OFFICIAL STATEMENT DATED NOVEMBER 19, 2026

NEW ISSUE - BOOK-ENTRY ONLY

S&P "AA / N/A" (enhanced/unenhanced)
See "BOND INSURANCE", "BOND INSURANCE RISK FACTORS", and "MUNICIPAL BOND RATINGS" herein

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

THE BONDS HAVE BEEN DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS.

BRIGGS RANCH SPECIAL IMPROVEMENT DISTRICT

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

$7,250,000
UNLIMITED AD VALOREM TAX BONDS, SERIES 2026

Dated: December 1, 2026 (interest to accrue from the Date of Delivery, defined below)

Due: as shown on inside cover
CUSIP: See inside cover

The above captioned Unlimited Ad Valorem Tax Bonds, Series 2026 (the "Bonds") when issued, will constitute valid and legally binding special obligations of the Briggs Ranch Special Improvement District (the "District"), and will be payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within the District.

THE BONDS ARE SUBJECT TO SPECIAL RISK FACTORS DESCRIBED HEREIN. See "RISK FACTORS." NEITHER THE FAITH AND CREDIT NOR THE TAXING POWERS OF THE STATE OF TEXAS; BEXAR COUNTY, TEXAS (the "County"); THE CITY OF SAN ANTONIO, TEXAS (the "City"), NOR ANY POLITICAL SUBDIVISION OTHER THAN THE DISTRICT ARE PLEDGED TO PAY PRINCIPAL OF AND INTEREST ON THE BONDS. See "THE DISTRICT – General," "THE DISTRICT – Bexar County Commissioners Court's and the County's Limited Involvement with the Issuance of the Bonds," and "MANAGEMENT".

Principal of the Bonds is payable at maturity or earlier redemption at the principal payment office of the paying agent/registrar, initially BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar"), upon surrender of the Bonds for payment. Interest on the Bonds will accrue from the Date of Delivery, and is payable each February 15 and August 15, commencing February 15, 2027 until maturity or prior redemption. Interest will be payable on the basis of a 360-day calendar year of twelve 30-day months. The Bonds will be issued only in fully registered form in denominations of $5,000 each or any integral multiple thereof. The Bonds are subject to redemption prior to their maturity, as described herein. See "THE BONDS – Redemption Provisions."

The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), acting as securities depository for the Bonds. Purchasers of beneficial interests in the Bonds will not receive physical certificates representing their beneficial interests in the Bonds. See "BOOK-ENTRY-ONLY SYSTEM."

The Bonds are issued pursuant to the constitution and general laws of the State of Texas, including particularly Article XVI, Section 59, Texas Constitution, Chapter 382, Local Government Code, as amended, an election held on May 1, 2021 and a resolution authorizing the Bonds adopted by the District's Board of Directors on November 19, 2026 (the "Resolution"). See "THE BONDS – Authority for Issuance."

Proceeds from the sale of the Bonds will be used to (i) reimburse the Developer for certain public improvements, including certain water, sewer and drainage facilities, and (ii) pay costs of issuance of the Bonds. See inside cover for maturity schedule, interest rates, initial yields, CUSIP numbers, and redemption provisions.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by Build America Mutual Assurance Company ("BAM"). See "BOND INSURANCE", "BOND INSURANCE RISK FACTORS", "MUNICIPAL BOND RATINGS", and "APPENDIX D – Specimen Municipal Bond Insurance Policy" herein.

