509	231,509
2048	195,000	37,125	232,125
2049	205,000	27,125	232,125
2050	215,000	16,625	231,625
2051	225,000	5,625	230,625
	$ 3,250,000	$ 2,418,844	$ 5,668,844

See accompanying independent auditor's report.

LAKEHAVEN MUNICIPAL UTILITY DISTRICT OF COLLIN COUNTY
LONG-TERM DEBT SERVICE REQUIREMENTS
JUNE 30, 2026

Due During Fiscal Years Ending June 30	ANNUAL REQUIREMENTS FOR ALL SERIES		
	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2027	$ 295,000	$ 1,009,750	$ 1,304,750
2028	530,000	983,650	1,513,650
2029	550,000	949,300	1,499,300
2030	575,000	914,325	1,489,325
2031	605,000	879,238	1,484,238
2032	635,000	845,626	1,480,626
2033	665,000	812,875	1,477,875
2034	695,000	779,050	1,474,050
2035	725,000	744,962	1,469,962
2036	760,000	712,763	1,472,763
2037	805,000	681,326	1,486,326
2038	835,000	648,094	1,483,094
2039	880,000	612,960	1,492,960
2040	920,000	575,457	1,495,457
2041	965,000	535,697	1,500,697
2042	1,010,000	493,772	1,503,772
2043	1,055,000	449,659	1,504,659
2044	1,110,000	403,113	1,513,113
2045	1,160,000	354,010	1,514,010
2046	1,215,000	302,315	1,517,315
2047	1,280,000	247,305	1,527,305
2048	1,340,000	188,940	1,528,940
2049	1,400,000	127,762	1,527,762
2050	1,470,000	63,658	1,533,658
2051	660,000	15,412	675,412
	$ 22,140,000	$ 14,331,019	$ 36,471,019

See accompanying independent auditor's report.

LAKEHAVEN MUNICIPAL UTILITY DISTRICT OF COLLIN COUNTY
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED JUNE 30, 2026

Description	Original Bonds Issued	Bonds Outstanding July 1, 2025
Lakehaven Municipal Utility District of Collin County Unlimited Tax Road Bonds - Series 2024	$ 6,715,000	$ 6,715,000
Lakehaven Municipal Utility District of Collin County Unlimited Tax Utility Bonds - Series 2024	5,855,000	5,855,000
Lakehaven Municipal Utility District of Collin County Unlimited Tax Road Bonds - Series 2025	6,320,000	
Lakehaven Municipal Utility District of Collin County Unlimited Tax Utility Bonds - Series 2025	3,250,000	
	$ 22,140,000	$ 12,570,000

Bond Authority:	Utility Bonds	Road Bonds	Utility Refunding Bonds
Amount Authorized by Voters	$ 180,000,000	$ 94,500,000	$ 270,000,000
Amount Issued	9,105,000	13,035,000	
Remaining to be Issued	$ 170,895,000	$ 81,465,000	$ 270,000,000

Debt Service Fund cash, investments and cash with paying agent balances as of June 30, 2026:	$ 1,381,943
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 1,458,841

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

See accompanying independent auditor's report.

Current Year Transactions				
	Retirements		Bonds Outstanding	
Bonds Sold	Principal	Interest	June 30, 2026	Paying Agent
$ - 0 -	$ - 0 -	$ 292,219	$ 6,715,000	Regions Bank Houston, Texas
		244,600	5,855,000	Regions Bank Houston, Texas
6,320,000		151,789	6,320,000	Regions Bank Houston, Texas
3,250,000		77,241	3,250,000	Regions Bank Houston, Texas
$ 9,570,000	$ -0-	$ 765,849	$ 22,140,000	

Road Refunding Bonds
$ 141,750,000
$ 141,750,000

See accompanying independent auditor's report.

LAKEHAVEN MUNICIPAL UTILITY DISTRICT OF COLLIN COUNTY
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND – FOUR YEARS

	Amounts		
	2026	2025	2024
REVENUES			
Property Taxes	$ 1,862,085	$ 1,032,730	$ 144,612
Investment and Miscellaneous Revenues	21,471	13,637	1,196
TOTAL REVENUES	$ 1,883,556	$ 1,046,367	$ 145,808
EXPENDITURES			
Professional Fees	$ 149,674	$ 204,583	$ 197,948
Contracted Services	1,520,358	767,364	133,959
Repairs and Maintenance	6,091		
Other	19,300	17,686	12,320
TOTAL EXPENDITURES	$ 1,695,423	$ 989,633	$ 344,227
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 188,133	$ 56,734	$ (198,419)
OTHER FINANCING SOURCES			
Transfers In (Out)	$ -0-	$ 64,298	$ -0-
Developer Advances		326,555	92,215
TOTAL OTHER FINANCING SOURCES	$ - 0 -	$ 390,853	$ 92,215
NET CHANGE IN FUND BALANCE	$ 188,133	$ 447,587	$ (106,204)
BEGINNING FUND BALANCE	327,310	(120,277)	(14,073)
ENDING FUND BALANCE	$ 515,443	$ 327,310	$ (120,277)

See accompanying independent auditor's report.

