OFFICIAL STATEMENT DATED OCTOBER 28, 2026

In the opinion of Bond Counsel (herein defined), under current law and subject to conditions described under "TAX MATTERS," interest on the Bonds (a) is not included in gross income for federal income tax purposes, (b) is not an item of tax preference for purposes of the federal alternative minimum income tax, and (c) is taken into account by applicable corporations (as defined in Section 59(k) of the Code (herein defined)) for the alternative minimum tax imposed on such corporations. A holder may be subject to other federal tax consequences as described under "TAX MATTERS."

The Bonds have not been designated as "qualified tax-exempt obligations" for financial institutions. See "TAX MATTERS – Not Qualified Tax – Exempt Obligations."

NEW ISSUE – Book-Entry-Only

S&P Global Ratings (BAM Insured)......"AA"
See "MUNICIPAL BOND INSURANCE" and "RATINGS."

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 83

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

$9,340,000
Unlimited Tax Bonds
Series 2026

$2,765,000
Unlimited Tax Road Bonds
Series 2026

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

Due: November 1, as shown on the inside cover

The $9,340,000 Brazoria County Municipal Utility District No. 83 Unlimited Tax Bonds, Series 2026 (the "Utility Bonds"), and the $2,765,000 Unlimited Tax Road Bonds, Series 2026 (the "Road Bonds," and together with the Utility Bonds, the "Bonds"), are obligations of Brazoria County Municipal Utility District No. 83 (the "District") and are not obligations of the State of Texas; the City of Manvel, Texas (the "City"); Brazoria County, Texas; or any political subdivision or entity other than the District. Neither the faith and credit nor the taxing power of the State of Texas; the City of Manvel, Texas; Brazoria County, Texas; nor any entity other than the District is pledged to the payment of the principal of or interest on the Bonds.

Principal of the Bonds is payable to the registered owner(s) of the Bonds (the "Registered Owner(s)") at BOKF, NA, Dallas, Texas, (the "Paying Agent" or the "Paying Agent/Registrar"), upon surrender of the Bonds for payment at maturity. Unless otherwise agreed between the Paying Agent and a Registered Owner, interest on the Bonds is dated as of the Interest Payment Date and payable to each Registered Owner, as shown on the records of the Paying Agent/Registrar on the close of business on the 15th day of the calendar month next preceding each Interest Payment Date (the "Record Date"). The Bonds will be issued only in fully registered form in the denomination of $5,000 of principal amount, or any integral multiple thereof.

Interest on the Bonds accrues from the initial date of delivery (on or about November 23, 2026) (the "Date of Delivery") and is payable on May 1, 2027, and on each November 1 and May 1 (each an "Interest Payment Date") thereafter until the earlier of maturity or redemption, and will be calculated on the basis of a 360-day year composed of twelve (12) 30-day months. The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Beneficial owners of the Bonds will not receive physical certificates representing the Bonds, but will receive a credit balance on the books of the nominees of such beneficial owners. So long as Cede & Co. is the registered owner of the Bonds, the principal of and interest on the Bonds will be paid by the Paying Agent directly to DTC, which will, in turn, remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein. See "BOOK-ENTRY-ONLY SYSTEM."

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

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

The Utility Bonds constitute the second series of unlimited tax bonds issued by the District for the purpose of acquiring or constructing water, wastewater, and storm drainage facilities to serve the District (the "Utility System"). The Road Bonds constitute the third series of unlimited tax bonds issued by the District for the purpose of acquiring or constructing road improvements to serve the District (the "Road System"). Voters in the District have authorized $511,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Utility System, and $229,600,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Road System. Following the issuance of the Bonds, $493,125,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Utility System, and $214,090,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Road System will remain authorized but unissued.

The Bonds, when issued, will constitute valid and binding obligations of the District, payable from the proceeds of two (2) separate continuing direct ad valorem taxes, each without legal limitation as to rate or amount, levied against all taxable property within the District. The Bonds are not secured by the District Annual Payments (defined herein) to be made to the District each year under the terms of the 380 Agreement (defined herein). See "THE BONDS- Source of Payment."

THE BONDS ARE SUBJECT TO SPECIAL RISK FACTORS DESCRIBED HEREIN. Bond purchasers are encouraged to read this entire Official Statement prior to making an investment decision, including particularly the section titled "RISK FACTORS."

The Bonds are offered when, as and if issued by the District and accepted by the winning bidder for the Utility Bonds and the winning bidder for the Road Bonds (together, the "Initial Purchaser") subject among other things, to the approval of the Attorney General of Texas and the opinion of The Muller Law Group, PLLC, Sugar Land, Texas, Bond Counsel. Delivery of the Bonds in book-entry form through the facilities of DTC is expected on or about November 23, 2026.

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

$9,340,000
Unlimited Tax Bonds
Series 2026

Maturity (November 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 10608C (b)	Maturity (November 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 10608C (b)
2029	$ 150,000	7.500%	3.800%	DP0	2042 (c)	$ 335,000	5.000%	5.100%	EC8
2030	160,000	7.500%	3.900%	DQ8	2043 (c)	355,000	5.125%	5.150%	ED6
2031	180,000	7.500%	4.000%	DR6	2044 (c)	380,000	5.125%	5.200%	EE4
2032 (c)	200,000	7.500%	4.050%	DS4	2045 (c)	400,000	5.125%	5.250%	EF1
2033 (c)	225,000	7.500%	4.100%	DT2	2046 (c)	420,000	5.125%	5.300%	EG9
2034 (c)	235,000	7.500%	4.150%	DU9	2047 (c)	440,000	5.125%	5.330%	EH7
2035 (c)	245,000	6.500%	4.300%	DV7	2048 (c)	465,000	5.125%	5.360%	EJ3
2036 (c)	260,000	5.000%	4.500%	DW5	2049 (c)	495,000	5.125%	5.380%	EK0
2037 (c)	270,000	5.000%	4.600%	DX3	2050 (c)	520,000	5.125%	5.390%	EL8
2038 (c)	280,000	5.000%	4.700%	DY1	2051 (c)	555,000	5.125%	5.400%	EM6
2039 (c)	295,000	5.000%	4.800%	DZ8	2052 (c)	585,000	5.125%	5.410%	EN4
2040 (c)	305,000	5.000%	4.900%	EA2	2053 (c)	615,000	5.125%	5.420%	EP9
2041 (c)	320,000	5.000%	5.000%	EB0	2054 (c)	650,000	5.125%	5.430%	EQ7

$2,765,000
Unlimited Tax Road Bonds
Series 2026

Maturity (November 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 10608C (b)	Maturity (November 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 10608C (b)
2029	$ 45,000	7.500%	3.650%	ER5	2042 (c)	$ 105,000	5.000%	4.920%	FE3
2030	50,000	7.500%	3.750%	ES3	2043 (c)	105,000	5.000%	5.000%	FF0
2031	55,000	7.500%	3.850%	ET1	2044 (c)	110,000	5.000%	5.040%	FG8
2032 (c)	55,000	7.500%	3.950%	EU8	2045 (c)	115,000	5.000%	5.080%	FH6
2033 (c)	55,000	7.500%	4.050%	EV6	2046 (c)	125,000	5.125%	5.130%	FJ2
2034 (c)	60,000	6.250%	4.150%	EW4	2047 (c)	135,000	5.125%	5.180%	FK9
2035 (c)	65,000	5.000%	4.250%	EX2	2048 (c)	140,000	5.125%	5.230%	FL7
2036 (c)	75,000	5.000%	4.350%	EY0	2049 (c)	150,000	5.125%	5.260%	FM5
2037 (c)	75,000	5.000%	4.450%	EZ7	2050 (c)	160,000	5.250%	5.290%	FN3
2038 (c)	80,000	5.000%	4.550%	FA1	2051 (c)	165,000	5.250%	5.310%	FP8
2039 (c)	85,000	5.000%	4.650%	FB9	2052 (c)	180,000	5.250%	5.320%	FQ6
2040 (c)	90,000	5.000%	4.750%	FC7	2053 (c)	190,000	5.250%	5.330%	FR4
2041 (c)	95,000	5.000%	4.850%	FD5	2054 (c)	200,000	5.250%	5.340%	FS2

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

(b) CUSIP number 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 purchasers of the Bonds. None of the District, the Financial Advisor (herein defined), or the Initial Purchaser shall be responsible for the selection or the correctness of the CUSIP numbers shown herein.

(c) The Bonds maturing on November 1, 2032, and thereafter shall be subject to redemption and payment at the option of the District, in whole or from time to time in part, on November 1, 2031, or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. See "THE BONDS – Redemption Provisions."

USE OF INFORMATION IN OFFICIAL STATEMENT

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

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

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

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 herein.

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

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

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SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Utility Bonds, the District has accepted the bid of SAMCO Capital Markets, Inc. (the "Utility Bonds Initial Purchaser") to purchase the Utility Bonds at the interest rates shown on the inside cover page at a price of 97.000000% of par, resulting in a net effective interest rate to the District of 5.377151%, as calculated pursuant to Chapter 1204 of the Texas Government Code, as amended.

After requesting competitive bids for the Road Bonds, the District has accepted the bid of Robert W. Baird & Co., Inc. (the "Road Bonds Initial Purchaser") to purchase the Road Bonds at the interest rates shown on the inside cover page at a price of 97.000000% of par, resulting in a net effective interest rate to the District of 5.378718%, as calculated pursuant to Chapter 1204 of the Texas Government Code, as amended.

Throughout this Official Statement, the term “Initial Purchaser” refers to the Utility Bonds Initial Purchaser in its capacity as purchaser of the Utility Bonds as well as the Road Bonds Initial Purchaser in its capacity as purchaser of the Road Bonds.

Prices and Marketability

The delivery of the Bonds is conditioned upon the receipt by the District of a certificate executed and delivered by the Initial Purchaser on or before the date of delivery of the Bonds (expected on November 23, 2026) stating the prices at which a substantial amount of the Bonds of each maturity has been sold to the public. For this purpose, the term "public" shall not include any person who is a bond house, broker, dealer, or similar person or organization acting in the capacity of underwriter or wholesaler. Other than described in the Notice of Sale, the District has no understanding with the Initial Purchaser regarding the reoffering yields or prices of the Bonds. Information concerning reoffering yields or prices is the responsibility of the Initial Purchaser.

The prices and other terms with respect to the offering and sale of the Bonds may be changed from time-to-time by the Initial Purchaser after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the Bonds into investment accounts. In connection with the offering of the Bonds, the Initial Purchaser may over-allot or effect transactions which stabilize or maintain the market prices of the Bonds at levels above those which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

The District has no control over trading of the Bonds in the secondary market. Moreover, there is no assurance that a secondary market will be made in the Bonds. If there is a secondary market, the difference between the bid and asked 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.

Securities Laws

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

MUNICIPAL BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company (“BAM”) will issue a separate municipal bond insurance policy for the Road Bonds and the Utility Bonds (together referred to as the “Policy”). The Policy guarantees the scheduled paymen t of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

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

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products to issuers in the U.S. public finance markets. BAM will only insure municipal

bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

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

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

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

Capitalization of BAM

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

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

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

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

Additional Information Available from BAM

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

Credit Profiles: Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre- sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at https://bambonds.com/credit-profiles/. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared

for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

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

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

RATINGS

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

The District is not aware of any rating assigned to the Bonds other than the respective insured rating of S&P.

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OFFICIAL STATEMENT SUMMARY

The following material is qualified in its entirety by the more detailed information and financial statements appearing elsewhere herein. The offering of the Bonds (herein defined) to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this summary from this Official Statement or to otherwise use it without the entire Official Statement.

THE BONDS

The Issuer ..... Brazoria County Municipal Utility District No. 83 (the "District"), a political subdivision of the State of Texas, is located in Brazoria County, Texas (the "County"), entirely within the city limits of the City of Manvel, Texas (the "City"). See "THE DISTRICT."

Description ..... The $9,340,000 Brazoria County Municipal Utility District No. 83 Unlimited Tax Bonds, Series 2026 (the "Utility Bonds"), and the $2,765,000 Brazoria County Municipal Utility District No. 83 Unlimited Tax Road Bonds, Series 2026 (the "Road Bonds," and together with the Utility Bonds, the "Bonds") are dated November 1, 2026, and mature on November 1 in each of the years and in the principal amounts set forth on the inside cover page. Interest on the Bonds accrues from the initial date of delivery (on or about November 23, 2026) (the "Date of Delivery") and is payable on May 1, 2027, and on each November 1 and May 1 thereafter until the earlier of maturity or redemption, and will be calculated on the basis of a 360-day year composed of twelve (12) 30-day months. The Bonds are offered in fully registered form in integral multiples of $5,000 of principal amount for any one (1) maturity. See "THE BONDS – General."

Redemption Provisions ..... The Bonds maturing on and after November 1, 2032, are subject to redemption, in whole or from time to time in part, at the option of the District beginning on November 1, 2031, and on any date thereafter at a price of par plus accrued interest from the most recent interest payment date to the date of redemption. See "THE BONDS – Redemption Provisions."

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

The Bonds are payable from the proceeds of two (2) separate continuing direct ad valorem taxes, each without legal limitation as to rate or amount, levied against all taxable property within the District. The Bonds are not secured by the District Annual Payments (defined below) to be made to the District each year under the terms of the 380 Agreement (defined below). See "THE BONDS – Source and Security for Payment."

Agreement with the City of Manvel ..... Effective October 15, 2021, the District entered into an agreement (the "380 Agreement") with the City. The 380 Agreement establishes a program to finance and develop certain regional roads and improvements ("Public Improvements") in accordance with Article III, Section 52 of the Texas Constitution and Chapter 380, Texas Local Government Code under which the City has the authority to use public funds for the public purposes of promoting local economic development and stimulating business and commercial activity within the City.

To facilitate the funding of the Public Improvements, including major roads and thoroughfares within the District, the 380 Agreement provides that the City will pay to the District a portion of the City's ad valorem taxes collected on the increased taxable value of land in the

District (the "District Annual Payments"). The District Annual Payments are calculated annually as the lesser of (i) (90% of the City's operations and maintenance tax rate for the applicable year) multiplied by (the increase in taxable value since January 1, 2022) minus operations costs to the City for providing services during the applicable year; and (ii) debt service on bonds issued to pay for the Public Improvements. The operations costs are calculated by multiplying $205 by the number of Equivalent Single-family Connections in the District as of January 1 of the applicable tax year. The 380 Agreement further provides that the District is to receive the District Annual Payments to be used for the following purposes: (1) to fund or reimburse the District for Improvements Costs (as defined in the 380 Agreement); and (2) for payment of interest and debt service on bonds issued to finance Public Improvements. The proceeds of the Road Bonds will be used to reimburse the Developers (defined herein) for the costs of designing and constructing certain Public Improvements, including road improvements. The District Annual Payments will be provided for a maximum period of 30 years subject to a cap of $18,000,000. See "THE BONDS - Issuance of Additional Debt."

The District intends to use the District Annual Payments received under the terms of the 380 Agreement to make payments of principal and interest due on the Road Bonds. However, while the District intends to use the District Annual Payments to pay debt service on the Road Bonds, the District Annual Payments are not pledged to the payment of debt service on the Road Bonds. The District Annual Payments are not permitted to be used to make payments of principal and interest due on the Utility Bonds under the terms of the 380 Agreement.

Authority for Issuance..... The Utility Bonds are issued pursuant to: an order of the Texas Commission on Environmental Quality (the "TCEQ"); the general laws of Texas, including Chapters 49 and 54 of the Texas Water Code, as amended; Article XVI, Section 59, of the Texas Constitution; a resolution authorizing the issuance of the Utility Bonds adopted by the Board of Directors of the District (the "Board") on the date of the sale of the Utility Bonds (the "Utility Bond Resolution"); and an election held in the District on May 6, 2023.

The Road Bonds are issued pursuant to a resolution authorizing the issuance of the Road Bonds (the "Road Bond Resolution") adopted by the Board; an election held in the District on May 6, 2023; Chapters 49 and 54 of the Texas Water Code, as amended; and Article III, Section 52 of the Texas Constitution. See "THE BONDS – Authority for Issuance" and "THE BONDS – Issuance of Additional Debt."

At a bond election held within the District on May 6, 2023, the voters authorized $511,000,000 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"), and $229,600,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing road improvements to serve the District (the "Road System"). Following the issuance of the Bonds, $493,125,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Utility System, and $214,090,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Road System will remain authorized but unissued. See "THE BONDS - Issuance of Additional Debt."

Use of Proceeds of the Utility Bonds	Proceeds from the sale of the Utility Bonds will be used to reimburse the Developers (defined herein) for the projects and related costs shown herein under "USE AND DISTRIBUTION OF THE UTILITY BOND PROCEEDS." Additionally, proceeds from the sale of the Utility Bonds will be used to pay developer interest; $443,650 of capitalized interest; operation expenses; and certain other costs associated with the issuance of the Utility Bonds. See "USE AND DISTRIBUTION OF THE UTILITY BOND PROCEEDS."
Use of Proceeds of the Road Bonds	Proceeds of the Road Bonds will be used to reimburse the Developers for constructing certain road improvements, as described herein under "USE AND DISTRIBUTION OF THE ROAD BOND PROCEEDS." Additionally, proceeds from the Road Bonds will be used to pay twelve (12) months of capitalized interest, developer interest, and other certain costs associated with the issuance of the Bonds. See "USE AND DISTRIBUTION OF THE ROAD BOND PROCEEDS."
Payment Record	The District has timely made all payments of principal and interest due on its bond indebtedness. See "THE BONDS – Source of Payment."
Municipal Bond Insurance	Build America Mutual Assurance Company ("BAM"). See "MUNICIPAL BOND INSURANCE."
Ratings	S&P Global Ratings (BAM Insured): "AA." See "RATINGS."
Outstanding Bonds	The District has previously issued one (1) series of bonds for the Utility System: $8,535,000 Unlimited Tax Bonds, Series 2025, of which, an amount of $8,535,000 will remain outstanding as of the Date of Delivery of the Bonds. The District has previously issued two (2) series of bonds for the Road System: $3,955,000 Unlimited Tax Road Bonds, Series 2024, and $8,790,000 Unlimited Tax Road Bonds, Series 2025, of which, an amount of $12,675,000 will remain outstanding as of the Date of Delivery of the Bonds (collectively the "Outstanding Bonds").
Not Qualified Tax-Exempt Obligations	The Bonds have not been designated as "Qualified Tax-Exempt Obligations" for financial institutions. See "TAX MATTERS – Not Qualified Tax – Exempt Obligations."
General & Bond Counsel	The Muller Law Group, PLLC, Sugar Land, Texas.
Disclosure Counsel	McCall, Parkhurst & Horton L.L.P., Houston, Texas.
Financial Advisor	Cedar Creek Municipal Advisors, LLC, Houston, Texas.
Engineer	LJA, Inc., Houston, Texas.
Paying Agent/Registrar	BOKF, NA, Dallas, Texas.