The Bonds have not been and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), in reliance upon certain exemptions provided thereunder, or the securities laws of any other jurisdiction.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR GENERAL REFERENCE ONLY. IT IS NOT INTENDED TO BE A SUMMARY OF ALL FACTORS RELATING TO AN INVESTMENT IN THE BONDS. **THE BONDS INVOLVE A SUBSTANTIAL DEGREE OF RISK, AND PROSPECTIVE PURCHASERS SHOULD REVIEW THE ENTIRE OFFICIAL STATEMENT, INCLUDING IN PARTICULAR THE SECTIONS ENTITLED "THE BONDS – SOURCE OF PAYMENT" AND "RISK FACTORS." PROSPECTIVE PURCHASERS SHOULD CAREFULLY EVALUATE THE RISKS AND MERITS OF INVESTMENT IN THE BONDS, SHOULD CONFER WITH THEIR LEGAL AND MUNICIPAL ADVISORS, AND SHOULD BE ABLE TO BEAR THE RISK OF LOSS OF INVESTMENT IN THE BONDS BEFORE CONSIDERING A PURCHASE OF THE BONDS**.

The Bonds are offered, when, as and if issued by the District to the Initial Purchaser (identified herein), subject, among other things, to the approval of the Attorney General of Texas and the opinions of Allen Boone Humphries Robinson LLP, Houston, Texas, Bond Counsel; Davidson Troilo Ream & Garza, P.C., San Antonio, Texas, General Counsel and Winstead PC, San Antonio, Texas, Disclosure Counsel. Delivery of the Bonds through the facilities of DTC is expected on or about December 17, 2026 (the "Date of Delivery").

SAMCO Capital Markets, Inc.

$7,250,000
BRIGGS RANCH SPECIAL IMPROVEMENT DISTRICT
UNLIMITED AD VALOREM TAX BONDS, SERIES 2026

PRINCIPAL AMOUNTS, MATURITY SCHEDULE, INTEREST RATES,
INITIAL REOFFERING YIELDS, CUSIP NUMBERS (BASE NO. 109103[(b)]), AND REDEMPTION PROVISIONS

$6,665,000 Serial Bonds

Maturity (August 15)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 109103 (b)	Maturity (August 15)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 109103 (b)
2028	$ 140,000	8.000%	4.050%	AA9	2040 (c)	$ 270,000	5.250%	5.200%	AN1
2029	150,000	8.000%	4.100%	AB7	***	***	***	***	***
2030	160,000	8.000%	4.150%	AC5	2043 (c)	315,000	5.000%	5.220%	AR2
2031	165,000	8.000%	4.200%	AD3	2044 (c)	335,000	5.125%	5.230%	AS0
2032 (c)	175,000	8.000%	4.250%	AE1	2045 (c)	355,000	5.125%	5.240%	AT8
2033 (c)	185,000	8.000%	4.300%	AF8	2046 (c)	370,000	5.125%	5.250%	AU5
2034 (c)	195,000	8.000%	4.350%	AG6	2047 (c)	390,000	5.125%	5.280%	AV3
2035 (c)	205,000	8.000%	4.450%	AH4	2048 (c)	415,000	5.125%	5.300%	AW1
2036 (c)	220,000	5.000%	4.600%	AJ0	2049 (c)	435,000	5.125%	5.310%	AX9
2037 (c)	230,000	5.250%	4.750%	AK7	2050 (c)	460,000	5.125%	5.320%	AY7
2038 (c)	240,000	5.250%	4.900%	AL5	2051 (c)	485,000	5.250%	5.330%	AZ4
2039 (c)	255,000	5.250%	5.050%	AM3	2052 (c)	515,000	5.250%	5.340%	BA8

$585,000 Term Bond

$585,000 Term Bond Due August 15, 2042 (c), Interest Rate: 5.000% (Price: $97.868) (a), CUSIP No. 109103 AQ4 (b)

(Interest accrues from the Date of Delivery).

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

(b) CUSIP numbers are included solely for the convenience of owners of the Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Services. None of the District or its agents or counsel are responsible for the selection or correctness of the CUSIP numbers set forth herein.

(c) Yield calculated based upon the assumption that the Bonds designated and sold at a premium will be redeemed on August 15, 2031, the first optional redemption date for the Bonds, at a redemption price of par plus accrued interest to the redemption date.