2023	Percentage of Total Revenues 2026	2025	2024	2023
$ 27,287	98.9 %	98.7 %	99.2 %	99.5 %
138	1.1	1.3	0.8	0.5
$ 27,425	100.0 %	100.0 %	100.0 %	100.0 %
$ 71,762	7.9 %	19.6 %	135.8 %	261.7 %
12,173	80.7	73.3	91.9	44.4
	0.3			
12,870	1.0	1.7	8.4	46.9
$ 96,805	89.9 %	94.6 %	236.1 %	353.0 %
$ (69,380)	10.1 %	5.4 %	(136.1) %	(253.0) %
$ -0-				
63,133				
$ 63,133				
$ (6,247)				
(7,826)				
$ (14,073)				

See accompanying independent auditor's report.

LAKEHAVEN MUNICIPAL UTILITY DISTRICT OF COLLIN COUNTY
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND – FOUR YEARS

	Amounts		
	2026	2025	2024
REVENUES			
Property Taxes	$ 911,304	$	$
Penalty and Interest			
Investment and Miscellaneous Revenues	37,561	24,583	
TOTAL REVENUES	$ 948,865	$ 24,583	$ -0-
EXPENDITURES			
Tax Collection Expenditures	$ 20,088	$ 9,099	$
Debt Service Interest and Fees	767,461	233,794	
TOTAL EXPENDITURES	$ 787,549	$ 242,893	$ - 0 -
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 161,316	$ (218,310)	$ -0-
OTHER FINANCING SOURCES			
Long-Term Debt Issued	$ 633,709	$ 805,228	$ -0-
NET CHANGE IN FUND BALANCE	$ 795,025	$ 586,918	$ -0-
BEGINNING FUND BALANCE	586,918		
ENDING FUND BALANCE	$ 1,381,943	$ 586,918	$ -0-
TOTAL ACTIVE RETAIL WATER CONNECTIONS	N/A	N/A	N/A
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	N/A	N/A	N/A

See accompanying independent auditor's report.

	Percentage of Total Revenues			
2023	2026	2025	2024	2023
	96.0 %	%	%	%
	4.0	100.0		
$ - 0 -	100.0 %	100.0 %	N/A %	N/A %
	2.1 %	37.0 %	%	%
	80.9	951.0		
$ - 0 -	83.0 %	988.0 %	N/A %	N/A %
$ - 0 -	17.0 %	(888.0) %	N/A %	N/A %
$ -0-				
$ -0-				
$ - 0 -				
N/A				
N/A				

See accompanying independent auditor's report.

LAKEHAVEN MUNICIPAL UTILITY DISTRICT OF COLLIN COUNTY
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JUNE 30, 2026

District Mailing Address - Lakehaven Municipal Utility District of Collin County
c/o Winstead PC
2728 N. Harwood Street, Suite 500
Dallas, TX 75201

District Telephone Number - (214) 745-5353

Board Members	Term of Office (Elected or Appointed)	Fees of Office for the year ended June 30, 2026	Expense Reimbursements for the year ended June 30, 2026	Title
Dean Dumke	05/26 05/30 (Elected)	$ 2,652	$ 549	President
Andrew Prine	05/26 05/30 (Elected)	$ 2,210	$ 86	Vice President
Guymon Phillips	05/26 05/30 (Elected)	$ 2,431	$ 191	Secretary
Stephen Pepper	05/24 05/28 (Elected)	$ 2,431	$ 375	Assistant Secretary
Daniella Giglio	05/24 05/28 (Elected)	$ 2,652	$ 213	Assistant Secretary

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

Submission date of most recent District Registration Form: May 20, 2026

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

See accompanying independent auditor's report.

LAKEHAVEN MUNICIPAL UTILITY DISTRICT OF COLLIN COUNTY
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JUNE 30, 2026

Consultants:	Date Hired	Fees for the year ended June 30, 2026	Title
Winstead PC	07/01/21	$ 98,766 $ 249,820	General Counsel Bond Related
McCall Gibson Swedlund Barfoot Ellis PLLC	09/13/23	$ 17,750 $ 28,150	Auditor Bond Related
Dye & Tovery, LLC	08/10/22	$ 29,264	Bookkeeper
Cedar Creek Municipal Advisors, LLC	05/13/26	$ -0-	Financial Advisor
Robert W. Baird & Co.	10/30/19	$ 199,426	Former Financial Advisor
Kimley-Horn & Associates, Inc.	06/30/21	$ 30,008 $ 166,475	Engineer Bond Related
Kathi Dye		$ -0-	Investment Officer
Collin County Tax Assessor-Collector	05/23/22	$ 3,983	Tax Assessor/ Collector

See accompanying independent auditor's report.

APPENDIX B

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

ASSURED GUARANTY®

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No.: -N

BONDS: $ in aggregate principal amount of Effective Date:

Premium: $

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

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AG shall have received Notice of Nonpayment, AG will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AG, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AG. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AG is incomplete, it shall be deemed not to have been received by AG for purposes of the preceding sentence and AG shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AG shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AG hereunder. Payment by AG to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AG under this Policy.

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

SPECIMEN

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

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

This Policy sets forth in full the undertaking of AG, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY INC.

By _____
Authorized Officer

1633 Broadway, New York, N.Y. 10019 (212) 974-0100

SPECIMEN