THE DISTRICT

Description — The District was created by Senate Bill No. 1355, Act of the 87th Legislature, Regular Session 2021, codified as Chapter 7922A, Special District Local Laws Code, and by a confirmation election held within the District on May 6, 2023. The District operates under Chapters 49 and 54 of the Texas Water Code, as amended; Article III, Section 52 and Article XVI, Section 59 of the Texas Constitution, and other general laws of the State of Texas applicable to municipal utility districts.

The District encompasses approximately 438 acres. The District is a political subdivision of the State of Texas, located within the corporate city limits of the City of Manvel, and within Brazoria County, Texas, approximately 20 miles south of the central business district of Houston. The District is generally located north of Texas State Highway 6, east of Texas State Highway 288 and west of North Masters Street (Farm-to-Market 1128). Access to the District is provided by Texas State Highway 6 via Pollard Boulevard and Texas State Highway 288 via Del Bello Boulevard. See "THE DISTRICT."

Development within the District — Approximately 242.28 acres of land within the District have been developed as the single-family residential subdivisions of Valencia, Sections 1-11 and 13-16 (889 lots). As of October 5, 2026, the District consisted of 889 platted lots comprised of 374 completed homes (283 occupied homes), 71 homes in various stages of construction and 444 vacant developed lots. There are currently approximately 50.10 remaining developable acres within the District. The remainder of land within the District consists of approximately 142.74 acres of undevelopable land approximately 2.75 acres for a recreational center. See "DEVELOPMENT WITHIN THE DISTRICT."

Developers and Homebuilders within the District — The primary developer of land in the District is Valencia 288 LLC, a Texas limited liability company ("Valencia 288") owned by Hillwood Development Company, LLC ("Hillwood").

Valencia 288 is a single purpose entity formed for the purpose of holding the land it owns within the District. Valencia 288 is a thinly capitalized limited liability company whose assets primarily consist of the land it owns in the District and the receivables due from the District for development costs.

Hillwood is a Dallas-based national real estate development company owned by H. Ross Perot, Jr., with over 30 years of experience developing land in Texas. Hillwood's development experience encompasses several product types, including: sports arenas, high-rise condominiums, offices, single-family residential communities, distribution centers, regional malls, mixed-use urban development, call centers, hotels, golf courses, airports, intermodal rail yards, corporate campuses, and major air facilities.

Pursuant to the Master Development Financing Agreement between Valencia 288 and the District, Valencia 288 constructs the major water, wastewater, and drainage facilities to serve the development in the District. Valencia 288 has sold certain sections within the District to other developer entities as described below to develop the internal water, wastewater, and drainage facilities within those sections, but has retained all reimbursement rights for the major infrastructure and internal water, sewer and drainage facilities. See "THE DEVELOPERS."

PHHOU-SOWELL 112, LLC ("PHHOU"), has developed certain internal facilities within Valencia Sections 1, 3, 7, 9, 10, 14 and 16 and serves

as a land bank for Perry Homes and conveys the vacant developed lots to Perry Homes pursuant to a takedown schedule agreed to by the parties. 2023 FM Valencia Development, LLC ("2023 FM Valencia"), has developed certain internal facilities within Valencia Sections 2, 4, 8, 13, and 15 and serves as a land bank for Coventry Homes and conveys the vacant developed lots to Coventry Homes pursuant to a takedown schedule agreed to by the parties. Pulte Homes, Inc ("Pulte Homes") has developed certain internal facilities within Valencia Sections 5, 6 and 11. Pulte Homes and Valencia 288 collectively own approximately 35 remaining developable acres. Alvin Independent School District owns approximately 15 remaining developable acres within the District. Valencia 288, PHHOU, 2023 FM Valencia, and Pulte Homes are collectively referred to herein as the "Developers."

Pulte Homes, Coventry Homes, Beazer Homes Texas LP, and Perry Homes are the current homebuilders within the District. Homes within the District range in price from approximately $390,000 to approximately $790,000.

RISK FACTORS

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

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SELECTED FINANCIAL INFORMATION (UNAUDITED)

2026 Certified Taxable Assessed Valuation	$	147,681,489	(a)
Estimate of Assessed Valuation as of September 1, 2026	$	215,534,578	(b)
Direct Debt:			
The Outstanding Bonds (as of Date of Delivery)	$	21,210,000	
The Bonds		12,105,000	
Total Direct Debt		33,315,000	
Estimated Overlapping Debt	$	15,306,917	(c)
Total Direct and Estimated Overlapping Debt	$	48,621,917	(c)
Direct Debt Ratios:			
Based on the 2026 Certified Taxable Assessed Valuation		22.56%	(d)
Based on the Estimate of Assessed Valuation as of September 1, 2026		15.46%	(d)
Direct and Estimated Overlapping Debt Ratios:			
Based on the 2026 Certified Taxable Assessed Valuation		32.92%	(e)
Based on the Estimate of Assessed Valuation as of September 1, 2026		22.56%	(e)
Road Debt Service Fund Balance (as of September 23, 2026)	$	484,276	(f)
Utility Debt Service Fund Balance (as of September 23, 2026)	$	462,419	(g)
General Fund Balance (as of September 23, 2026)	$	199,739	(h)
Utility Capital Projects Fund (as of September 23, 2026)	$	216,152	
2026 Tax Rate per $100 of Assessed Valuation:			
Road Debt Service		$0.2700	
Utility Debt Service		0.3675	
Maintenance & Operations		0.3625	
Total		$1.0000	
Average Annual Debt Service Requirements on the Bonds and the Outstanding Bonds (2027-2054)	$	2,203,301	(i)
Maximum Annual Debt Service Requirement on the Bonds and the Outstanding Bonds (2054)	$	2,274,275	(i)
Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay the Average Annual Debt Service Requirement on the Bonds and the Outstanding Bonds (2027-2054) at 95% Tax Collections:			
Based on the 2026 Certified Taxable Assessed Valuation		$ 1.58	
Based on the Estimate of Assessed Valuation as of September 1, 2026		$ 1.08	
Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay the Maximum Annual Debt Service Requirement on the Bonds and the Outstanding Bonds (2054) at 95% Tax Collections:			
Based on the 2026 Certified Taxable Assessed Valuation		$ 1.63	
Based on the Estimate of Assessed Valuation as of September 1, 2026		$ 1.12	
Single-Family Homes as of October 5, 2026 (including 71 homes under construction)		445	

(a) Represents the certified taxable assessed value of all taxable property within the District as of January 1, 2026, provided by the Brazoria County Appraisal District (the "Appraisal District"). See "TAX DATA" and "TAXING PROCEDURES."

(b) Provided by the Appraisal District for informational purposes only, this amount is an estimate of the assessed valuation of all taxable property located within the District as of September 1, 2026, and includes an estimate of valuations resulting from the construction of taxable improvements from January 1, 2026, through September 1, 2026. No taxes will be levied against this amount. See "TAX DATA" and "TAXING PROCEDURES."

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

(d) The amount represented above does not include the District Annual Payments (defined herein) which the District intends to use towards debt service on the Road Bonds. If the estimated District Annual Payments were credited, the direct debt ratios against the 2026 Certified Taxable Assessed Valuation and the Estimate of Assessed Valuation as of September 1, 2026 would be 17.18% and 11.77% respectively. See "RISK FACTORS."

(e) The amount represented above does not include the District Annual Payments which the District intends to use towards debt service on the Road Bonds. If the estimated District Annual Payments were credited, the estimated direct and overlapping debt ratios against the 2026 Certified Taxable Assessed Valuation and the Estimate Assessed Valuation as of September 1, 2026 would be 27.54% and 18.87% respectively. See "RISK FACTORS."

(f) Neither Texas law nor the Road Bond Resolution requires that the District maintain any particular sum in the Road Debt Service Fund. An amount equal to twelve (12) months of interest on the Road Bonds will be deposited into the Road Debt Service Fund on the Date of Delivery of the Road Bonds; such amount is not included in the above balance.

(g) Neither Texas law nor the Utility Bond Resolution requires that the District maintain any particular sum in the Utility Debt Service Fund. $443,650 of capitalized interest will be deposited into the Utility Debt Service Fund on the Date of Delivery of the Utility Bonds; such amount is not included in the above balance.

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

(i) Requirements of debt service on the Outstanding Bonds and the Bonds. See "DISTRICT DEBT."

OFFICIAL STATEMENT

relating to

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 83
(A political subdivision of the State of Texas, located within Brazoria County, Texas)

$9,340,000	**$2,765,000**
Unlimited Tax Bonds	**Unlimited Tax Road Bonds**
Series 2026	**Series 2026**

INTRODUCTION

This Official Statement provides certain information in connection with the issuance by Brazoria County Municipal Utility District No. 83 (the "District") of its $9,340,000 Brazoria County Municipal Utility District No. 83 Unlimited Tax Bonds, Series 2026 (the "Utility Bonds"), and the $2,765,000 Unlimited Tax Road Bonds, Series 2026 (the "Road Bonds," and together with the Utility Bonds, the "Bonds").

The Utility Bonds are issued pursuant to: an order of the Texas Commission on Environmental Quality (the "TCEQ"); the general laws of the State of Texas, including Chapters 49 and 54 of the Texas Water Code, as amended; Article XVI, Section 59, of the Texas Constitution; a resolution authorizing the issuance of the Utility Bonds adopted by the Board of Directors of the District (the "Board") on the date of the sale of the Utility Bonds (the "Utility Bond Resolution"); and an election held in the District on May 6, 2023.

The Road Bonds are issued pursuant to: the general laws of the State of Texas, including Chapters 49 and 54 of the Texas Water Code, as amended; Article III, Section 52 of the Texas Constitution; a resolution authorizing the issuance of the Road Bonds adopted by the Board on the date of the sale of the Road Bonds (the "Road Bond Resolution," and together with the Utility Bond Resolution, the "Bond Resolutions"); and an election held within the District on May 6, 2023.

Included herein are descriptions of the Bonds, the Developers (defined herein) and certain information about the District and its finances. ALL DESCRIPTIONS OF DOCUMENTS CONTAINED HEREIN ARE ONLY SUMMARIES AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO EACH SUCH DOCUMENT. Copies of such documents may be obtained from Bond Counsel (herein defined) at 202 Century Square Boulevard, Sugar Land, Texas 77478, or during the offering period from the Financial Advisor (herein defined) at 4801 Woodway Drive, Suite 118-E, Houston, Texas 77056, upon payment of reasonable copying, mailing, and handling charges.

RISK FACTORS

General

The Bonds are obligations of the District and are not obligations of the State of Texas; Brazoria County, Texas (the "County"); the City of Manvel, Texas (the "City"); or any political subdivision other than the District. The Bonds will be secured by and payable from two (2) seperate continuing direct, annual ad valorem taxes, each without legal limitation as to rate or amount, levied against all taxable property located within the District. The ultimate security for payment of the principal of and interest on the Bonds depends upon the District's ability 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, upon the value of the taxable property with respect to taxes levied by the District. The District makes no representations that over the life of the Bonds the property within the District will maintain a value sufficient to justify continued payment of taxes by the property owners. The potential increase in taxable valuation of District property is directly related to the economics of the residential housing industry, not only due to general economic conditions, but also due to the particular factors discussed herein.

Factors Affecting Taxable Values and Tax Payments

Economic Factors: A substantial percentage of the taxable value of the District results from the current market value of single-family residences. The market value of such homes and lots is related to general economic conditions in Houston affecting the demand for residences. Decreased levels of construction activity would tend to restrict the growth of property values in the District or could adversely impact such values. The District cannot predict the pace or magnitude of any future development in the District.

Location and Access: The District is located in an outlying area of the Greater Houston Metropolitan Area, approximately 20 miles south of the central business district of the City of Houston. The District is located entirely within the corporate limits of the City of Manvel. Homebuilders active within the District compete for the sale of homes with numerous residential development projects located closer to major employment centers. In addition, many of the residential developments with which the District competes are in a more developed state and have lower overlapping taxes. As a result, particularly during times of increased competition, the homebuilders may find themselves at a competitive disadvantage to the homebuilders in other residential projects located close to major urban centers or in a more developed state. See "THE DISTRICT" and "DEVELOPMENT WITHIN THE DISTRICT."

Principal Landowners/Developer Under No Obligation to the District: There is no commitment by or legal requirement of the Developers or any other landowner of the District to proceed at any particular rate or according to any specified plan with respect to the development of land in the District, or of any homebuilder to proceed at any particular pace with the construction of homes in the District. Moreover, there is no restriction on any landowner's right to sell its land. Therefore, the District can make no representation about the probability of future development, if any, or the rate of future home construction activity in the District. Failure to construct taxable improvements on developed lots would restrict the rate of growth of taxable values in the District and result in higher tax rates. See "DEVELOPMENT WITHIN THE DISTRICT," "THE DEVELOPERS," and "TAX DATA – Principal Taxpayers."

Competition: The demand for and construction of taxable improvements in the District could be affected by competition from other developments near the District. In addition to competition for new single-family home sales from other developments, there are numerous previously-owned single-family homes in more established commercial centers and neighborhoods closer to Houston that are for sale. Such existing developments could represent additional competition for new development proposed to be constructed within the District.

The competitive position of the Developers in the sale of lots, and of the homebuilder in the sale or leasing of residences is affected by most of the factors discussed in this section. Such a competitive position is directly related to the growth and maintenance of taxable values in the District. The District can give no assurance that building and marketing programs in the District by the Developers will be implemented or, if implemented, will be successful.

Dependence on Principal Taxpayers in the District: The District's tax base is concentrated in a small number of taxpayers. As reflected in this Official Statement under the caption "TAX DATA – Principal Taxpayers," the District's top principal taxpayers in 2026 owned 20.16% of the property in the District. The Developers owned a combined total of approximately 14.40% of the 2026 Certified Taxable Assessed Valuation as of January 1, 2026. The District cannot represent that its tax base will in the future be (i) distributed among a significantly larger number of taxpayers, or (ii) less concentrated in property owned by a relatively small number of property owners, than it is currently. Failure by the Developers or one or more of the principal property owners to make full and timely payments of taxes due may have an adverse effect on the investment quality or security of the Bonds. If any one or more of the principal taxpayers did not pay taxes due, the District might need to levy additional taxes to meet its debt service requirements.

The District intends to use the District Annual Payments (defined herein) received under the terms of the 380 Agreement (defined herein) to make payments of principal and interest due on the Bonds. However, while the District intends to use the District Annual Payments to pay debt service on the Road Bonds, the District Annual Payments are not pledged to the payment of debt service on the Road Bonds. The District Annual Payments are not permitted to be used to make payments of principal and interest due on the Utility Bonds under the terms of the 380 Agreement.

Maximum Impact on District Tax Rates: Assuming no further development or home construction, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of property owners to pay their taxes. The 2026 Certified Taxable Assessed Valuation of property located within the District is $147,681,489, and the estimate of assessed valuation of property located within the District as of September 1, 2026, is $215,534,578. After issuance of the Bonds, the maximum annual debt service requirements on the Bonds and the Outstanding Bonds will be $2,274,275 (2054) and the average annual debt service requirements on the Bonds and the Outstanding Bonds will be $2,203,301 (2027-2054, both inclusive). Assuming no increase to nor decrease from the

2026 Certified Taxable Assessed Valuation, tax rates of $1.63 and $1.58 per $100 of assessed valuation at a 95% tax collection rate would be necessary to pay the maximum annual debt service requirement and the average annual debt service requirements, respectively. Assuming no increase to nor decrease from the Estimate of Assessed Valuation as of September 1, 2026, tax rates of $1.12 and $1.08 per $100 of assessed valuation at a 95% tax collection rate would be necessary to pay the maximum annual debt service requirement and the average annual debt service requirements, respectively.

The District can make no representation that the taxable property values in the District will increase in the future or will maintain a value sufficient to support the proposed District tax rate or to justify continued payment of taxes by property owners.

Increases in the District's tax rate to rates substantially higher than the levels discussed above may have an adverse impact upon future development of the District, the sale and construction of 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, City, or County.

Undeveloped Acreage and Vacant Developed Lots

There are 449 vacant developed single-family lots and approximately 50 undeveloped but developable acres of land within the District that have not been fully provided with road, water, sewer and storm drainage and detention facilities necessary for the construction of taxable improvements. The District makes no representation as to when or if development of this acreage will occur or if the homebuilding program will be successful. See "DEVELOPMENT WITHIN THE DISTRICT."

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.

Operating Funds

The District's current primary source of operating revenue is maintenance tax revenue and advances from the Developers. The District does not receive revenues from water and sewer services. The District levied a 2026 maintenance tax rate of $0.3625 per $100 of assessed valuation. The District's general fund balance as of September 23, 2026, was $199,739. Continued maintenance of a positive balance in the general fund will depend upon continued development, and increased amounts of maintenance tax revenue. In the event that funds are not made available by the Developers, the District could be required to levy a maintenance tax at a rate sufficient to fund its operating expenses. Such a tax, when added to the District's debt service tax, may result in a total District tax in excess of similar developments and could adversely affect continued development of the District, as well as the willingness of taxpayers to pay taxes on their property.

Specific Flood Type Risks

The District may be subject to the following flood risks:

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

Riverine (or Fluvial) Flood: Riverine, or fluvial, flooding occurs when water levels rise over the top of river, bayou or channel banks due to excessive rain from tropical systems making landfall and/or persistent thunderstorms over the same area for extended periods of time. The damage from a riverine flood can be widespread. The overflow can affect smaller rivers and streams downstream, or may sheet-flow over land. Flash flooding is a type of riverine flood that is characterized by an intense, high velocity torrent of water that occurs in an existing river

channel with little to no notice. Flash flooding can also occur even if no rain has fallen, for instance, after a levee, dam or reservoir has failed or experienced an uncontrolled release, or after a sudden release of water by a debris or ice jam. In addition, planned or unplanned controlled releases from a dam, levee or reservoir also may result in flooding in areas adjacent to rivers, bayous or drainage systems downstream.

Tax Collection Limitations

The District's ability to make debt service payments may be adversely affected by its inability, or the inability of the City or County, to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the taxing entity constitutes a lien in favor of the taxing entity on a parity with the liens of all other state and local taxing authorities on the property against which taxes are levied, and such lien may be enforced by foreclosure. The District's, City's, and County's ability to collect ad valorem taxes through such foreclosure may be impaired by (a) cumbersome, time-consuming and expensive collection procedures, (b) a bankruptcy court's stay of tax collection procedures against a taxpayer, (c) market conditions limiting the proceeds from a foreclosure sale of taxable property or (d) the taxpayer's right to redeem the property within six months for commercial property and two years for residential and all other property after the purchaser's deed issued at the foreclosure sale is filed in the county records. While the taxing entity has a lien on taxable property within the taxing entity for taxes levied against such property, such lien can be foreclosed only in a judicial proceeding. Attorney's fees and other costs of collecting any such taxpayer's delinquencies could substantially reduce the net proceeds to the taxing entity from a tax foreclosure sale. 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, City, or County to collect delinquent ad valorem taxes against such taxpayer. In addition to the automatic stay against collection of delinquent taxes afforded a taxpayer during the pendency of a bankruptcy, a bankruptcy could affect payment of taxes in two other ways: first, a debtor's confirmation plan may allow a debtor to make installment payments on delinquent taxes for up to six years; and, second, a debtor may challenge, and a bankruptcy court may reduce, the amount of any taxes assessed against the debtor, including taxes that have already been paid.