REDEMPTION…The District reserves the right, at its option, to redeem Bonds having stated maturities on and after August 15, 2032, in whole or in part in principal amounts of $5,000 or any integral multiple thereof, on August 15, 2031, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. See "THE BONDS – Redemption Provisions – *Optional Redemption*" herein. Additionally, the Bond maturing on August 15 in the year 2042 (the "Term Bond") is subject to mandatory sinking fund redemption as described herein. See "THE BONDS – Redemption Provisions – *Mandatory Sinking Fund Redemption*" herein.

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APPENDIX C - GENERAL INFORMATION REGARDING THE CITY OF SAN ANTONIO AND BEXAR COUNTY
APPENDIX D - SPECIMEN MUNICIPAL BOND INSURANCE POLICY

GENERAL INFORMATION

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

This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Bonds in any jurisdiction in which it is unlawful to make such offer or solicitation. The information in this Official Statement is current only as of the date on its cover and may change after that date.

In making an investment decision, prospective investors must rely on their examination of the qualifications of the District and the strength of each of its contractual relationships with other third parties; and the terms of the offering, including the merits and risks involved. No dealer, broker, salesperson, or other person has been authorized by the District or any of its affiliates, to give any information or to make any representations with respect to the Bonds or the District other than those contained in this Official Statement and, if given or made, such information or representation must not be relied upon as having been authorized by any of the foregoing. THE CONTENTS OF THIS OFFICIAL STATEMENT ARE NOT TO BE CONSTRUED AS LEGAL, BUSINESS, OR TAX ADVICE, AND PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN ATTORNEYS AND BUSINESS AND TAX ADVISORS.

All of the summaries of the statutes, resolutions, orders, contracts, financial statements, and engineering and other related reports set forth in this Official Statement are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents, copies of which are available from Davidson Troilo Ream & Garza, P.C., General Counsel to the District, 601 NW Loop 410, Suite 100, San Antonio, Texas 78216, or the District's Municipal Advisor, Cedar Creek Municipal Advisors, LLC, 4801 Woodway Drive, Suite 118-E, Houston, Texas 77056, by electronic mail or upon payment of reasonable handling, mailing, and delivery charges.

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 will, under any circumstances, create any implication that there has been no change in the affairs of the District or other matters described herein since the date hereof. However, the District has agreed to keep this Official Statement current by amendment or sticker to reflect material changes in the affairs of the District and, to the extent that information actually comes to its attention, the other matters described in this Official Statement until delivery of the Bonds to the Initial Purchaser and thereafter only as specified in "PREPARATION OF OFFICIAL STATEMENT—Updating the Official Statement."

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

NEITHER THE DISTRICT, THE INITIAL PURCHASER, OR THE MUNICIPAL ADVISOR MAKE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY NEW YORK, NEW YORK ("DTC") OR ITS BOOK-ENTRY-ONLY SYSTEM, AS SUCH INFORMATION HAS BEEN PROVIDED BY DTC, OR BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM") AND ITS MUNICIPAL BOND INSURANCE POLICY DESCRIBED HEREIN UNDER THE HEADINGS "BOND INSURACNE" AND "BOND INSURANCE RISK FACTORS", AS SUCH INFORMATION HAS BEEN PROVIDED BY DTC AND BAM, RESPECTIVELY..

THIS OFFICIAL STATEMENT CONTAINS "FORWARD-LOOKING" STATEMENTS WITHIN THE MEANING OF SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. SUCH STATEMENTS MAY INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS, WHICH MAY CAUSE THE ACTUAL RESULTS, PERFORMANCE AND ACHIEVEMENTS TO BE DIFFERENT FROM FUTURE RESULTS, PERFORMANCE, AND ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED THAT THE ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN THE FORWARD-LOOKING STATEMENTS. SEE "OTHER INFORMATION – FORWARD-LOOKING STATEMENTS DISCLAIMER" HEREIN.

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 the heading "BOND INSURANCE" and "APPENDIX D – Specimen Municipal Bond Insurance Policy."