Registered Owners' Remedies

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

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

The District has a right to seek judicial foreclosure on a tax lien, but such remedy may prove to be costly and time consuming and, since the future market or resale market, if any, of the taxable real property within the District is uncertain, there can be no assurance that such property could be sold and delinquent taxes paid. See "TAXING PROCEDURES."

Bankruptcy Limitation to Registered Owners' Rights

The enforceability of the rights and remedies of registered owners of the Bonds may be limited by laws relating to bankruptcy, reorganization, or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. Subject to the requirements of Texas law discussed below, a political subdivision such as the District may voluntarily file a petition for relief from creditors under Chapter 9 of the U.S. Bankruptcy Code, 11 USC sections 901-946. The filing of such petition would automatically stay the enforcement of Registered Owners' remedies, including mandamus and the foreclosure of tax liens upon property within the District discussed above. The automatic stay would remain in effect until the federal bankruptcy judge hearing the case dismisses the petition, enters an order granting relief from the stay or otherwise allows creditors to proceed against the petitioning political subdivision. A political subdivision, such as the District, may qualify as a debtor eligible to proceed in a Chapter 9 case only if it (1) is generally authorized to file for federal bankruptcy protection by applicable state law, (2) is insolvent or unable to meet its debts as they mature, (3) desires to effect a plan to adjust such debts, and (4) has either obtained the agreement of or has negotiated in good faith with its creditors or is unable to negotiate with its creditors because negotiations are impracticable. Under Texas law, a municipal utility district, such as the District, must obtain the approval of the TCEQ as a condition to seeking relief under the U.S. Bankruptcy Code. The TCEQ is required to investigate the financial condition of a financially troubled district and authorize such district to proceed under federal bankruptcy law only if such district has fully exercised its right and powers under Texas law and remains unable to meet its debts and other obligations as they mature.

Notwithstanding noncompliance by a district with Texas law requirements, a district could file a voluntary bankruptcy petition under Chapter 9, thereby involving the protection of the automatic stay until the bankruptcy court, after a hearing, enters an order granting relief from the stay or 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 determining the decision of whether to grant the petitioning district relief from its creditors. While such a decision might be applicable, the concomitant delay and loss of remedies to the Registered Owners could potentially and adversely impair the value of the Registered Owners' claims.

If a petitioning district were allowed to proceed voluntarily under Chapter 9 of the U.S. Bankruptcy Code, it could file a plan for an adjustment of its debts. If such a plan were confirmed by the bankruptcy court, it could, among other things, affect a Registered Owner by reducing or eliminating the amount of indebtedness, deferring or rearranging the debt service schedule, reducing or eliminating the interest rate, modifying or abrogating collateral or security arrangements, substituting (in whole or in part) other securities, and otherwise compromising and modifying the rights and remedies of the registered owner's claim against a district. A district cannot be placed into bankruptcy involuntarily.

Potential Impact of Natural Disaster

The District is located approximately 40 miles from the Texas Gulf Coast and, as it has in the past, could be impacted by high winds, heavy rains, and flooding caused by a hurricane, tornado, tropical storm, or other adverse weather event. 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. See "TAXING PROCEDURES – Valuation of Property for Taxation."

There can be no assurance that a casualty loss to taxable property within the District 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 are adversely affected.

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Environmental Regulations

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

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

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

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

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

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

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

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

Certain governmental entities regulate groundwater usage in the HGB Area. A municipal utility district or other type of special purpose district that (i) is located within the boundaries of such an entity that regulates groundwater usage, and (ii) relies on local groundwater as a source of water supply, may be subject to

requirements and restrictions on the drilling of water wells and/or the production of groundwater that could affect both the engineering and economic feasibility of district water supply projects.

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

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

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

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

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

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

Potential Effects of Oil Price Fluctuations on the Houston Area

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

Marketability

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

Continuing Compliance with Certain Covenants

Failure of the District to comply with such covenants contained in the Bond Resolutions on a continuing basis prior to the maturity of the Bonds could result in interest on the Bonds becoming taxable retroactively to the date of original issue. See "TAX MATTERS."

Future Debt

At a bond election held within the District on May 6, 2023, the voters authorized the issuance of $511,000,000 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"), $102,200,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued for the purpose of acquiring or constructing the Utility System, $229,600,000 principal amount of unlimited tax bonds for the purpose for the purpose of acquiring or constructing road improvements to serve the District (the "Road System"), $45,920,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued for the purpose of acquiring or constructing the Road System, $196,500,000 principal amount of unlimited tax bonds for purpose of acquiring or constructing park and recreational facilities (the "Park System"), and $39,300,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued for the purpose of acquiring or constructing the Park System. Following the issuance of the Bonds, $493,125,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Utility System, $214,090,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Road System, and $196,500,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Park System will remain authorized but unissued.

Following the reimbursement with the proceeds of the Bonds, the District will owe Valencia 288 (defined herein) approximately $53,155,205 for reimbursable expenses for District projects. See "THE UTILITY SYSTEM" and "DEVELOPMENT 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.

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 does he pass upon the adequacy or accuracy of the information contained herein.

Changes in Tax Legislation

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

Cybersecurity

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

The 90th Texas Legislature

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

Bond Insurance Risk Factors

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

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

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

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

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 "RATINGS" for further information provided by the Bond Insurer and the Policy, which includes further instructions for obtaining current financial information concerning the Bond Insurer.

THE BONDS

General

The Bonds mature on November 1 in each of the years and in the principal amounts, and bear interest at the rates per annum, set forth on the inside cover page. Interest on the Bonds accrues from the initial date of delivery (on or about November 23, 2026)(the "Date of Delivery") and is payable on May 1, 2027, and on each November 1 and May 1 (each an "Interest Payment Date") thereafter until the earlier of maturity or redemption, and will be calculated on the basis of a 360-day year composed of twelve (12) 30-day months. The Bonds will be issued in fully registered form only, without coupons, in principal denominations of $5,000 of principal amount 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. The Bonds initially will be available to purchasers in book-entry form only. So long as Cede & Co., as the nominee of DTC, is the registered owner of the Bonds, principal of and interest on the Bonds will be payable by the paying agent to DTC, which will be solely responsible for making such payment to the beneficial owners of the Bonds. The initial paying agent and registrar for the Bonds is BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar").

Record Date for Interest Payment

Interest on the Bonds will be paid to the registered owner (the "Registered Owners") appearing on the registration and transfer books of the Paying Agent/Registrar at the close of business on the 15th calendar day of the month next preceding each interest payment date (the "Record Date") and shall be paid by the Paying Agent/Registrar (i) by check sent United States mail, first class postage prepaid, to the address of the registered owner recorded in the registration and transfer books of the Paying Agent/Registrar or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday or a day when banking institutions in the city where the principal payment office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of non-payment of interest on a scheduled payment date and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar when funds for the payment of such interest have been received. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each registered owner of a Bond appearing in the registration and transfer books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing such notice.

Redemption Provisions

The Bonds maturing on and after November 1, 2032, are subject to redemption prior to maturity at the option of the District, in whole or from time to time in part, on November 1, 2031, and on any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest from the most recent payment date to the date fixed for redemption. The Paying Agent/Registrar shall give written notice of redemption, by registered mail, overnight delivery, or other comparably secure means, not less than 30 days prior to the redemption date, to each registered securities depository (and to each national information service that disseminates redemption notices) known to the Paying Agent/Registrar, but neither the failure to give such notice nor any defect therein shall affect the sufficiency of notice given to the Registered Owner as herein above stated. The Paying Agent/Registrar may provide written notice of redemption to DTC by facsimile.

The Bonds of a denomination larger than $5,000 may be redeemed in part ($5,000 or any multiple thereof). Any Bond to be partially redeemed must be surrendered in exchange for one (1) or more new Bonds of the same maturity for the unredeemed portion of the principal of the Bonds so surrendered. In the event of redemption of less than all of the Bonds, the particular Bonds to be redeemed shall be selected by the District; if less than all of the Bonds of a particular maturity are to be redeemed; the Paying Agent/Registrar is required to select the Bonds of such maturity to be redeemed by lot.

Registration, Transfer, and Exchange

In the event the Book-Entry-Only System (herein defined) should be discontinued, the Bonds are transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender thereof to the Paying Agent/Registrar or its corporate trust office and such transfer or exchange shall be without expenses or service charge to the Registered Owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange, and transfer. A Bond may be assigned by the execution of an assignment form on the Bonds or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. A new Bond or Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bonds being transferred or exchanged, at the principal payment office of the Paying Agent/Registrar, or sent by the United States mail, first class, postage prepaid, to the new Registered Owner or his designee. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the Registered Owner or assignee of the Registered Owner in not more than three (3) business days after the receipt of the Bonds to be cancelled, and the written instrument of transfer or request for exchange duly executed by the Registered Owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in an exchange or transfer shall be in any integral multiple of $5,000 for any one (1) maturity and for a like aggregate principal amount as the Bond or Bonds surrendered for exchange or transfer. See "BOOK-ENTRY-ONLY SYSTEM" for a description of the system to be utilized initially in regard to ownership and transferability of the Bonds.

Mutilated, Lost, Stolen, or Destroyed Bonds

In the event the Book-Entry-Only System should be 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. Upon the issuance of a new bond the District may require payment of taxes, governmental charges and other expenses (including the fees and expenses of the Paying Agent/Registrar), bond printing and legal fees in connection with any such replacement.

Replacement of Paying Agent/Registrar

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

Source of Payment

The Bonds are payable from the proceeds of two (2) separate continuing direct ad valorem taxes, each without legal limitation as to rate or amount, levied against all taxable property within the District. The Bonds are obligations solely of the District and are not obligations of the State of Texas; the City; Brazoria County, Texas; or any political subdivision or entity other than the District. The Bonds are not secured by the District Annual Payments to be made to the District each year under the terms of the 380 Agreement.

The District intends to use the District Annual Payments received under the terms of the 380 Agreement to make payments of principal and interest due on the Road Bonds. However, while the District intends to use the District Annual Payments to pay debt service on the Road Bonds, the District Annual Payments are not pledged to the payment of debt service on the Road Bonds. The District Annual Payments are not permitted to be used to make payments of principal and interest due on the Utility Bonds under the terms of the 380 Agreement.

Payment Record

The District has timely made all payments of principal and interest due on its bond indebtedness.

Outstanding Bonds

The District has previously issued one (1) series of bonds for the Utility System: $8,535,000 Unlimited Tax Bonds, Series 2025, of which, an amount of $8,535,000 will remain outstanding as of the Date of Delivery of the Bonds. The District has previously issued two (2) series of bonds for the Road System: $3,955,000 Unlimited Tax Road Bonds, Series 2024, and $8,790,000 Unlimited Tax Road Bonds, Series 2025, of which, an amount of $12,675,000 will remain outstanding as of the Date of Delivery of the Bonds (the "Outstanding Bonds").

Authority for Issuance

The Utility Bonds are issued pursuant to: an order of the TCEQ; the general laws of Texas, including Chapters 49 and 54 of the Texas Water Code, as amended; Article XVI, Section 59, of the Texas Constitution; the Utility Bond Resolution; and an election held in the District on May 6, 2023.

The Road Bonds are issued pursuant to: the general laws of Texas, including Chapters 49 and 54 of the Texas Water Code, as amended; Article III, Section 52 of the Texas Constitution; the Road Bond Resolution; and an election held within the District on May 6, 2023.

Before the Bonds are 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 herein.

Issuance of Additional Debt

At a bond election held within the District on May 6, 2023, the voters authorized the issuance of $511,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Utility System, $102,200,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued for the purpose of acquiring or constructing the Utility System, $229,600,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Road System, $45,920,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued for the purpose of acquiring or constructing the Road System, $196,500,000 principal amount of unlimited tax bonds for purpose of acquiring or constructing park and recreational facilities (the "Park System"), and $39,300,000 principal amount of unlimited tax bonds for the purpose of refunding bonds issued for the purpose of acquiring or constructing the Park System.

Effective October 15, 2021, the District entered into an agreement (the "380 Agreement") with the City. The 380 Agreement establishes a program to finance and develop certain regional road and improvements ("Public Improvements") in accordance with Article III, Section 52 of the Texas Constitution and Chapter 380, Texas Local Government Code under which the City has the authority to use public funds for the public purposes of promoting local economic development and stimulating business and commercial activity within the City.

To facilitate the funding of the Public Improvements, including major roads and thoroughfares within the District, the 380 Agreement provides that the City will pay to the District a portion of the City's ad valorem taxes collected on the increased taxable value of land in the District (the "District Annual Payments"). The District Annual Payments are calculated annually as the lesser of (i) (90% of the City's operations and maintenance tax rate for the applicable year) multiplied by (the increase in taxable value since January 1, 2022) minus operations costs to the City for providing services during the applicable year; and (ii) debt service on bonds issued to pay for the Public Improvements. The operations costs are calculated by multiplying $205 by the number of Equivalent Single-family Connections in the District as of January 1 of the applicable tax year. The 380 Agreement further provides that the District is to receive District Annual Payments to be used for the following purposes: (1) to fund or reimburse the District for Improvements Costs (as defined in the 380 Agreement); and (2) for payment of interest and debt service on bonds issued to finance Public Improvements. The proceeds of the Road Bonds will be used to reimburse the Developers (defined herein) for the costs of designing and constructing certain Public Improvements, including road improvements. The District Annual Payment will be provided for a maximum period of 30 years subject to a cap of $18,000,000. As of September 23, 2026, following the receipt of the District Annual Payment for the 2025 tax year in the amount of $189,079.44 and the application thereof to the costs incurred for Public Improvements and Interest due thereon under the 380 Agreement, the amount of costs incurred through December 31, 2023, for Public Improvements and that remain to be paid under the 380 Agreement is approximately $17,929,457.87. The District has incurred approximately $12,889,022.69 in additional Public Improvements since January 1, 2025.

Following the reimbursement with the proceeds of the Bonds, the District will owe Valencia 288 approximately $53,155,205 for reimbursable expenses for District projects. If additional bonds are issued in the future and property values have not increased proportionately, such issuance may increase gross debt-to-property valuation ratios and thereby adversely affect the investment quality or security of the Bonds.

Based on present engineering cost estimates and on development plans provided by the Developers, in the opinion of the Engineer, following the issuance of the Bonds, the District will have adequate authorized but unissued bonds to repay the Developers the remaining amounts owed for the existing financed facilities. See "DEVELOPMENT WITHIN THE DISTRICT," "THE UTILITY SYSTEM," and "RISK FACTORS – Future Debt."

Dissolution and Consolidation

The City Council of the City, by a vote of not less than two-thirds of its membership, may adopt an ordinance dissolving the District. Upon the adoption of the ordinance, the District would be dissolved, and the City would succeed to the property and assets of the District and assume all bonds, debts, obligations, and liabilities, of the District, including, without limitation, the obligation to pay the debt service on the Bonds. The District can make no representation on the ability of the City to repay the District's debt.

Under Texas law, the District may be consolidated with other municipal management districts, with the assets and liabilities of the consolidated districts belonging to the consolidated district. No representation is made that the District will ever consolidate with one or more districts, although no consolidation is presently contemplated by the District.

Registered Owners' Remedies

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

In the event of default in the payment of principal of or interest on the Bonds, the Registered Owners may seek a writ of mandamus requiring the District to levy adequate taxes to make such payments. Except for the remedy of mandamus, the Bond Resolutions do not specifically provide for remedies to a Registered Owner in the event of a District default, nor does it provide for the appointment of a trustee to protect and enforce the interests of the Registered Owners. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Texas Legislature has not waived the District's immunity to a suit for money damages under the doctrine of governmental immunity. If Registered Owners could obtain a judgment against the District, such a judgment could not be enforced by direct levy and execution against the District's property. Sovereign immunity may prevent Registered Owners from bringing a suit for money damages. Further, the Registered Owners cannot themselves foreclose on the property of the District or sell property within the District in order to pay the principal of or interest on the Bonds. The enforceability of the rights and remedies of the Registered Owners may be further limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. For example, a Chapter 9 bankruptcy proceeding by the District could delay or eliminate payment of principal or interest to the Registered Owners.

Legal Investment and Eligibility to Secure Public Funds in Texas

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

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

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

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

Defeasance

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

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

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

BOOK-ENTRY-ONLY SYSTEM

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

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

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be required by an authorized representative of DTC. One (1) fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (the "Direct Participants") deposit with DTC.

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

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The holder of ownership interest of each actual purchase of each Bond is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial owners of the Bonds will not receive written confirmation from DTC of their purchase. Beneficial owners of the Bonds 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 owners of the Bonds 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 of the Bonds. Beneficial owners of the Bonds 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 of the Bonds. 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 of the Bonds will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

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

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

Redemption proceeds, principal, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct and Indirect Participants to beneficial owners of the Bonds 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, Paying Agent/Registrar or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the beneficial owners of the Bonds will be the responsibility of Direct and Indirect Participants.

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

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

The information in the section concerning DTC and 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.

Use of Certain Terms in Other Sections of 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 herein 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 Resolutions will be given only to DTC.

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USE AND DISTRIBUTION OF THE UTILITY BOND PROCEEDS

Proceeds from the sale of the Utility Bonds will be used to reimburse the Developers for a portion of the improvements and related costs shown below. Additionally, proceeds from the sale of the Utility Bonds will be used to pay developer interest, $443,650 of capitalized interest, operation expenses and other certain costs associated with the issuance of the Utility Bonds, as shown below.

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

Construction Costs	District's Share
A. Developer Contribution Items	
1. Valencia Section 1	$ 577,330
2. Valencia Section 2	737,681
3. Lake "C" to serve Valencia	440,982
4. Engineering, Surveying, Geotech and CPS (Items 1-3)	292,392
5. SWPPP (Items 1-3)	53,583
6. Special Engineering Report	283,346
Total Developer Contribution Items	$ 2,385,314
B. District Contribution Items	
1. Land Costs	
a. Land cost Lake "C"	$ 497,031
2. City Impact Fees	
a. Valencia Section 8	534,688
b. Valencia Section 9	591,976
c. Valencia Section 10	486,948
d. Valencia Section 11	506,044
e. Valencia Section 13	649,264
f. Valencia Section 14	859,320
g. Valencia Section 15	525,140
h. Valencia Section 16	582,428
Total District Contribution Items	$ 5,232,839
Total Construction Costs	$ 7,618,153
Less Surplus Funds	$ (213,407)
Total Net Construction Costs	$ 7,404,746
Non-Construction Costs	
A. Legal Fees	$ 216,800
B. Fiscal Agent Fees	165,100
C. Interest	
1. Capitalized Interest	443,650
2. Developer Interest	442,806
D. Bond Discount	280,200
E. Bond Issuance Expenses	54,533
F. Operation Expenses	299,475
G. Attorney General Fee (0.10%)	9,340
H. TCEQ Bond Issuance Fee (0.25%)	23,350
Total Non-Construction Costs	$ 1,935,254
TOTAL BOND ISSUE REQUIREMENT	**$9,340,0000**

In the instance that approved estimated amounts exceed actual costs, the difference comprises a surplus which may be expended for uses approved by the TCEQ. 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 Utility 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.

USE AND DISTRIBUTION OF THE ROAD BOND PROCEEDS

Proceeds from the sale of the Road Bonds will be used to reimburse the Developers for a portion of the improvements and related costs shown below. Additionally, proceeds from the sale of the Road Bonds will be used to pay developer interest, twelve (12) months of capitalized interest and other certain costs associated with the issuance of the Road Bonds, as shown below.

Non-construction costs are based upon either contract amounts or various cost estimates by the Engineer and the Financial Advisor. The actual amounts to be reimbursed by the District and the non-construction costs will be finalized after the sale of the Road Bonds and completion of agreed-upon procedures by the District's auditor. Totals may not sum due to round.

Construction Costs	District's Share
B. Developer Contribution Items	
1. Valencia Section 3	$ 941,750
2. Valencia Section 9	743,794
3. Engineering, Surveying, Geotechnical & CPS	
a. Valencia Section 3	124,854
b. Valencia Section 9	$ 93,487
Total Developer Contribution Items	$ 1,903,886
C. District Contribution Items	
1. Land Costs	
a. Valencia Section 3	$ 265,297
Total District Contribution Items	$ 265,297
Total Construction Costs	$ 2,169,183
Non-Construction Costs	
A. Legal Fees	$ 82,950
B. Fiscal Agent Fees	55,300
C. Interest	
1. Capitalized Interest (a)	148,425
2. Developer Interest	154,788
D. Bond Discount	82,950
E. Bond Issuance Expenses	26,165
F. Engineering Fee	25,000
G. Attorney General Fee (0.10%)	2,765
H. Contingency (a)	17,474
Total Non-Construction Costs	$ 595,817
TOTAL BOND ISSUE REQUIREMENT	**$ 2,765,000**

(a) Represents the difference between the estimated and actual amount of capitalized interest.

AERIAL OF THE DISTRICT

(September 2026)



PHOTOGRAPHS TAKEN WITHIN THE DISTRICT
(September 2026)













THE DISTRICT

General

The District was created by Senate Bill No. 1355, Act of the 87th Legislature, Regular Session 2021, codified as Chapter 7922A, Special District Local Laws Code, and by a confirmation election held within the District on May 6, 2023. The District operates under Chapters 49 and 54 of the Texas Water Code, as amended, Article III, Section 52 and Article XVI, Section 59 of the Texas Constitution, and other general laws of the State of Texas applicable to municipal utility districts.

The District encompasses approximately 438 acres.

Location

The District is a political subdivision of the State of Texas, located within the corporate city limits of the City of Manvel, and within Brazoria County, Texas, approximately 20 miles south of the central business district of Houston. The District is generally located north of Texas State Highway 6, east of Texas State Highway 288 and west of North Masters Street (Farm-to-Market 1128). Access to the District is provided by Texas State Highway 6 via Pollard Boulevard and Texas State Highway 288 via Del Bello Boulevard.

Management of the District

- Board of Directors -

The District is governed by a board of directors (the "Board"), consisting of five directors, which has control over and management and supervision of all affairs of the District. Directors serve staggered four year terms and are appointed by the TCEQ from nominations made by the Board. All of the directors are qualified to serve.

Name	Position	Term Expires May
Todd Casper	President	2030
Mathew Brown	Vice President	2028
Shelley Stone	Assistant Vice President	2030
Johnnie Wright	Secretary	2028
Garrett Neville	Assistant Secretary	2030

Investment Policy

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

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Consultants

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

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

Bookkeeper: Municipal Accounts & Consulting, L.P. acts as bookkeeper for the District.

Engineer: The District's Engineer is LJA, Inc. (the "Engineer").

Auditor: As required by the Texas Water Code, as amended, the District retains an independent auditor to audit the District's financial statements annually, which annual audit is filed with the TCEQ. The District engaged McCall Gibson Swedlund Barfoot Ellis PLLC as its auditor for the fiscal year ended September 30, 2025, which audit is included as APPENDIX A. The District has engaged McCall Gibson Swedlund Barfoot Ellis PLLC to audit its financial statements for the fiscal year ended September 30, 2026.

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

Attorney: The District has engaged The Muller Law Group, PLLC, Sugar Land, Texas, as general counsel to the District and as bond counsel ("Bond Counsel") in connection with the issuance of the Bonds. The fees to be paid Bond Counsel in connection with the issuance of the Bonds are earned upon the sale and delivery of the Bonds. See "LEGAL MATTERS."

Financial Advisor: Cedar Creek Municipal Advisors, LLC is employed as Financial Advisor to the District in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information in this Official Statement.

THE DEVELOPERS

The Role of a Developer

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

The Developers

The primary developer of land in the District is Valencia 288 LLC, a Texas limited liability company ("Valencia 288") owned by Hillwood Development Company, LLC ("Hillwood").

Valencia 288 is a single purpose entity formed for the purpose of holding the land it owns within the District. Valencia 288 is a thinly capitalized limited liability company whose assets primarily consist of the land it owns in the District and the receivables due from the District for development costs.

Hillwood is a Dallas-based national real estate development company owned by H. Ross Perot, Jr., with over 30 years of experience developing land in Texas. Hillwood's development experience encompasses several product types, including: sports arenas, high-rise condominiums, offices, single-family residential communities, distribution centers, regional malls, mixed-use urban development, call centers, hotels, golf courses, airports, intermodal rail yards, corporate campuses, and major air facilities.

Pursuant to the Master Development Financing Agreement between Valencia 288 and the District, the Valencia 288 constructs the major water, wastewater, and drainage facilities to serve the development in the District. Valencia 288 has sold certain sections within the District to other developer entities described below to develop the internal water, wastewater, and drainage facilities within those sections, but has retained all reimbursement rights for the major infrastructure and internal water, sewer and drainage facilities.

PHHOU-SOWELL 112, LLC ("PHHOU"), has developed certain internal facilities within Valencia Sections 1, 3, 7, 9, 10, 14, and 16 and serves as a land bank for Perry Homes and conveys the vacant developed lots to Perry Homes pursuant to a takedown schedule agreed to by the parties. 2023 FM Valencia Development, LLC ("2023 FM Valencia"), has developed certain internal facilities within Valencia Sections 2, 4, 8, 13 and 15 and serves as a land bank for Coventry Homes and conveys the vacant developed lots to Coventry Homes pursuant to a takedown schedule agreed to by the parties. Pulte Homes, Inc ("Pulte Homes") has developed certain internal facilities within Valencia Sections 5, 6, and 11. Valencia 288 and Pulte Homes collectively own approximately 35 remaining developable acres. Alvin Independent School District owns approximately 15 remaining developable acres. Valencia 288, PHHOU, 2023 FM Valencia, and Pulte Homes are collectively referred to herein as the "Developers."

Developer Financing

Valencia 288 has obtained or is in the process of obtaining financing for a portion of the development of the District through the National Finance Authority, a body politic and corporate created and existing under the laws of the State of New Hampshire (the "NFA"). The NFA has issued approximately $46,900,000 Special Revenue Bonds (Valencia Project, Brazoria County, Texas Municipal Utility District), Series 2024 (the "NFA Bonds"), which are secured in part by the sale and assignment of the Developer's right to receive proceeds from the sale of future unlimited tax bonds issued by the District pursuant to the Master Development Financing Agreement between the District and Developer effective as of October 15, 2021, as amended. The District delivered an Acknowledgment, Agreement and Consent to Sale and Assignment Agreement consenting to the Developer's assignment of a portion of its future receivables from District bond proceeds (issued on or after February 1, 2025), and a Certificate of the District to the NFA with respect to the issuance of the NFA Bonds.

Homebuilders within the District

Pulte Homes, Coventry Homes, Beazer Homes Texas LP, and Perry Homes are the current homebuilders within the District. Homes within the District range in price from approximately $390,000 to approximately $790,000.

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DEVELOPMENT WITHIN THE DISTRICT

Status of Development

Approximately 242.28 acres of land within the District have been developed as the single-family residential subdivisions of Valencia, Sections 1-11 and 13-16 (889 lots). As of October 5, 2026, the District consisted of 889 platted lots comprised of 374 completed homes (283 occupied homes), 71 homes in various stages of construction and 444 vacant developed lots. There are currently approximately 50.10 remaining developable acres within the District. The remainder of land within the District consists of approximately 142.74 acres of undevelopable land and approximately 2.75 acres for a recreational center.

Section	Acreage	Section Lots	Homes Completed	Homes Under Construction	Vacant Lots
Valencia Section 1	9.73	38	38	0	0
Valencia Section 2	12.96	46	36	10	0
Valencia Section 3	24.83	75	50	4	21
Valencia Section 4	21.11	68	42	2	24
Valencia Section 5	19.74	90	52	1	37
Valencia Section 6	6.62	27	13	0	14
Valencia Section 7	9.47	49	48	0	1
Valencia Section 8	19.81	56	26	12	18
Valencia Section 9	21.96	62	28	3	31
Valencia Section 10	10.43	51	15	6	30
Valencia Section 11	9.62	53	0	0	53
Valencia Section 13	20.95	68	5	11	52
Valencia Section 14	26.29	90	0	5	85
Valencia Section 15	13.06	55	0	9	46
Valencia Section 16	15.69	61	21	8	32
Total Residential Developed	242.28	889	374	71	444
Developable	50.10				
Recreational Center	2.75				
Undevelopable	142.74				
District Total	437.87				

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UTILITY AGREEMENT BETWEEN THE DISTRICT AND THE CITY OF MANVEL

Pursuant to an Interlocal and Development Agreement between the City and the District, dated October 15, 2021 (as amended, the "Utility Agreement"), the District assumes responsibility for acquiring and constructing for the benefit of, and for ultimate conveyance to, the City, the water distribution, wastewater collection, and certain drainage facilities to serve development occurring within the boundaries of the District (the "Facilities"), and the City agrees to provide the District with its ultimate capacity needs for water and wastewater service. The City provides retail water and wastewater services within the District and retains the revenue therefrom.

The Facilities: The Utility Agreement provides that the Facilities shall be designed and constructed in accordance with the City's requirements and criteria. The City agrees to provide the District with its ultimate requirements for the water supply and wastewater treatment services up to 1,250 equivalent single-family connections ("ESFC(s)") and subject to a per-connection capital recovery fee. The City agrees to acknowledge any purchase by the District and agrees to hold such capacity for the sole benefit of the District.

Authority of District to Issue Bonds: The District has the authority to issue, sell and deliver unlimited tax bonds as permitted by law and the City's consent ordinance. Bonds issued by the District are obligations solely of the District and are not obligations or indebtedness of the City.

Ownership, Operation and Maintenance of the Facilities: Upon completion of construction of the Facilities, the District agrees to convey the Facilities to the City. As each phase of the Facilities is completed, the City agrees to inspect the same and upon approval, will accept the Facilities for operation and maintenance. The accepted Facilities are operated and maintained by the City at its sole cost and expense. Prior to accepting such Facilities, if the City determines that the Facilities or any portion thereof have not been constructed in accordance with approved plans and specifications, the City agrees to notify the District, and the District shall correct any deficiency noted by the City.

THE ROAD SYSTEM

The District's road system is expected to be funded from proceeds of the Road Bonds and with future proceeds of bonds issued by the District for the Road System. See "RISK FACTORS – Future Debt" and "THE BONDS – Issuance of Additional Debt." Construction of the District's roads is subject to certain regulations by the City. To date, construction of the Road System includes, but is not limited to the following: a portion of Pollard Boulevard, a portion of Del Bello Boulevard, a portion of Charlotte Street and a portion of Dogwood Avenue. The roads constructed within the District are expected to be accepted by the City for maintenance at the end of the two-year warranty period. The roads within the District are constructed with reinforced concrete pavement with curbs on cement or lime stabilized subgrade.

THE UTILITY SYSTEM

Regulation

According to the District's Engineer, the water distribution system, wastewater collection line and drainage facilities constructed by the District have been designed and constructed in accordance with the requirements of all governmental agencies having regulatory or supervisory jurisdiction over the construction and operation of such facilities including, among others, the City and Brazoria County Conservation and Reclamation District No. 3 and Brazoria Drainage District No. 4. According to the District's Engineer, the design of all such facilities has been approved by all required governmental agencies.

Operation of the waterworks and sewage treatment facilities serving the District is provided by the City and is subject to regulation by, among others, the United States Environmental Protection Agency and the TCEQ. In many cases, regulations promulgated by these agencies have become effective only recently and are subject to further development and revisions.

Source of Water Supply and Wastewater Treatment

Water supply and wastewater treatment capacity is provided by the City. All water and wastewater treatment facilities are owned and maintained by the City as stipulated by the Utility Agreement between the City and the District. Residents in the District pay the City for water service and wastewater treatment in accordance with the City's water and sewer rate order. The District has an agreement with Brazoria County Municipal Utility District No. 61 to utilize approximately 61 wastewater connections (18,900 gallons per day) in the City's wastewater treatment system for future development. See "UTILITY AGREEMENT BETWEEN THE DISTRICT AND THE CITY OF MANVEL."

Storm Drainage

The District is located within the upper reaches of the Chocolate Bayou Watershed with existing overland flow draining partially to Chocolate Bayou, partially to C-12 Ditch and partially to Cooper Ditch. To provide drainage within the District, a system of detention ponds has been designed in accordance with the standards of the City, Brazoria Drainage District No. 4 and Brazoria County Conservation and Reclamation District No. 3. The system of detention ponds includes outfalls to Chocolate Bayou, C-12 Ditch and Cooper Ditch, which ultimately drains to Chocolate Bayou and then into the Gulf of America.

Floodplain

"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 knows as the 100-year floodplain, is depicted on these maps. The "100-year floodplain" (or 1% chance of probable inundation) as shown on the FIRM is the estimated geographical area that would be flooded by a rain storm of such intensity to statistically have a one percent change of occurring in any given year. Generally speaking, homes must be built above the 100-year floodplain in order to meet local regulatory requirements to be eligible for federal flood insurance. An engineering or regulatory determination that an area is above the 100-year floodplain is not an assurance that homes built in such area will not be flooded, and a number of neighborhoods in the greater Houston area that are above the 100-year floodplain have flooded multiple times in the last several years.

According to the FEMA Flood Insurance Rate Map Panel Nos. 48039C0130K and 48039C0110K dated December 30, 2020, approximately 1.44 acres within the District are located within the 100-year floodplain. The area within the floodplain is not considered to be developable.

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

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General Fund Operating Statement

The following statement sets forth in condensed form the historical results of operation of the District's System. Such summary has been prepared by the Financial Advisor for inclusion herein, based upon information obtained from the District's audited financial statements for fiscal years ending September 30, 2022 through the period ended September 30, 2025. Reference is made to such statements for further and more complete information. See "APPENDIX A."

	Fiscal Year Ended September 30			
	2025	2024	2023	2022
Revenues				
Property Taxes	$ 205,600	$ 127,466	$ -	$ -
Investment Revenues	41,317	9,522	-	-
Miscellaneous Revenues	453	786,340	-	5
Total Revenues	$ 247,370	$ 923,328	$ -	$ 5
Expenditures				
Professional Fees	$ 222,122	$ 192,681	$ 121,000	$ 107,275
Contracted Services	48,033	29,543	24,292	10,475
Utilities	33,274	5,480	-	-
Repairs and Maintenance	99,627	35,005	-	-
Other	71,695	23,428	50,713	21,892
Capacity Reserve Payment	786,000	894,000	-	820,000
Capital Outlay	-	3,944,577 (a)	-	-
Total Expenditures	$ 1,260,751	$ 5,124,714	$ 196,005	$ 959,642
Revenues Over / (Under Expenditures)	$ (1,013,381)	$ (4,201,386)	$ (196,005)	$ (959,637)
Other Financing Sources				
Developer Advances	2,316,040	4,972,052 (b)	204,000	951,100
Net Change in Fund Balance	$ 1,302,659	$ 770,666	$ 7,995	$ (8,537)
Fund Balance, Beginning of the Year	770,124	(542)	(8,537)	-
End of the Year	$ 2,072,783	$ 770,124	$ (542)	$ (8,537)

(a) The amount represented above is comprised of approximately $3,752,364 of impact fees to the City of Manvel, and $192,213 for wastewater treatment plant capacity fees paid to the City of Manvel.

(b) The amount represented above is comprised of approximately $4,283,540 of impact fees and capacity reservation paid to the City of Manvel. In addition, approximately $325,688 consists of developer advances.