SALE AND DISTRIBUTION OF THE BONDS

AWARD OF THE BONDS

After requesting bids for the Bonds, the District accepted the bid resulting in the lowest net effective interest rate, which bit was tendered by SAMCO Capital Markets, Inc. (the "Initial Purchaser") bearing the interest rates shown on the inside cover hereof, at

a price of 97.000% of the principal amount thereof plus accrued interest to the Date of Delivery, which resulted in a net effective interest rate of 5.511667% as calculated pursuant to the Notice of Sale and Bidding Instructions.

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 stating the prices at which a substantial amount of the Bonds of each maturity has been sold to the public. Otherwise, the District has no understanding with the Initial Purchaser regarding the reoffering yields or prices of the Bonds. Information concerning reoffering yields or prices is the responsibility of the Initial Purchaser.

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

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

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

The sale of the Bonds has not been registered under the federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any jurisdiction. The District assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated, or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds may not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

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OFFICIAL STATEMENT SUMMARY

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

THE DISTRICT

Description…	The District is a public improvement district created by an order of the Court on December 15, 2020, amended and restated on November 17, 2026 (the "Amended and Restated Order"), pursuant to Chapter 382, Texas Local Government Code, as amended, ("Chapter 382"), and a confirmation election for the District, held on May 1, 2021, to approve its powers and taxing authority. The rights, powers, and privileges are established by Article III, Sections 52 and 52-a, and Article XVI, Section 59, of the Texas Constitution and Chapters 380, 381, 382, and 383 of the Texas Local Government Code, as amended. See "THE DISTRICT" herein.
Location…	The District consists of approximately 923.627 acres of land located in Bexar County. The initial District boundaries contained 866.977 acres of land and an additional 56.65 acres was annexed into the District on September 16, 2022. The District is located in the western portion of the County, north of U.S. Highway 90 West, west of Grosenbacher Road and east of State Highway 211, approximately 22 miles from downtown San Antonio. The District boundaries are located in the Medina Valley Independent School District. See "THE DISTRICT" herein.
The Developers…	Land within the District was originally owned by Convergence Brass, LLC (the "Original Landowner"). Land within the District is now being developed by HDC HWY 211 LLC, a Texas limited liability company (the "Developer" or "HDC"). The Developer is wholly owned by JDS HWY 211 Investors, LP, the general partner of which is JDS SA Investors GP LLC, and is an affiliate of Johnson Development Corp ("JDC"). JDC has partnered with HDC Group, a San Antonio developer, on multiple projects in Central Texas. The Developer is a single purpose entity formed and capitalized for the purpose of developing the land it owns within the District. The Developer has developed approximately 93.067 acres of land within the District as the residential subdivision Phase 1, Unit 1 and continues to own approximately 649 remaining developable acres within the District and 32 vacant developed lots. The Developer has sold approximately 47 acres to Medina Valley ISD, and approximately 10 acres to Bexar County Emergency Services District No. 2. An additional 124 acres of land within the District is being developed by Pulte Homes of Texas, L.P. ("Pulte"). See "THE DISTRICT", "DEVELOPMENT WITHIN THE DISTRICT", and "THE DEVELOPERS" herein.
Development Within the District…	The master planned development is expected to include 2,394 residential lots and approximately 17 acres of commercial and multifamily development. To date, approximately 228 lots within the District have been developed by HDC HWY 211 LLC as a single-family residential subdivision. As of July 1, 2026, 50 homes were complete (27 occupied and 23 unoccupied), 31 were under construction, and 147 lots were developed and vacant. The remaining land includes 1,651 expected lots to be developed. To date, approximately 515 lots within the District have been developed by Pulte as a single-family residential subdivision called Horizon Ridge. See "THE DISTRICT", "THE DEVELOPERS", and "DEVELOPMENT WITHIN THE DISTRICT" herein.
Homebuilders Within the District…	Homebuilders currently active within the District include Pulte, Perry Homes, Highland Homes, Toll Brothers and David Weekley Homes. Prices of homes being constructed in the District range from $300,000 to $750,000.