DISTRICT DEBT

Debt Service Requirement Schedule

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

	Outstanding	The Utility Bonds			The Road Bonds			Total
Year	Debt Service	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Debt Service
2027	$ 1,368,644	$ -	$ 475,805	$ 475,805	$ -	$ 139,355	$ 139,355	$ 1,983,804
2028	1,369,006	-	506,775	506,775	-	148,425	148,425	2,024,206
2029	1,357,725	150,000	506,775	656,775	45,000	148,425	193,425	2,207,925
2030	1,355,450	160,000	495,525	655,525	50,000	145,050	195,050	2,206,025
2031	1,346,531	180,000	483,525	663,525	55,000	141,300	196,300	2,206,356
2032	1,336,313	200,000	470,025	670,025	55,000	137,175	192,175	2,198,513
2033	1,326,125	225,000	455,025	680,025	55,000	133,050	188,050	2,194,200
2034	1,328,050	235,000	438,150	673,150	60,000	128,925	188,925	2,190,125
2035	1,331,675	245,000	420,525	665,525	65,000	125,175	190,175	2,187,375
2036	1,329,281	260,000	404,600	664,600	75,000	121,925	196,925	2,190,806
2037	1,336,088	270,000	391,600	661,600	75,000	118,175	193,175	2,190,863
2038	1,341,675	280,000	378,100	658,100	80,000	114,425	194,425	2,194,200
2039	1,346,044	295,000	364,100	659,100	85,000	110,425	195,425	2,200,569
2040	1,353,519	305,000	349,350	654,350	90,000	106,175	196,175	2,204,044
2041	1,353,819	320,000	334,100	654,100	95,000	101,675	196,675	2,204,594
2042	1,357,838	335,000	318,100	653100	105,000	96,925	201925	2212862.5
2043	1,359,588	355,000	301,350	656,350	105,000	91,675	196,675	2,212,613
2044	1,358,994	380,000	283,156	663,156	110,000	86,425	196,425	2,218,575
2045	1,361,831	400,000	263,681	663,681	115,000	80,925	195,925	2,221,438
2046	1,362,881	420,000	243,181	663,181	125,000	75,175	200,175	2,226,238
2047	1,367,138	440,000	221,656	661,656	135,000	68,769	203,769	2,232,563
2048	1,369,381	465,000	199,106	664,106	140,000	61,850	201,850	2,235,338
2049	1,368,581	495,000	175,275	670,275	150,000	54,675	204,675	2,243,531
2050	1,370,725	520,000	149,906	669,906	160,000	46,988	206,988	2,247,619
2051	1,370,581	555,000	123,256	678,256	165,000	38,588	203,588	2,252,425
2052	1,373,138	585,000	94,813	679,813	180,000	29,925	209,925	2,262,875
2053	1,378,175	615,000	64,831	679,831	190,000	20,475	210,475	2,268,481
2054	1,380,463	650,000	33,313	683,313	200,000	10,500	210,500	2,274,275
Total	$ 37,959,256	$ 9,340,000	$ 8,945,605	$18,285,605	$ 2,765,000	$ 2,682,573	$ 5,447,573	$ 61,692,435

Average Annual Debt Service Requirement on the Bonds and the Outstanding Bonds (2027-2054) $2,203,301

Maximum Annual Debt Service Requirement on the Bonds and the Outstanding Bonds (2054) $2,274,275

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DISTRICT FINANCIAL DATA

2026 Certified Taxable Assessed Valuation	$	147,681,489	(a)
Estimate of Assessed Valuation as of September 1, 2026	$	215,534,578	(b)
Direct Debt:			
The Outstanding Bonds (as of Date of Delivery)	$	21,210,000	
The Bonds	$	12,105,000	
Total Direct Debt		33,315,000	
Estimated Overlapping Debt	$	15,306,917	(c)
Total Direct and Estimated Overlapping Debt	$	48,621,917	(c)
Direct Debt Ratios:			
Based on the 2026 Certified Taxable Assessed Valuation		22.56%	(d)
Based on the Estimate of Assessed Valuation as of September 1, 2026		15.46%	(d)
Direct and Estimated Overlapping Debt Ratios:			
Based on the 2026 Certified Taxable Assessed Valuation		32.92%	(e)
Based on the Estimate of Assessed Valuation as of September 1, 2026		22.56%	(e)
Road Debt Service Fund Balance (as of September 23, 2026)	$	484,276	(f)
Utility Debt Service Fund Balance (as of Date of Delivery)	$	462,419	(g)
General Fund Balance (as of September 23, 2026)	$	199,739	(h)
2026 Tax Rate per $100 of Assessed Valuation:			
Road Debt Service		$0.2700	
Utility Debt Service		0.3675	
Maintenance & Operations		0.3625	
Total		$1.0000	
Average Annual Debt Service Requirements on the Bonds and the Outstanding Bonds (2027-2054)	$	2,203,301	(i)
Maximum Annual Debt Service Requirement on the Bonds and the Outstanding Bonds (2054)	$	2,274,275	(i)
Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay the Average Annual Debt Service Requirement on the Bonds and the Outstanding Bonds (2027-2054) at 95% Tax Collections:			
Based on the 2026 Certified Taxable Assessed Valuation		$ 1.58	
Based on the Estimate of Assessed Valuation as of September 1, 2026		$ 1.08	
Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay the Maximum Annual Debt Service Requirement on the Bonds and the Outstanding Bonds (2054) at 95% Tax Collections:			
Based on the 2026 Certified Taxable Assessed Valuation		$ 1.63	
Based on the Estimate of Assessed Valuation as of September 1, 2026		$ 1.12	
Single-Family Homes as of October 5, 2026 (including 71 homes under construction)		445	

(a) Represents the certified taxable assessed value of all taxable property within the District as of January 1, 2026, provided by the Brazoria County Appraisal District (the "Appraisal District"). See "TAX DATA" and "TAXING PROCEDURES."

(b) Provided by the Appraisal District for informational purposes only, this amount is an estimate of the assessed valuation of all taxable property located within the District as of September 1, 2026, and includes an estimate of valuations resulting from the construction of taxable improvements from January 1, 2026, through September 1, 2026. No taxes will be levied against this amount. See "TAX DATA" and "TAXING PROCEDURES."

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

(d) The amount represented above does not include the District Annual Payments (defined herein) which the District intends to use towards debt service on the Bonds and the Road Bonds. If the estimated District Annual Payments were credited, the direct debt ratios against the 2026 Certified Taxable Assessed Valuation and the Estimate of Assessed Valuation as of September 1, 2026 would be 17.18% and 11.77%, respectively. See "RISK FACTORS."

(e) The amount represented above does not include the District Annual Payments which the District intends to use towards debt service on the Bonds. If the estimated District Annual Payments were credited, the estimated direct and overlapping debt ratios against the 2026 Certified Taxable Assessed Valuation and the Estimate Assessed Valuation as of September 1, 2026 would be 27.54% and 18.87%, respectively. See "RISK FACTORS."

(f) Neither Texas law nor the Road Bond Resolution requires that the District maintain any particular sum in the Road Debt Service Fund. An amount equal to twelve (12) months of interest on the Road Bonds will be deposited into the Road Debt Service Fund on the Date of Delivery of the Road Bonds; such amount is not included in the above balance.

(g) Neither Texas law nor the Utility Bond Resolution requires that the District maintain any particular sum in the Utility Debt Service Fund. $443,650 of capitalized interest will be deposited into the Utility Debt Service Fund on the Date of Delivery of the Utility Bonds; such amount is not included in the above balance.

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

(i) Requirements of debt service on the Outstanding Bonds and the Bonds. See "DISTRICT DEBT."

Unlimited Tax Bonds Authorized but Unissued

Date Authorized	Purpose	Amount Authorized	Authorization Used		Remaining Unissued
05/06/23	Water, Sewer, and Drainage	$ 511,000,000	$ 17,875,000	(a)	$ 493,125,000
05/06/23	Water, Sewer and Drainage Refunding	102,200,000	-		102,200,000
05/06/23	Roads	229,600,000	15,510,000	(a)	214,090,000
05/06/23	Road Refunding	45,920,000	-		45,920,000
05/06/23	Parks	196,500,000	-		196,500,000
05/06/23	Parks Refunding	39,300,000	-		39,300,000
		$1,124,520,000	$ 33,385,000		$ 1,091,135,000

(a) Includes the Bonds.

Estimated Direct and Overlapping Debt Statement

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

Taxing Jurisdiction	Outstanding Debt as of September 31, 2026	Overlapping Percent	Overlapping Amount
Alvin College	$ 46,170,000	0.62%	$ 284,724
Alvin Independent School District	993,670,000	0.93%	9,255,570
Brazoria County	228,443,313	0.22%	509,639
City of Manvel	93,670,000	5.61%	5,256,984
Total Estimated Overlapping Debt			$ 15,306,917
Direct Debt (a)			$ 33,315,000
Total Direct and Estimated Overlapping Debt (a)			$ 48,621,917

(a) Includes the Outstanding Bonds and the Bonds.

Debt Ratios

	Direct Debt	Direct and Estimated Overlapping Debt
2026 Certified Taxable Assessed Valuation	22.56%	32.92%
Estimate of Assessed Value as of September 1, 2026	15.46%	22.56%

TAX DATA

General

All taxable property located within the District is subject to the assessment, levy and collection by the District of a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within the District, sufficient to pay principal of and interest on the Bonds and any future tax-supported bonds which may be issued from time to time as authorized. Taxes are levied by the District each year against the District's assessed valuation as of January 1 of that year. Taxes become due October 1 of such year, or when billed, and become delinquent after January 31 of the following year. The Board covenants in the Bond Resolutions 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 when due. The actual rate of such tax will be determined from year to year as a function of the District's tax base, its debt service requirements and available funds. For the 2026 tax year, the District levied a total tax rate of $1.00 of assessed valuation consisting of a maintenance and operations tax of $0.3625 per $100 of assessed valuation, a road debt service tax rate of $0.27 per $100 of assessed valuation, and a utility debt service tax rate of $0.3675 per $100 of assessed valuation.

Tax Rate Limitation

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

Maintenance and Operations Tax

The Board of Directors of the District has the statutory authority to levy and collect an annual ad valorem tax for planning, maintaining, repairing and operating of the District's improvements, if such maintenance tax is authorized by a vote of the District's electors. Such tax is in addition to taxes which the District is authorized to levy for paying principal of and interest on the Bonds and any tax bonds which may be issued in the future. An election was held within the District on May 6, 2023, which authorized the levy of a maintenance tax not to exceed $1.50 per $100 assessed valuation. At an election held within the District on May 6, 2023, voters authorized the levy of a maintenance tax for roads not to exceed $0.25 per $100 assessed valuation. The District may levy its road maintenance tax in addition to its maintenance tax for water, sewer, drainage, and park purposes.

Additional Penalties

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

Historical Collections

The following table illustrates the collection history of the District for the 2023–2026 tax years:

Tax Year	Assessed Valuation	Tax Rate (a)	Adjusted Levy	Collections Current Year	Current Year Ended 09/30	Collections 08/31/2026
2023	$ 12,746,590	$ 1.000	$ 127,466	100.00%	2024	100.00%
2024	20,559,999	1.000	205,600	100.00%	2025	100.00%
2025	80,938,997	1.000	809,390	99.84%	2026	99.84%
2026	147,681,489	1.000	1,476,814	(a)	2027	(a)

(a) In the process of collection. Taxes for the 2026 tax year are due by January 31, 2027.

Tax Rate Distribution

The following table illustrates the components of the tax rate for the District's 2023–2026 tax years:

	2026	2025	2024	2023
Utility Debt Service	$0.3675	$0.3500	$ -	$ -
Road Debt Service	$0.2700	-	-	-
Maintenance & Operations	$0.3625	0.6500	1.0000	1.0000
Total	$1.0000	$1.0000	$1.0000	$1.0000

Analysis of Tax Base

The following table illustrates the District's total taxable assessed value for the 2023 – 2026 tax years by type of property:

Type of Property	2026 Assessed Valuation	2025 Assessed Valuation	2024 Assessed Valuation	2023 Assessed Valuation
Land	$ 53,238,089	$ 43,438,520	$ 23,223,160	$ 15,201,380
Improvements	104,823,735	40,268,210	-	-
Personal Property	1,114,490	856,360	19,230	-
Exemptions	(11,494,825)	(3,624,093)	(2,682,391)	(2,454,790)
Total	$ 147,681,489	$ 80,938,997	$ 20,559,999	$ 12,746,590

Principal Taxpayers

The following tables illustrates the principal taxpayers within the District and their assessed values as of January 1, 2026 as a percentage of the 2026 Certified Taxable Assessed Valuation:

Taxpayer	Assessed Valuation 2026 Tax Roll	Percent of 2026 Tax Roll
PHHOU - SOWELL 112 LLC (b) (c)	6,575,800	4.45%
Pulte Homes of Texas LP (a) (c)	6,227,290	4.22%
DFH Coventry LLC (a)	4,540,300	3.07%
Perry Homes LLC (a) (b) (c)	3,272,314	2.22%
2023 FM Valencia Development LLC (c)	2,726,174	1.85%
Valencia 288 LLC (c)	2,463,999	1.67%
Beazer Homes Texas LP (a)	1,467,900	0.99%
Homeowner	907,760	0.61%
Homeowner	842,880	0.57%
Homeowner	745,200	0.50%
Total	$ 29,769,617	20.16%

(a) See "THE DEVELOPERS – Homebuilders within the District."
(b) Related entities.
(c) See "THE DEVELOPERS – The Developers."

Tax Rate Calculations

The tax rate calculations set forth below are presented to indicate the tax rates per $100 of taxable assessed valuation that would be required to meet certain debt service requirements if no growth in the District occurs beyond the 2026 Certified Taxable Assessed Valuation of $147,681,489, or the estimate of assessed valuation as of September 1, 2026, of $215,534,578. The foregoing further assumes collection of 95% of taxes levied and the sale of no additional bonds by the District. See "RISK FACTORS – Factors Affecting Taxable Values and Tax Payments."

Average Annual Debt Service Requirement on the Bonds and the Outstanding Bonds(2027-2054)	$ 2,203,301
Tax Rate of $1.58 on the 2026 Certified Taxable Assessed Valuation	$ 2,216,699
Tax Rate of $1.08 on the Estimate of Assessed Valuation as of September 1, 2026	$ 2,211,385
Maximum Annual Debt Service Requirement on the Bonds and the Outstanding Bonds (2054)	$ 2,274,275
Tax Rate of $1.63 on the 2026 Certified Taxable Assessed Valuation	$ 2,286,848
Tax Rate of $1.12 on the Estimate of Assessed Valuation as of September 1, 2026	$ 2,293,288

Estimated Overlapping Taxes

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

Set forth below are all 2026 taxes levied by such jurisdictions per $100 of assessed valuation. Such levies do not include local assessments for community associations, fire department contributions, charges for solid waste disposal, or any other charges made by entities other than political subdivisions. See "DISTRICT FINANCIAL DATA – Estimated Direct and Overlapping Debt Statement."

Taxing Jurisdiction	2026 Tax Rate
The District	$ 1.000000
Brazoria County	0.262690
Brazoria County Road & Bridge	0.042068
Alvin Independent School District	1.124900
Alvin Community College	0.156543
City of Manvel	0.560000
Brazoria County ESD No. 3	0.087910
Estimated Total Tax Rate	$ 3.234111

TAXING 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 which the District may hereafter issue (see "RISK FACTORS – Future Debt"), and to pay the expenses of assessing and collecting such taxes. The District agrees in the Bond Resolutions to levy such a tax from year to year as described more fully above under "THE BONDS – Source of Payment." Under Texas law, the Board is also authorized to levy and collect an annual ad valorem tax for the operation and maintenance of the District and 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

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

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

Property Subject to Taxation by the District

General: Except for certain exemptions provided by Texas law, all real property, tangible personal property held or used for the production of income, manufactured homes, and certain categories of intangible personal property with a tax situs in the District are subject to taxation by the District. Principal categories of exempt property include, but are not limited to: property owned by Texas or its political subdivisions, if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies and personal effects; certain goods, wares, and merchandise in transit; certain farm products owned by the producer; certain property of charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; travel trailers; and most individually owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons 65 years of age or older and certain disabled persons, to the extent deemed advisable by the Board. The District may be required to offer such exemptions if a majority of voters approve the same at an election. The District would be required to call an election upon petition by 20% of the number of qualified voters who voted in the preceding election. The District is authorized by statute to disregard exemptions for the disabled and elderly if granting the exemption would impair the District's obligation to pay tax-supported debt incurred prior to adoption of the exemption by the District. Furthermore, the District must grant exemptions to disabled veterans or certain surviving dependents of disabled veterans, if requested, but only to the maximum extent of between $5,000 and $12,000 depending upon the disability rating of the veteran claiming the exemption. A veteran who receives a disability rating of 100% is entitled to an exemption of full value of the veteran's residential homestead. Furthermore, qualifying surviving spouses of persons 65 years of age and older are entitled to receive a resident homestead exemption equal to the exemption received by the deceased spouse, and surviving spouses of a deceased veteran who had received a disability rating of 100% are entitled to receive a residential homestead exemption equal to the exemption received by the deceased spouse until such surviving spouse remarries. Such exemption would be transferred to a subsequent residence homestead of the surviving spouse of a deceased veteran who had received a disability rating of 100%, if the surviving spouse has not remarried, in an amount equal to the exemption received on the prior residence in the last year in which such exemption was received.

A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if the residence homestead was donated by a charitable organization. This exemption also applies, under certain conditions, to a residence homestead that was donated by a charitable organization at some cost to such veterans. Also, the surviving spouse of a member of the armed forces who was killed in action is, subject to certain conditions, entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and subject to certain conditions, an exemption in the same amount may be transferred to a subsequent residence homestead of the surviving spouse.

The surviving spouse of a first responder who is killed or fatally injured in the line of duty is entitled to an exemption of the total appraised value of the surviving spouse's residence homestead if the surviving spouse has not remarried since the first responder's death, and said property was the first responder's residence homestead at the time of death. Such exemption would be transferred to a subsequent residence homestead of the surviving spouse, if the surviving spouse has not remarried, in an amount equal to the exemption received on the prior residence in the last year in which such exemption was received.

Residential Homestead Exemptions: The Property Tax Code authorizes the governing body of each political subdivision in the State to exempt up to 20% of the appraised value of residential homesteads from ad valorem taxation. The District is authorized by statute to disregard previously granted residential homestead exemptions 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 adoption of a homestead exemption may be considered each year but must be adopted by July 1. The District does not grant a residential homestead exemption at this time. For the 2026 tax year, the District has not adopted a residential homestead exemption.

Freeport Goods and Goods-in Transit Exemptions: A "Freeport Exemption" applies to goods, wares, ores, and merchandise other than oil, gas, and petroleum products (defined as liquid and gaseous materials immediately derived from refining petroleum or natural gas), and to aircraft or repair parts used by a certified air carrier acquired in or imported into Texas which are destined to be forwarded outside of Texas and which are detained in Texas for assembling, storing, manufacturing, processing or fabricating not later than 175 days after the person acquired or imported the property into the State.

A "Goods-in-Transit" Exemption is applicable to goods, wares, merchandise, other tangible personal property, and ores, other than oil, natural gas, petroleum products, aircraft, dealer's motor vehicle inventory, dealer's vessel and outboard motor inventory, dealer's heavy equipment inventory, or retail manufactured housing inventory, if such property is acquired in or imported into Texas only if such property is to be forwarded to another location in or outside of Texas and 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, and is transported to another location in the state or outside of the state not later than 175 days after the date the person acquired the property in or imported the property into Texas.

A property owner who receives the Goods-in-Transit Exemption is not eligible to receive the Freeport Exemption for the same property. Local taxing units such as the District may, by official action and after public hearing, tax goods-in-transit property. A taxing unit must exercise its option to tax goods-in-transit property before January 1 of the first tax year in which it proposes to tax the property at the time and in the manner prescribed by applicable law. The District has taken official action to allow taxation of all such goods-in-transit personal property for all prior and subsequent years.

Valuation of Property for Taxation

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

The Property Tax Code permits land designated for agricultural use, open space or timberland to be appraised at its value based on the land's capacity to produce agricultural or timber products rather than at its fair market value. The Property Tax Code permits, under certain circumstances, that residential real property inventory held by a person in the trade or business be valued at the price all of such property would bring if sold as a unit to a purchaser who would continue the business. Provisions of the Property Tax Code are complex and are not fully summarized here. Landowners wishing to avail themselves of the agricultural use, open space or timberland designation or residential real property inventory designation must apply for the designation and the appraiser is required by the Property Tax Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by one political subdivision while claiming it for another. If a claimant receives the agricultural use designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use, including taxes and a 5% annual interest for the previous three years for agricultural use, open space land and timberland.

The Property Tax Code requires the Appraisal District to implement a plan for periodic reappraisal of property to update appraisal values. The plan must provide for appraisal of all property in the Appraisal District at least once every three years. It is not known what frequency of reappraisal will be utilized by the Appraisal District or whether reappraisals will be conducted on a zone or county-wide basis. The District, however, at its expense, has the right to obtain from the Appraisal District a current estimate of appraised values within the District or an estimate of any new property or improvements within the District. While such current estimate of appraised

values may serve to indicate the rate and extent of growth of taxable values within the District, it cannot be used for establishing a tax rate within the District until such time as the Appraisal District chooses to formally include such values on its appraisal roll.

The Property Tax Code, authorizes a temporary tax exemption for certain damaged property in governor-declared disaster areas. In order to qualify for the exemption, the property must be at least 15% damaged, as determined by the chief appraiser of the appraisal district. Upon a property owner's application for an exemption, the chief appraiser must assign a damage rating of Level I – at least 15%, but less than 30% (minimal damage), Level II – at least 30%, but less than 60% (nonstructural damage), Level III – at least 60%, but less than 100% (significant structural damage), or Level IV – 100% (total loss). The amount of the exemption for qualifying property is determined by multiplying the appraisal value by the level rating percentage (Level I – 15%, Level II – 30%, Level III – 60%, and Level IV – 100%), which is then prorated by the number of days from the disaster declaration to December 31 of the tax year in which the disaster is declared as a percentage of total days in the year.

Property owners are entitled to the exemption if the Governor of Texas (the "Governor") declares the disaster area prior to a taxing unit adopting a tax rate for the year in which the disaster occurs. However, if the disaster declaration occurs on or after the date a taxing unit adopts a tax rate, property owners are only entitled to receive the exemption if the governing body of the taxing unit adopts the exemption within 60 days of the disaster declaration. The exemption expires on January 1 of the first tax year in which the property is reappraised.

District and Taxpayer Remedies

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

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

Levy and Collection of Taxes

The District is responsible for the levy and collection of its taxes unless it elects to transfer such functions to another governmental entity. The rate of taxation is set by the Board, after the legally required notice has been given to owners of property within the District, based upon: a) the valuation of property within the District as of the preceding January 1, and b) the amount required to be raised for debt service, maintenance purposes, and authorized contractual obligations. Taxes are due October 1, or when billed, whichever comes later, and become delinquent if not paid before February 1 of the year following the year in which imposed, except set forth herein with respect to residential homesteads. A delinquent tax incurs a penalty of 6% of the amount of the tax for the first calendar month it is delinquent, plus 1% for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of 12% of the amount of the delinquent tax regardless of the number of months the tax has been delinquent and incurs an additional penalty for collection costs of an amount established by the District and a delinquent tax attorney. For those taxes billed at a later date and that become delinquent on or after June 1, they will also incur an additional penalty for collection costs of an amount established by the District and a delinquent tax attorney. A delinquent tax on personal property incurs an additional penalty, in an amount established by the District and a delinquent tax attorney, 60 days after the date the taxes become delinquent. The delinquent tax accrues interest at a rate of 1% for each month or portion of a month it remains unpaid.

The Property Tax Code makes provisions for the split payment of taxes and discounts for early payment under certain circumstances which, at the option of the District, may be rejected by taxing units. The Property Tax Code also provides for the postponement of the delinquency date of taxes in certain circumstances. The District's tax collector is required to enter into an installment payment agreement with any person who is delinquent on the payment of tax on a residence homestead for payment of tax, penalties and interest, if the person requests an installment agreement and has not entered into an installment agreement with the collector in the preceding 24 months. The installment agreement must provide for payments to be made in monthly installments and must extend for a period of at least 12 months and no more than 36 months. Additionally, the owner of a residential homestead property who is (i) 65 years of age or older, (ii) disabled, or (iii) a disabled veteran, is entitled by law

to pay current taxes on a residential homestead in installments without penalty or to defer the payment of taxes during the time of ownership. In the instance of tax deferral, a tax lien remains on the property and interest continues to accrue during the period of deferral.

Certain qualified taxpayers, including 1) owners of residential homesteads or certain properties used for residential purposes, located in a disaster or emergency area and which has been damaged by the disaster or emergency, and 2) certain qualified business entities that own or lease real and/or tangible property, located in a disaster or emergency area and which has been damaged by the disaster or emergency, are entitled to enter into a tax payment installment agreement with a taxing jurisdiction such as the District on taxes imposed on the property prior to the first anniversary of the disaster or emergency if the business entity pays at least one-fourth of the tax bill imposed on the property by the delinquency date. The remaining taxes may be paid without penalty or interest in three equal installments before the first day of the sixth month after the delinquency date.

Additionally, certain qualified business entities that own or lease real and/or tangible property located in a disaster or emergency area and which has not been damaged by the disaster or emergency, may be permitted by a taxing jurisdiction such as the District, at the taxing jurisdiction's discretion, to enter into a tax payment installment agreement on taxes imposed on the property prior to the first anniversary of the disaster or emergency under the same terms as set forth in the paragraph directly above.

A property owner serving on active duty for any branch of the United States armed forces who is transferred out of the state may defer payment on property taxes without incurring any penalty or interest. Deferred tax payments are due no later than 60 days after the earliest of the following to occur: (1) the person is discharged from active military service, (2) the person returns to the state for more than 10 days, or (3) the person returns to non-active-duty status in the reserves. After the deferral period expires, any unpaid delinquent taxes will accrue interest but will not incur any penalty.

Rollback of Operation and Maintenance Tax Rate

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

Low Tax Rate Districts: Low Tax Rate Districts that adopt a total tax rate that would impose more than 1.08 times the amount of the total tax imposed by such district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead, subject to certain homestead exemptions, are required to hold 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 Low Tax Rate District is the current year's debt service and contract tax rate plus 1.08 times the previous year's operation and maintenance tax rate.

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

Developing Districts: Districts that do not meet the classification of a Low Tax Rate District 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, subject to certain homestead exemptions, are authorized to petition for an election to reduce the operation and maintenance tax rate. If an election is called and passes, the total tax rate for Developing Districts is the current year's debt service and contract tax rate plus 1.08 times the previous year's operation and maintenance tax rate.

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

District's Rights in the Event of Tax Delinquencies

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

At any time after taxes on property become delinquent, the District may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both, subject to the restrictions on residential homesteads described above under "Levy and Collection of Taxes." In filing a suit to foreclose a tax lien on real property, the District must join other taxing units that have claims for delinquent taxes against all or part of the same property. Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, by taxpayer redemption rights or by bankruptcy proceedings which restrict the collection of taxpayer debts. A taxpayer may redeem property that was used as the residence homestead of the owner, certain land designated for agricultural use, or a mineral interest sold at a tax sale to a purchaser other than a taxing unit within two years of the date on which the purchaser's deed at the foreclosure sale is filed in the county records. For all other real property, a taxpayer may redeem the property not later than the 180th day following the date on which the purchaser's or taxing unit's deed is filed for record. See "RISK FACTORS – General" and "– Tax Collection Limitations."

The District's ability to attach or foreclose a 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.

LEGAL MATTERS

Legal Opinions

Delivery of the Bonds will be accompanied by the approving legal opinion of the Attorney General of Texas to the effect that the Bonds are valid and legally binding obligations of the District under the Constitution and laws of Texas payable from the proceeds of an annual ad valorem tax levied, without 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 (i) interest on the Bonds is excludable from gross income for federal tax purposes under existing law, and (ii) interest on the Bonds will not be subject to the alternative minimum tax on individuals.

Bond Counsel has reviewed the information appearing under "THE BONDS," "THE DISTRICT – General," "UTILITY AGREEMENT WITH THE CITY OF MANVEL," "TAXING PROCEDURES," "LEGAL MATTERS – Legal Opinions," "TAX MATTERS," and "CONTINUING DISCLOSURE" (except for the information under the subheading "Compliance with Prior Undertakings"), solely to determine whether such information fairly summarizes matters of law and the provisions of the documents referred to therein. Bond Counsel has not, however, independently verified any of the factual information contained herein nor has it conducted an investigation of the affairs of the District or the Developers for the purpose of passing upon the accuracy or completeness of this Official Statement. No person

is entitled to rely upon Bond Counsel's limited participation as an assumption of responsibility for or an expression of opinion of any kind with regard to the accuracy or completeness of any information contained herein.

The fees to be paid to Bond Counsel for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds.

No Material Adverse Change

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

No-Litigation Certificate

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

TAX MATTERS

Opinion of Bond Counsel

In the opinion of Bond Counsel, under current law, interest on the Bonds (a) is not included in gross income for federal income tax purposes, (b) is not an item of tax preference for purposes of the federal alternative minimum income tax, and (c) is taken into account by applicable corporations (as defined in Section 59(k) of the Code for the alternative minimum tax imposed on such corporations. No other opinion is expressed by Bond Counsel regarding the tax consequences of the ownership of or the receipt or accrual of interest on the Bonds.

Bond Counsel's opinion is given in reliance upon certifications by representatives of the District as to certain facts relevant to both the opinion and requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and is subject to the condition that there is compliance subsequent to the issuance of the Bonds with all requirements of the Code that must be satisfied in order for interest thereon to remain excludable from gross income for federal income tax purposes. The District has covenanted to comply with the current provisions of the Code regarding, among other matters, certain tax-exempt obligations, the use, expenditure and investment of the proceeds of the Bonds and the timely payment to the United States of any arbitrage rebate amounts with respect to the Bonds. Failure by the District to comply with such covenants, among other things, could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to their date of issue.

Customary practice in the giving of legal opinions includes not detailing in the opinion all the assumptions, limitations and exclusions that are a part of the conclusions therein. See "*Statement on the Role of Customary Practice in the Preparation and Understanding of Third-Party Legal Opinions*", 63 Bus. Law. 1277 (2008)" and "*Legal Opinion Principles*", 53 Bus. Law. 831 (May 1998), updated by "*Statement of Opinion Practices*", 74 Bus. Law. 801, 807 (2019). Purchasers of the Bonds should seek advice or counsel concerning such matters as they deem prudent in connection with their purchase of Bonds.

Bond Counsel's opinion represents its legal judgment based in part upon the representations and covenants referenced therein and its review of current law, but is not a guarantee of result or binding on the Internal Revenue Service (the "Service") or the courts. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may come to Bond Counsel's attention after the date of its opinion or to reflect any changes in law or the interpretation thereof that may occur or become effective after such date.

Alternative Minimum Tax

Individuals: Bond Counsel's opinion states that under current law interest on the Bonds is not an item of reference and is not subject to the alternative minimum tax on individuals.

Applicable Corporations: Bond Counsel's opinion also states that under current law interest on the Bonds is taken into account by applicable corporations (as defined in Section 59(k) of the Code) for the alternative minimum tax imposed on such corporations. Under current law, an "applicable corporation" generally is a corporation with average annual adjusted financial statement income for a 3-taxable-year period ending after December 31, 2021, that exceeds $1 billion.

Other Tax Matters

In addition to the matters addressed above, prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including without limitation financial institutions, property and casualty insurance companies, S corporations, foreign corporations subject to the branch profits tax, recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to the applicability and impact of such consequences.

Prospective purchasers of the Bonds should consult their own tax advisors as to the status of interest on the Bonds under the tax laws of any state, local, or foreign jurisdiction.

The Service has a program to audit state and local government obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the Service does audit the Bonds, under current Service procedures, the Service will treat the District as the taxpayer and the owners of the Bonds will have only limited rights, if any, to participate.

There are many events that could affect the value and liquidity or marketability of the Bonds after their issuance, including but not limited to public knowledge of an audit of the Bonds by the Service, a general change in interest rates for comparable securities, a change in federal or state income tax rates, federal or state legislative or regulatory proposals affecting state and local government securities and changes in judicial interpretation of existing law. In addition, certain tax considerations relevant to owners of Bonds who purchase Bonds after their issuance may be different from those relevant to purchasers upon issuance. Neither the opinion of Bond Counsel nor this Official Statement purports to address the likelihood or effect of any such potential events or such other tax considerations and purchasers of the Bonds should seek advice concerning such matters as they deem prudent in connection with their purchase of Bonds.

Original Issue Discount

Some of the Bonds may be sold at initial sale prices that are less than their respective stated redemption prices payable at maturity (collectively, the "Discount Bonds"). The excess of (i) the stated redemption price at maturity of each maturity of the Discount Bonds, over (ii) the initial offering price to the public (excluding bond houses and brokers) at which a substantial amount of each maturity of the Discount Bonds is sold will constitute original issue discount. Original issue discount will accrue for federal income tax purposes on a constant-yield-to-maturity method based on regular compounding; and a holder's basis in such a Bond will be increased by the amount of original issue discount treated for federal income tax purposes as having accrued on the Bond while the holder holds the Bond.

Under the Code, for purposes of determining a holder's adjusted basis in a Discount Bond, original issue discount treated as having accrued while the holder holds the Bond will be added to the holder's basis. Original issue discount will accrue on a constant-yield-to-maturity method based on semiannual compounding. The adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of a Discount Bond.

Prospective purchasers of Discount Bonds should consult their own tax advisors as to the calculation of accrued original issue discount and the state and local tax consequences of owning or disposing of such Bonds.

Bond Premium

Bonds purchased, whether upon issuance or otherwise, for an amount (excluding any amount attributable to accrued interest) in excess of their principal amount will be treated for federal income tax purposes as having amortizable bond premium. A holder's basis in such a Bond must be reduced by the amount of premium which accrues while such Bond is held by the holder. No deduction for such amount will be allowed, but it generally will offset interest on the Bonds while so held. Purchasers of such Bonds should consult their own tax advisors as to the calculation, accrual and treatment of amortizable bond premium and the state and local tax consequences of holding such Bonds.

Not Qualified Tax-Exempt Obligations

The Bonds have not been designated "qualified tax-exempt obligations" for financial institutions.

CONTINUING DISCLOSURE

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

Annual Reports

The District will provide certain updated financial information and operating data annually to the MSRB. The information to be updated with respect to the District includes all quantitative financial information and operating data with respect to the District of the general type included in this Official Statement included under the headings "DISTRICT DEBT" (except under the subheading "Direct and Estimated Overlapping Debt Statement"), "TAX DATA," and in "APPENDIX A" (Audited Financial Statements of the District). The District will update and provide this information to the MSRB within six months after the end of each of its fiscal years ending in or after 2026. Any information provided shall be prepared in accordance with generally accepted auditing standards or other such principles as the District may be required to employ from time to time it must be provided. If the audit report is not complete within such period, then the District shall provide unaudited financial statements for the applicable fiscal year to the MSRB within such six month period, and audited financial statements when the audit report becomes available.

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

The District's current fiscal year end is September 30. Accordingly, it must provide updated information by March 31 in each year, unless it changes its fiscal year. If the District changes its fiscal year, it will notify EMMA 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 (10) 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 IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other material events affecting the tax-exempt status of the Bonds; (7) modifications to rights of beneficial owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the District or other obligated person within the meaning of the Rule; (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person within the meaning of the Rule or the sale of all or substantially all of the assets of the District or other obligated person within the meaning of the Rule, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or obligated person, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the District or obligated person, any of which reflect financial difficulties. The term "material" when used in this paragraph shall have the meaning ascribed to it under federal securities laws. The term "financial obligation" when used in this paragraph shall have the meaning ascribed to it under federal securities laws. The term "financial obligation" does not include municipal securities for which a final official statement has been provided to the MSRB consistent with the Rule. Neither the Bonds nor the Bond Resolutions

make any provision for debt service reserves or liquidity enhancement. In addition, the District will provide timely notice of any failure by the District to provide information, data, or financial statements in accordance with its agreement described under "CONTINUING DISCLOSURE – Annual Reports."

Availability of Information from EMMA

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

Limitations and Amendments

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

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

Compliance With Prior Undertakings

The Utility Bonds and the Road Bonds are the District's fourth and fifth issuances of bonds, respectively. The District has no known failure to comply with all continuing disclosure agreements previously made in accordance with the Rule.

OFFICIAL STATEMENT

General

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

The District's audited financial statements for the year ended September 30, 2025, were audited by McCall Gibson Swedlund Barfoot Ellis PLLC, and have been included herein as "APPENDIX A." McCall Gibson Swedlund Barfoot Ellis PLLC, Certified Public Accountant, has consented to the publication of such financial statements in this Preliminary Official Statement.

Experts

The information contained in the Official Statement relating to engineering and to the description of the Utility System and the Road System, and, in particular, that engineering information included in the sections entitled "USE AND DISTRIBUTION OF THE UTILITY BOND PROCEEDS," "USE AND DISTRIBUTION OF THE ROAD BOND PROCEEDS," "THE DISTRICT – Location" "DEVELOPMENT WITHIN THE DISTRICT – Status of Development," "THE ROAD SYSTEM," and "THE UTILITY SYSTEM" has been provided by LJA, Inc. and has been included herein in reliance upon the authority of said firm as experts in the field of civil engineering.

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

Updating of Official Statement

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

Certification as to Official Statement

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

CONCLUDING STATEMENT

The information set forth herein has been obtained from the District's records, audited financial statements and other sources which are considered to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will ever be realized. All of the summaries of the statutes, documents, and resolutions contained herein are made subject to all of the provisions of such statutes, documents, and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such summarized documents for further information. Reference is made to official documents in all respects.

This Official Statement was approved by the Board of Directors of Brazoria County Municipal Utility District No. 83 as of the date shown on the cover.

/s/ Todd Casper
President, Board of Directors
Brazoria County Municipal Utility District No. 83

ATTEST:

/s/ Johnnie Wright
Secretary, Board of Directors
Brazoria County Municipal Utility District No. 83

APPENDIX A

FINANCIAL STATEMENTS OF THE DISTRICT

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 83

BRAZORIA COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2025

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
Brazoria County Municipal Utility
District No. 83
Brazoria County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Brazoria County Municipal Utility District No. 83 (the "District") as of and for the year September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the 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 September 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund 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
Brazoria County Municipal Utility District No. 83

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

December 17, 2025

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 83
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Management's discussion and analysis of the financial performance of Brazoria County Municipal Utility District No. 83 (the "District") provides an overview of the District's financial activities for the year ended September 30, 2025. Please read it in conjunction with the District's 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 of the District's assets and liabilities, 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 as a whole is improving or deteriorating. Evaluation of the overall health of the District would extend to other non-financial factors.

The Statement of Activities reports how the District's net position changed during the current 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 developer advances, 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 current period. 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 is included as RSI for the General Fund.

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 $3,003,498 as of September 30, 2025. The following table provides a comparative analysis of government-wide changes in net position:

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Summary of Changes in the Statement of Net Position		
	2025	2024	Change Positive (Negative)
Current and Other Assets	$ 4,079,130	$ 2,608,368	$ 1,470,762
Capital Assets (Net of Accumulated Depreciation)	59,026,576	34,081,972	24,944,604
Total Assets	$ 63,105,706	$ 36,690,340	$ 26,415,366
Due to Developer	$ 62,065,262	$ 36,880,581	$ (25,184,681)
Bonds Payable	3,915,077		(3,915,077)
Other Liabilities	128,865	910,244	781,379
Total Liabilities	$ 66,109,204	$ 37,790,825	$ (28,318,379)
Net Position:			
Net Investment in Capital Assets	$ (2,723,798)	$ (1,317,821)	$ (1,405,977)
Restricted	128,305		128,305
Unrestricted	(408,005)	217,336	(625,341)
Total Net Position	$ (3,003,498)	$ (1,100,485)	$ (1,903,013)

The following table provides a summary of the District's operations for the years ending September 30, 2025, and September 30, 2024:

	Summary of Changes in the Statement of Activities		
	2025	2024	Change Positive (Negative)
Revenues:			
Property Taxes	$ 205,600	$ 127,466	$ 78,134
Other Revenues	112,060	9,862	102,198
Total Revenues	$ 317,660	$ 137,328	$ 180,332
Expenses for Services	2,220,673	902,171	(1,318,502)
Change in Net Position	$ (1,903,013)	$ (764,843)	$ (1,138,170)
Net Position, Beginning of Year	(1,100,485)	(335,642)	(764,843)
Net Position, End of Year	$ (3,003,498)	$ (1,100,485)	$ (1,903,013)

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of September 30, 2025, were $4,013,976, an increase of $3,243,852 from the prior year.

The General Fund fund balance increased by $1,302,659, primarily due to property tax revenues and developer advances exceeding operating costs.

The Debt Service Fund fund balance increased by $206,016, primarily due to capitalized interest received from the sale of the Series 2024 Unlimited Tax Road Bonds, as well as the structure of the District's outstanding debt.

The Capital Projects Fund fund balance increased by $1,735,177, due to proceeds from the issuance of the Series 2024 Unlimited Tax Road Bonds, which were offset by capital expenditures.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors adopted an unappropriated budget for the current fiscal year. Actual revenues were $37,743 more than budgeted revenues and actual expenditures were $946,363 more than budgeted expenditures. Developer contributions were $2,211,279 more than budgeted. This resulted in a positive budget variance of $1,302,659. See the budget to actual comparison for more information.

CAPITAL ASSETS

Capital assets as of September 30, 2025, total $59,026,576 (net accumulated depreciation) and include land, water, wastewater, detention, drainage and road facilities.

Capital Assets At Year-End

	2025	2024	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	$ 3,783,675	$	$ 3,783,675
Capital Assets Subject to Depreciation:			
Water System	6,623,388	4,375,865	2,247,523
Wastewater System	12,834,314	8,279,770	4,554,544
Detention System	12,750,306	6,887,841	5,862,465
Drainage System	13,168,449	8,971,559	4,196,890
Roads	11,552,113	6,182,971	5,369,142
Less Accumulated Depreciation	(1,685,669)	(616,034)	(1,069,635)
Total Net Capital Assets	$ 59,026,576	$ 34,081,972	$ 24,944,604

LONG-TERM DEBT ACTIVITY

At fiscal year end, the District had total bond debt payable of $3,955,000. The changes in the debt position of the District during the fiscal year ended September 30, 2025, are summarized in the following table:

Bond Debt Payable, October 1, 2024	$ - 0 -
Add: Bond Sale - Series 2024 Road	3,955,000
Bond Debt Payable, September 30, 2025	$ 3,955,000

The District's Series 2024 Unlimited Tax Road Bonds do not carry underlying nor insured ratings.

The District has recorded an amount due to Developer of $62,065,262, which consists of payments made by the Developer for utilities and road infrastructure as well as District operating advances. Reimbursement to the Developer is anticipated to come from proceeds of bonds issued by the District or other lawfully available funds.

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 Brazoria County Municipal Utility District No. 83, c/o The Muller Law Group, PLLC, 202 Century Square Boulevard, Sugar Land, Texas 77478.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 83
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2025

	General Fund	Debt Service Fund
ASSETS		
Cash	$ 48,072	$
Investments	2,044,283	204,619
Receivables:		
Accrued Interest		1,397
Due from Other Funds	25,000	
Prepaid Costs	6,582	
Due from City		
Land		
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	$ 2,123,937	$ 206,016
LIABILITIES		
Accounts Payable	$ 51,154	$
Accrued Interest Payable		
Due to Developer		
Due to Other Funds		
Long-Term Liabilities:		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	$ 51,154	$ -0-
FUND BALANCES		
Nonspendable: Prepaid Costs	$ 6,582	$
Restricted for Authorized Construction		
Restricted for Debt Service		206,016
Unassigned	2,066,201	
TOTAL FUND BALANCES	$ 2,072,783	$ 206,016
TOTAL LIABILITIES AND FUND BALANCES	$ 2,123,937	$ 206,016
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
$ 385	$ 48,457	$	$ 48,457
1,759,792	4,008,694		4,008,694
	1,397		1,397
	25,000	(25,000)	
	6,582		6,582
		14,000	14,000
		3,783,675	3,783,675
		55,242,901	55,242,901
$ 1,760,177	$ 4,090,130	$ 59,015,576	$ 63,105,706
$	$ 51,154	$	$ 51,154
		77,711	77,711
		62,065,262	62,065,262
25,000	25,000	(25,000)	
		3,915,077	3,915,077
$ 25,000	$ 76,154	$ 66,033,050	$ 66,109,204
$	$ 6,582	$ (6,582)	$
1,735,177	1,735,177	(1,735,177)	
	206,016	(206,016)	
	2,066,201	(2,066,201)	
$ 1,735,177	$ 4,013,976	$ (4,013,976)	$ -0-
$ 1,760,177	$ 4,090,130		
		$ (2,723,798)	$ (2,723,798)
		128,305	128,305
		(408,005)	(408,005)
		$ (3,003,498)	$ (3,003,498)

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

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 83
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

Total Fund Balances - Governmental Funds		$ 4,013,976
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Amounts due from the City of Manvel for water and wastewater capacity reserve payments are not current financial resources and, therefore, are not reported as assets in the governmental funds.		14,000
Capital assets in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		59,026,576
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	$ (62,065,262)	
Accrued Interest Payable	(77,711)	
Bonds Payable	(3,915,077)	(66,058,050)
Total Net Position - Governmental Activities		$ (3,003,498)

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

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 83
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	$ 205,600	$
Investment Revenues	41,317	9,348
City of Manvel - Tax Increment		
City of Manvel - Reimbursement of Reservation Fees		
Miscellaneous Revenues	453	
TOTAL REVENUES	$ 247,370	$ 9,348
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	$ 222,122	$
Contracted Services	48,033	
Utilities	33,274	
Repairs and Maintenance	99,627	
Depreciation		
Other	71,695	199
Capacity Reserve Payment	786,000	
Capital Outlay		
Developer Interest		
Debt Service:		
Bond Interest		82,892
Bond Issuance Costs		
TOTAL EXPENDITURES/EXPENSES	$ 1,260,751	$ 83,091
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES/EXPENSES	$ (1,013,381)	$ (73,743)
OTHER FINANCING SOURCES (USES)		
Proceeds from Issuance of Long-Term Debt	$	$ 279,759
Bond Discount		
Bond Premium		
Developer Advances	2,316,040	
TOTAL OTHER FINANCING SOURCES (USES)	$ 2,316,040	$ 279,759
NET CHANGE IN FUND BALANCES	$ 1,302,659	$ 206,016
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - OCTOBER 1, 2024	770,124	
FUND BALANCES/NET POSITION - SEPTEMBER 30, 2025	$ 2,072,783	$ 206,016

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
$	$ 205,600	$	$ 205,600
15,846	66,511		66,511
45,096	45,096		45,096
1,700,000	1,700,000	(1,700,000)	
	453		453
$ 1,760,942	$ 2,017,660	$ (1,700,000)	$ 317,660
$	$ 222,122	$	$ 222,122
	48,033		48,033
	33,274		33,274
	99,627		99,627
		1,069,635	1,069,635
500	72,394		72,394
	786,000	(786,000)	
3,145,598	3,145,598	(3,145,598)	
170,302	170,302		170,302
	82,892	78,913	161,805
343,481	343,481		343,481
$ 3,659,881	$ 5,003,723	$ (2,783,050)	$ 2,220,673
$ (1,898,939)	$ (2,986,063)	$ 1,083,050	$ (1,903,013)
$ 3,675,241	$ 3,955,000	$ (3,955,000)	$
(105,852)	(105,852)	105,852	
64,727	64,727	(64,727)	
	2,316,040	(2,316,040)	
$ 3,634,116	$ 6,229,915	$ (6,229,915)	$ -0-
$ 1,735,177	$ 3,243,852	$ (3,243,852)	$
		(1,903,013)	(1,903,013)
	770,124	(1,870,609)	(1,100,485)
$ 1,735,177	$ 4,013,976	$ (7,017,474)	$ (3,003,498)

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

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 83
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED SEPTEMBER 30, 2025

Net Change in Fund Balances - Governmental Funds	$	3,243,852
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report amounts received from the City of Manvel for a return of water and wastewater capacity for payments previously made by the District as revenue. However, payments received reduce long-term receivables in the Statement of Net Position.		(1,700,000)
Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated. The expense is recorded in the Statement of Activities.		(1,069,635)
Governmental funds report capacity reserve payments as expenditures in the period made. However, in the Statement of Net Position, capacity reserve payments to be recovered in future years are recorded as a long-term receivable in the Statement of Net Postion.		786,000
Governmental funds report capital outlay as expenditures. However, in the Statement of Net Position, capital assets are recorded as assets of the District.		3,145,598
Governmental funds report bond discounts and premiums as other financing uses and sources in the year paid. However, in the Statement of Net Position, the bond discounts and premiums are amortized over the life of the bonds and the current year amortized portion is recorded in the Statement of Activities.		41,125
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.		(78,913)
Governmental funds report bond proceeds as other financing sources. Proceeds from the sale of bonds increase long-term liabilities in the Statement of Net Position.		(3,955,000)
Governmental funds report developer advances as other financing sources. However, in the Statement of Net Position, developer advances are recorded as a liability.		(2,316,040)
Change in Net Position - Governmental Activities	$	(1,903,013)

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

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 83
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 1. CREATION OF DISTRICT

Brazoria County Municipal Utility District No. 83 (the "District") was created and established pursuant to Senate Bill No. 1355 in the 87th Regular Session of the Texas Legislature, codified as Chapter 7922A, Special District Local Laws Code in accordance with Article XVI, Section 59 of the Texas Constitution effective May 24, 2021. Pursuant to the provisions of Chapters 49 and 54 of the Texas Water Code, the District is empowered to purchase, operate and maintain all facilities, plants, and improvements necessary to provide water, sanitary sewer service, storm sewer drainage, irrigation, roads, solid waste collection and disposal, including recycling, and to construct parks and recreational facilities for the residents of the District. The Board of Directors held its organizational meeting on September 15, 2021.

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 Texas Commission on Environmental Quality (the "Commission").

The District is a political subdivision of the State of Texas governed by an elected or appointed board. GASB has established the criteria for determining whether or not 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, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

- 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 is 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 by adjustment to obtain net total revenue and expense of the government-wide Statement of Activities.

Fund Financial Statements

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds

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

General Fund – To account for resources not accounted for in another fund, developer advances, 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 or 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 revenues reported in the governmental funds to be available if they are collectable within sixty 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 the taxes collected during the year and taxes collected after year-end, which were considered available to defray the expenditures of the current year. Deferred inflows of resources related to property tax revenues are those taxes which the District does not reasonably expect to be collected soon enough in the subsequent period to finance current expenditures.

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis. As of September 30, 2025, the Capital Projects Fund owed the General Fund $25,000 for bond issuance costs.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. 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.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

The rights and obligations to operate water, wastewater, drainage and road facilities for the benefit of the residents of the District have been conveyed to the City of Manvel, Texas pursuant to an agreement (see Note 6). The agreement meets the criteria to be treated in accordance with Governmental Accounting Standards Board Statement No. 94. The District is entitled to significant residual interest in the facilities conveyed and, therefore, continues to record these facilities as capital assets on the books of the District.

Assets are capitalized, including infrastructure assets, if they have an original cost greater than $5,000 and a useful life over two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation. Estimated useful lives are as follows:

	Years
Water System	10-45
Wastewater System	10-45
Detention System	10-45
Drainage System	10-45
Roads	45

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 Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – 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 to be "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 3. LONG-TERM DEBT

	Series 2024 Road
Amount Outstanding – September 30, 2025	$ 3,955,000
Interest Rates	4.375% - 6.875%
Maturity Dates- Beginning/Ending	November 1, 2026/2054
Interest Payment Dates	November 1/ May 1
Callable Dates	November 1, 2030*

* Or on any date thereafter, in whole or in part, at the option of the District, at par plus accrued interest to the date of redemption. Series 2024 Road Term Bonds that mature on November 1, 2031, 2033, 2035, 2043, 2049 and 2054 are subject to mandatory redemption beginning November 1, 2030, 2032, 2034, 2036, 2044 and 2050, respectively.

As of September 30, 2025, the District had authorized but unissued bonds in the amount of $613,200,000 for the purchase or construction of water, sanitary sewer and drainage facilities and refunding of bonds issued for same, $235,800,000 for the purchase or construction of park facilities and refunding of bonds issued for same, and $271,565,000 for the purchase or construction of road facilities and refunding of bonds issued for same.

The following is a summary of transactions regarding bonds payable for the year ended September 30, 2025:

	October 1, 2024	Additions	Retirements	September 30, 2025
Bonds Payable	$	$ 3,955,000	$	$ 3,955,000
Unamortized Discounts		(105,852)	(3,095)	(102,757)
Unamortized Premiums		64,727	1,893	62,834
Bonds Payable, net	$ -0-	$ 3,913,875	$ (1,202)	$ 3,915,077

Amount Due Within One Year	$ -0-
Amount Due After One Year	3,915,077
Total Bonds Payable, net	$ 3,915,077

NOTE 3. LONG-TERM DEBT (Continued)

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

Fiscal Year	Principal	Interest	Total
2026	$	$ 186,506	$ 186,506
2027	70,000	184,100	254,100
2028	70,000	179,288	249,288
2029	75,000	174,303	249,303
2030	80,000	168,974	248,974
2031-2035	455,000	762,435	1,217,435
2036-2040	555,000	642,141	1,197,141
2041-2045	700,000	505,312	1,205,312
2046-2050	870,000	334,687	1,204,687
2051-2055	1,080,000	122,063	1,202,063
	$ 3,955,000	$ 3,259,809	$ 7,214,809

The bonds are payable from the proceeds of an ad valorem tax levied upon all property subject to taxation within the District, without limitation as to rate or amount. The bond order requires the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on the bonds when due and the cost of assessing and collecting taxes. During the current year, the District did not levy an ad valorem debt service tax for the 2024 tax year.

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 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 bond order states that the District is required to provide continuing disclosure of certain general financial information and operating data to certain information repositories. This information is of the general type included in 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.

The District also complies 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.

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes. Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year-end, the carrying amount of the District's deposits was $148,457 and the bank balance was $152,637. The District was not exposed to custodial credit risk at year end.

The carrying values of the deposits are included in the Governmental Funds Balance Sheet and the Statement of Net Position at September 30, 2025, as listed below:

	Cash	Certificates of Deposit	Total
GENERAL FUND	$ 48,072	$	$ 48,072
DEBT SERVICE FUND		100,000	100,000
CAPITAL PROJECTS FUND	385		385
TOTAL DEPOSITS	$ 48,457	$ 100,000	$ 148,457

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.

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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

Certificates of deposit are recorded at acquisition cost at the date of purchase.

As of September 30, 2025, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
GENERAL FUND		
Texas CLASS	$ 2,044,283	$ 2,044,283
DEBT SERVICE FUND		
Texas CLASS	104,619	104,619
Certificate of Deposit	100,000	100,000
CAPITAL PROJECTS FUND		
Texas CLASS	1,759,792	1,759,792
TOTAL INVESTMENTS	$ 4,008,694	$ 4,008,694

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At September 30, 2025, the District's investment in Texas CLASS was rated "AAAm" by Standard & Poor's. The District also manages credit risk by investing in certificates of deposit covered by FDIC insurance.

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

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

NOTE 6. INTERLOCAL AND DEVELOPMENT AGREEMENTS WITH THE CITY OF MANVEL, TEXAS

The District is party to an Interlocal and Development Financing Agreement with the City of Manvel and Hillwood Enterprises, L.P. dated June 4, 2018, as amended by that certain First Amendment to Interlocal and Development Financing Agreement dated October 15, 2021 ("Financing Agreement"). Pursuant to the terms of the Financing Agreement, the City agrees to reimburse the District for certain regional improvements from a portion of City taxes collected within the area encompassing the District. These regional improvements include the following: Del Bello Boulevard; Dogwood Avenue and the crossing at Chocolate Bayou; Pollard Boulevard; and Charlotte Street and the crossing at Chocolate Bayou, DD4 Ditch, and the GCWA Canal. The portion of taxes reimbursed is calculated as the lesser of: (i) (90% of the City's O&M tax rate for the appliable tax year x the Increment) - $205 x the number of ESFC in the District as of January 1 of the applicable tax year) (ii) The debt service on Bonds, after the District has issued Bonds for all the Improvement Costs for the specific Improvements. The reimbursements extend for a duration of 30 years with a cap of $18,000,000.

Effective October 15, 2021, the District entered into an Interlocal and Development Agreement ("Agreement") with the City of Manvel, Texas (the "City"), and Hillwood Enterprises, L.P. This Agreement was amended on March 18, 2024. The District will construct certain public improvements and the City has agreed to provide a financial mechanism for impact fee credits for the costs of the construction of certain improvements for the City. The Agreement will remain in effect until December 31, 2050, unless earlier terminated by mutual agreement of the District and the City.

The City will have at least 1,250 ESFCs of water and wastewater capacity available for the District. The District previously paid a reservation deposit of $820,000 to the City for the reservation of 410 ESFCs. Upon payment of the second deposit, the City reserved the District an additional 840 ESFCs, for a total of 1,250 ESFCs at a reservation deposit cost of $2,000 per ESFC ($1,680,000) and will not allocate that capacity to any other person ("Reserved Capacity"). Any ESFCs not used by December 31, 2028 will be released and any of the corresponding reservation cost amount will be returned. The builders within the District will pay impact fees directly to the District, and the District will pay impact fees directly to the City at the then current impact fee rates to purchase capacity in the City's water and wastewater system. The City will apply the deposited reservation of $2,000 per ESFC toward the assessed impact fee per connection, and reduce the corresponding impact fee accordingly, subject to Section 5.3 of the Agreement. During the current year, the City reimbursed the District $1,700,000. Upon request, the City shall issue a letter of assurance to purchasers or prospective purchasers of property in the District that the District is entitled to the use and benefit of the Reserved Capacity in the City's water and wastewater system as described.

NOTE 6. INTERLOCAL AND DEVELOPMENT AGREEMENTS WITH THE CITY OF MANVEL, TEXAS (Continued)

The City will use its best efforts to provide the District with sufficient water and wastewater capacity to serve the capacity needs of the District's development when required, which is currently estimated to be a total of 1,250 ESFCs. The District will annually provide the City with growth projections until buildout of the development is complete. The City agrees to use its best efforts to begin construction of the City Water Reclamation Facility (WRF) no later than December 1, 2024. If, at any point during the District's development, Reserved Capacity is unavailable to meet ongoing development needs, the District may use pump and haul operations as a method to continue development activity (with the cost of such pump and haul operations borne by the District) within the City's system to utilize other wastewater plants within the City or an approved alternate plant for a maximum of 24 months in order to continue development activity within the District, which includes, but is not limited to, plat and design plan submission, construction, and plat recordation. Specifically, the City will not hinder development activity with the District by withholding approval of any plat or design submission, construction, plat recordation, building permits, certificate of occupancy, or otherwise, based soley on water or wastewater capacity.

Once completed, the water, wastewater, drainage and road facilities will be conveyed to, and maintained by, the City. Detention assets will be owned and maintained by the District.

NOTE 7. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2025:

	October 1, 2024	Increases	Decreases	September 30, 2025
Capital Assets Not Being Depreciated				
Land and Land Improvements	$ -0-	$ 3,783,675	$ -0-	$ 3,783,675
Capital Assets Subject to Depreciation				
Water System	$ 4,375,865	$ 2,247,523	$	$ 6,623,388
Wastewater System	8,279,770	4,554,544		12,834,314
Detenton System	6,887,841	5,862,465		12,750,306
Drainage System	8,971,559	4,196,890		13,168,449
Roads	6,182,971	5,369,142		11,552,113
Total Capital Assets Subject to Depreciation	$ 34,698,006	$ 22,230,564	$ -0-	$ 56,928,570
Accumulated Depreciation				
Water System	$ 78,190	$ 129,160	$	$ 207,350
Wastewater System	141,829	238,876		380,705
Detention System	115,556	232,875		348,431
Drainage System	168,601	257,634		426,235
Roads	111,858	211,090		322,948
Total Accumulated Depreciation	$ 616,034	$ 1,069,635	$ -0-	$ 1,685,669
Total Depreciable Capital Assets, Net of Accumulated Depreciation	$ 34,081,972	$ 21,160,929	$ -0-	$ 55,242,901
Total Capital Assets, Net of Accumulated Depreciation	$ 34,081,972	$ 24,944,604	$ -0-	$ 59,026,576

NOTE 8. MAINTENANCE TAX

On May 6, 2023, the voters of the District approved the levy and collection of a maintenance tax not to exceed $1.50 per $100 of assessed valuation of taxable property within the District. The maintenance tax is to be used by the General Fund to pay expenditures of operating the District's detention facilities and pay general operating costs. During the current fiscal year, the District levied an ad valorem maintenance tax rate of $1.00 per $100 of assessed valuation, which resulted in a tax levy of $205,600 on the adjusted taxable valuation of $20,559,999 for the 2024 tax year.

On May 6, 2023, the voters of the District approved the levy and collection of a road maintenance tax not to exceed $0.25 per $100 of assessed valuation of taxable property within the District. The road maintenance tax is to be used by the General Fund to pay expenditures of operating the District's roads. As of September 30, 2025, the District has not levied a road maintenance tax.

NOTE 9. UNREIMBURSED DEVELOPER COSTS

The District has executed financing agreements with Developers which calls for the Developers to fund costs associated with the construction of water, sewer, and drainage facilities as well as roads, parks and recreational facilities and operating advances during the startup period. Reimbursement to the Developers will come from future bond sales. During the current year, the General Fund received $2,196,040 in impact fees and the Capital Projects Fund received $1,700,000 for a reimbursement of the capacity reservation fees from the City which will be used in the future to reimburse the Developers.

The following table summarizes the current year activity related to unreimbursed Developer costs for completed projects and operating advances:

Due to Developers, beginning of year	$ 36,880,581
Additions	27,592,671
Reimbursed	(2,407,990)
Due to Developers, end of year	$ 62,065,262

NOTE 10. 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 past three years.

NOTE 11. ECONOMIC DEPENDENCY

The District is reliant upon the Developer for operating advances to meet its financial obligations during the startup period. The Developer's ability to make full and timely payments of operating advances could directly affect the District's ability to meet its financial obligations.

NOTE 12. BOND SALE

On November 21, 2024, the District closed on the sale of its $3,955,000 Series 2024 Unlimited Tax Road Bonds. Proceeds from the sale were used to reimburse the Developer for construction and engineering costs related to paving within Pollard Boulevard Segment B, Segment C and Charlotte Segment A, and land costs. Additional proceeds were used to pay for issuance costs of the bonds, developer interest, and to fund capitalized interest.

NOTE 13. SUBSEQUENT EVENT - PENDING BOND SALES

On or about December 18, 2025, subsequent to year end, the District plans to close on the sale of $8,535,000 of Unlimited Tax Utility Bonds, Series 2025. Proceeds from the bonds will be used to reimburse the Developers for land costs related to Lake A, Lake B, Lake D and Lakes E and F and city impact fees. Additional proceeds will be used to fund developer interest, capitalized interest and pay issuance costs of the bonds.

On or about December 18, 2025, subsequent to year end, the District plans to close on the sale of $8,790,000 of Unlimited Tax Road Bonds, Series 2025. Proceeds from the bonds will be used to reimburse the Developers for paving related to Pollard Boulevard - Segment C & Charlotte St - Segment A, Pollard Boulevard - Segment B, Pollard Boulevard - Segment A and Del Bello Boulevard - Segment A, Dogwood Avenue - Segment A, and Valencia Sections 1, 2, 3, 4, 6, 7 and 8, and land costs. Additional proceeds will be used to fund developer interest, capitalized interest and pay issuance costs of the bonds.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 83

REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2025

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 83
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	$ 202,427	$ 205,600	$ 3,173
Investment Revenues	7,200	41,317	34,117
Miscellaneous Revenues		453	453
TOTAL REVENUES	$ 209,627	$ 247,370	$ 37,743
EXPENDITURES			
Service Operations:			
Professional Fees	$ 180,000	$ 222,122	$ (42,122)
Contracted Services	33,000	48,033	(15,033)
Utilities	3,000	33,274	(30,274)
Repairs and Maintenance	77,278	99,627	(22,349)
Other	21,110	71,695	(50,585)
Capacity Reserve Payment		786,000	(786,000)
TOTAL EXPENDITURES	$ 314,388	$ 1,260,751	$ (946,363)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ (104,761)	$ (1,013,381)	$ (908,620)
OTHER FINANCING SOURCES(USES)			
Developer Advances	$ 104,761	$ 2,316,040	$ 2,211,279
NET CHANGE IN FUND BALANCE	$ -0-	$ 1,302,659	$ 1,302,659
FUND BALANCE - OCTOBER 1, 2024	770,124	770,124	
FUND BALANCE - SEPTEMBER 30, 2025	$ 770,124	$ 2,072,783	$ 1,302,659

See accompanying independent auditor's report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 83

SUPPLEMENTARY INFORMATION – REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

SEPTEMBER 30, 2025

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 83
SERVICES AND RATES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

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

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

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

X Other (specify): Storm Water Detention

The District is located within the City of Manvel, Texas (the "City"). All water, wastewater, drainage and road facilities will be conveyed to the City as constructed and placed in service. See Note 6. The District will own and maintain the detention facilities.

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.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 83
SERVICES AND RATES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes X No _____

County in which District is located:

Brazoria County, Texas

Is the District located within a City?

Entirely X Partly _____ Not at all _____

City in which District is located:

City of Manvel, Texas.

Are Board Members appointed by an office outside the District?

Yes _____ No X

See accompanying independent auditor's report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 83
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

PROFESSIONAL FEES:		
Auditing	$	10,750
Engineering		39,311
Legal		172,061
TOTAL PROFESSIONAL FEES	$	222,122
CONTRACTED SERVICES:		
Appraisal District	$	1,956
Bookkeeping		35,437
Tax Collector		10,640
TOTAL CONTRACTED SERVICES	$	48,033
UTILITIES	$	33,274
REPAIRS AND MAINTENANCE	$	99,627
ADMINISTRATIVE EXPENDITURES:		
Director Fees, Including Payroll Taxes	$	10,943
Insurance		6,834
Legal Notices		2,753
Office Supplies and Postage		7,321
Travel and Meetings		850
Other		3,726
TOTAL ADMINISTRATIVE EXPENDITURES	$	32,427
CAPACITY RESERVE PAYMENT	$	786,000
BOND ISSUANCE COSTS	$	39,268
TOTAL EXPENDITURES	$	1,260,751

See accompanying independent auditor's report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 83
INVESTMENTS
SEPTEMBER 30, 2025

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
GENERAL FUND					
Texas CLASS	XXXX0001	Varies	Daily	$ 2,044,283	$ -0-
DEBT SERVICE FUND					
Texas CLASS	XXXX0002	Varies	Daily	$ 104,619	$
Certificate of Deposit	XXXX8615	4.25%	03/29/26	100,000	1,397
TOTAL DEBT SERVICE FUND				$ 204,619	$ 1,397
CAPITAL PROJECTS FUND					
Texas CLASS	XXXX0004	Varies	Daily	$ 1,759,792	$ -0-
TOTAL - ALL FUNDS				$ 4,008,694	$ 1,397

See accompanying independent auditor's report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 83
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Maintenance Taxes	
TAXES RECEIVABLE - OCTOBER 1, 2024	$ -0-	
Adjustments to Beginning Balance		$ -0-
Original 2024 Tax Levy	$ 161,568	
Adjustment to 2024 Tax Levy	44,032	205,600
TOTAL TO BE ACCOUNTED FOR		$ 205,600
TAX COLLECTIONS:		
Prior Years	$ -0-	
Current Year	205,600	205,600
TAXES RECEIVABLE - SEPTEMBER 30, 2025		$ -0-

See accompanying independent auditor's report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 83
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	2024	2023
PROPERTY VALUATIONS:		
Improvements	$ 23,223,160	$ 15,201,380
Personal Property	19,230	
Exemptions	(2,682,391)	(2,454,790)
TOTAL PROPERTY VALUATIONS	$ 20,559,999	$ 12,746,590
TAX RATES PER $100 VALUATION:		
Debt Service	$ 0.00	$ 0.00
Maintenance	1.00	1.00
TOTAL TAX RATES PER $100 VALUATION	$ 1.00	$ 1.00
ADJUSTED TAX LEVY*	$ 205,600	$ 127,466
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	100.00 %	100.00 %

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

Maintenance Tax – maximum tax rate not to exceed $1.50 per $100 of assessed valuation approved by voters on May 6, 2023.

See accompanying independent auditor's report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 83
LONG-TERM DEBT SERVICE REQUIREMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Due During Fiscal Years Ending September 30	SERIES-2024 ROAD		
	Principal Due November 1	Interest Due November 1/ May 1	Total
2026	$	$ 186,506	$ 186,506
2027	70,000	184,100	254,100
2028	70,000	179,288	249,288
2029	75,000	174,303	249,303
2030	80,000	168,974	248,974
2031	85,000	163,303	248,303
2032	85,000	157,460	242,460
2033	90,000	152,119	242,119
2034	95,000	147,147	242,147
2035	100,000	142,406	242,406
2036	105,000	137,921	242,921
2037	105,000	133,329	238,329
2038	110,000	128,625	238,625
2039	115,000	123,703	238,703
2040	120,000	118,563	238,563
2041	130,000	113,094	243,094
2042	135,000	107,297	242,297
2043	140,000	101,281	241,281
2044	145,000	95,046	240,046
2045	150,000	88,594	238,594
2046	160,000	81,812	241,812
2047	165,000	74,703	239,703
2048	175,000	67,266	242,266
2049	180,000	59,500	239,500
2050	190,000	51,406	241,406
2051	200,000	42,875	242,875
2052	205,000	34,016	239,016
2053	215,000	24,828	239,828
2054	225,000	15,203	240,203
2055	235,000	5,141	240,141
	$ 3,955,000	$ 3,259,809	$ 7,214,809

See accompanying independent auditor's report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 83
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Description	Original Bonds Issued	Bonds Outstanding October 1, 2024
Brazoria County Municipal Utility District No. 83 Unlimited Tax Road Bonds - Series 2024	$ 3,955,000	$ -0-

Bond Authority:	Tax and Refunding Bonds	Road and Refunding Bonds	Park and Refunding Bonds
Amount Authorized by Voters	$ 613,200,000	$ 275,520,000	$ 235,800,000
Amount Issued		3,955,000	
Remaining to be Issued	$ 613,200,000	$ 271,565,000	$ 235,800,000

Debt Service Fund cash and investment balances as of September 30, 2025:	$ 204,619
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 240,494

See accompanying independent auditor's report.

Current Year Transactions				
	Retirements		Bonds Outstanding	
Bonds Sold	Principal	Interest	September 30, 2025	Paying Agent
$ 3,955,000	$ -0-	$ 82,892	$ 3,955,000	BOKF, NA Dallas, TX

See accompanying independent auditor's report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 83
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND – FOUR YEARS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Amounts		
	2025	2024	2023
REVENUES			
Property Taxes	$ 205,600	$ 127,466	$
Investment Revenues	41,317	9,522	
Miscellaneous Revenues	453	786,340	
TOTAL REVENUES	$ 247,370	$ 923,328	$
EXPENDITURES			
Professional Fees	$ 222,122	$ 192,681	$ 121,000
Contracted Services	48,033	29,543	24,292
Utilities	33,274	5,480	
Repairs and Maintenance	99,627	35,005	
Other	71,695	23,428	50,713
Capacity Reserve Payment	786,000	894,000	
Capital Outlay		3,944,577	
TOTAL EXPENDITURES	$ 1,260,751	$ 5,124,714	$ 196,005
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ (1,013,381)	$ (4,201,386)	$ (196,005)
OTHER FINANCING SOURCES (USES)			
Developer Advances	$ 2,316,040	$ 4,972,052	$ 204,000
NET CHANGE IN FUND BALANCE	$ 1,302,659	$ 770,666	$ 7,995
BEGINNING FUND BALANCE(DEFICIT)	770,124	(542)	(8,537)
ENDING FUND BALANCE(DEFICIT)	$ 2,072,783	$ 770,124	$ (542)

See accompanying independent auditor's report.

		Percentage of Total Revenues							
2022		2025		2024		2023		2022	
$		83.1	%	13.8	%		%		%
		16.7		1.0					
	5	0.2		85.2				100.0	
$	5	100.0	%	100.0	%	N/A	%	100.0	%
$	107,275	89.8	%	20.9	%		%	2,145,500.0	%
	10,475	19.4		3.2				209,500.0	
		13.5		0.6					
		40.3		3.8					
	21,892	29.0		2.5				437,840.0	
	820,000	317.7		96.8				16,400,000.0	
				427.2					
$	959,642	509.7	%	555.0	%	N/A	%	19,192,840.0	%
$	(959,637)	(409.7)	%	(455.0)	%	N/A	%	(19,192,740.0)	%
	951,100								
$	(8,537)								
$	(8,537)								

See accompanying independent auditor's report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 83
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND – FOUR YEARS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Amounts		
	2025	2024	2023
REVENUES			
Investment and Miscellaneous Revenues	$ 9,348	N/A	N/A
EXPENDITURES			
Tax Collection Expenditures	$ 199	$	$
Debt Service Interest and Fees	82,892		
TOTAL EXPENDITURES	$ 83,091	N/A	N/A
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ (73,743)	N/A	N/A
OTHER FINANCING SOURCES (USES)			
Proceeds from Issuance of Long-Term Debt	$ 279,759	N/A	N/A
NET CHANGE IN FUND BALANCE	$ 206,016	N/A	N/A
BEGINNING FUND BALANCE		N/A	N/A
ENDING FUND BALANCE	$ 206,016	N/A	N/A
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			
2022	2025	2024	2023	2022
N/A	100.0 %	N/A %	N/A %	N/A %
$	2.1 %	%	%	%
	886.7			
N/A	888.8 %	N/A %	N/A %	N/A %
N/A	(788.8) %	N/A %	N/A %	N/A %
N/A				
N/A				
N/A				
N/A				
N/A				
N/A				

See accompanying independent auditor's report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 83
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
SEPTEMBER 30, 2025

District Mailing Address - Brazoria County Municipal Utility District No. 83
The Muller Law Group, PLLC
202 Century Square Boulevard
Sugar Land, Texas 77478

District Telephone Number - (281) 500-6050

Board Members:	Term of Office (Elected or Appointed)	Fees of Office for the year ended September 30, 2025	Expense Reimbursements for the year ended September 30, 2025	Title
Todd Casper	05/2023 05/2026 (Elected)	$ 2,210	$ -0-	President
Matthew Brown	05/2023 05/2026 (Elected)	$ 2,210	$ -0-	Vice President
Shelley Stone	05/2024 05/2028 (Elected)	$ 2,210	$ -0-	Assistant Vice President
Johnnie Wright	05/2024 05/2028 (Elected)	$ 1,989	$ -0-	Secretary
Garrett Neville	03/2025 05/2026 (Appointed)	$ 884	$ -0-	Assistant Secretary
Jeff Perry	05/2023 02/2025 (Resigned)	$ 663	$ -0-	Former President

Notes: No Director has any substantial business or family relationships (as defined by the Texas Water Code) with major landowners in the District, with the District's developers or with any of the District's consultants. The limit on Fees of Office that a Director may receive during a fiscal year is the maximum amount allowed by law as set by Board Resolution. Fees of Office are the amounts actually paid to a Director during the District's current fiscal year.

Submission date of most recent District Registration Form: May 30, 2025

See accompanying independent auditor's report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 83
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
SEPTEMBER 30, 2025

Consultants:	Date Hired	Fees / Compensation for the year ended September 30, 2025	Title
The Muller Law Group, PLLC	09/15/21	$ 173,154 $ 109,100	General Counsel Bond Related
McCall Gibson Swedlund Barfoot Ellis PLLC	01/25/23	$ 10,750 $ 16,000	Auditor Bond Related
Municipal Accounts & Consulting, L.P.	09/15/21	$ 41,858	Bookkeeper
LJA Engineers & Surveying, Inc.	09/15/21	$ 116,760	Engineer
Robert W. Baird & Co. Incorporated	01//19/22	$ 81,946	Financial Advisor
Mark Burton Ghia Lewis	01/19/22	$ -0-	Investment Officers
Assessments of the Southwest, Inc.	01/19/22	$ 10,890	Tax Assessor/ Collector
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	03/27/24	$ -0-	Delinquent Tax Attorney

See accompanying independent auditor's report.

APPENDIX B

SPECIMEN MUNCIPAL BOND INSURANCE POLICY

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

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

Effective Date: _____

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

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

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

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

SPECIMEN

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

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

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

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

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

SPECIMEN

Notices (Unless Otherwise Specified by BAM)

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

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