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THE BONDS

Description…	The $7,250,000 Unlimited Ad Valorem Tax Bonds, Series 2026 (the "Bonds") are being issued as fully registered bonds pursuant to a resolution authorizing the issuance of the Bonds adopted on the date of sale of the Bonds by the District's Board of Directors. The Bonds are scheduled to mature on the dates and in the principal amounts and bear interest at the rates shown herein. The Bonds will be issued in book-entry form only in principal amounts of $5,000 or any integral multiple thereof. Interest on the Bonds accrues from the date of initial delivery and is payable on February 15, 2027 and on each August 15 and February 15 thereafter until the earlier of maturity or redemption. See "THE BONDS" and "BOOK-ENTRY-ONLY SYSTEM" herein.
Redemption…	Bonds maturing on and after August 15, 2032 are subject to redemption in whole or from time to time in part, at the option of the District, prior to their maturity dates on August 15, 2031, and on any date thereafter at a price of par plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. See "THE BONDS – REDEMPTION PROVISIONS – *Optional Redemption*". In addition, the Bond maturing on August 15 in 2042 (the "Term Bond") is subject to mandatory sinking fund redemption as described herein. See "THE BONDS – REDEMPTION PROVISIONS – *Mandatory Sinking Fund Redemption*"
Use of Proceeds…	Proceeds from the sale of the Bonds will be used to reimburse the Developer for certain public improvements, including certain water, sewer and drainage facilities, and to pay costs of issuing the Bonds. See "PLAN OF FINANCE" herein.
Authority for Issuance…	The Bonds are issued pursuant to the Constitution and general laws of the State of Texas, including particularly Article XVI, Section 59, Texas Constitution, Chapter 382, Local Government Code, as amended, an election held on May 1, 2021, and a resolution authorizing the Bonds adopted by the District's Board of Directors on November 19, 2026. See "THE BONDS – Authority for Issuance" herein.
Source of Payment…	The Bonds, and any other bonds subsequently issued payable in whole or in part from ad valorem taxes authorized by Article XVI, Section 59, Article III, Section 52 or 52a, Texas Constitution, are secured by and payable from the proceeds of an annual ad valorem tax levied against all taxable property located within the District, without limit as to rate or amount. The District does not currently impose a Sales and Use Tax or a Hotel Occupancy Tax ("HOT") in the District but to the extent the District imposes a HOT in the future, if and when such HOT revenues are available, such revenues may be used (but are not pledged) for payment of debt service on the Bonds. See "THE BONDS" herein. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWERS OF THE STATE, THE COUNTY, THE CITY, NOR ANY POLITICAL SUBDIVISION OTHER THAN THE DISTRICT ARE PLEDGED TO PAY PRINCIPAL OF AND INTEREST ON THE BONDS.
Outstanding Bonds…	The District has not issued bonds previously. The Bonds are the District's first series of unlimited tax bonds. See "DEBT AND FINANCIAL INFORMATION" herein.
Payment Record…	The District has no bonds outstanding. The Bonds are the District's first series of unlimited tax bonds.
Tax-Exemption…	In the opinion of Bond Counsel, under existing law, interest on the Bonds (i) is excludable from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986, as amended, and (ii) is not an item of tax preference for purposes of the alternative minimum tax on individuals. See "TAX MATTERS" herein, including information regarding potential alternative minimum tax consequences for corporations.
Municipal Bond Ratings…	The Bonds have been assigned a rating of "AA" (stable outlook) by S&P Global Ratings ("S&P") based on the municipal bond insurance policy of Build America Mutual Assurance Company ("BAM") to be issued simultaneously with the delivery of the Bonds. See "BOND INSURANCE", "BOND INSURANCE RISK FACTORS" and "MUNICIPAL BOND RATINGS" herein.
Municipal Bond Insurance…	The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by AG. See "BOND INSURANCE", "BOND INSURANCE RISK FACTORS", "MUNICIPAL BOND RATINGS", and "APPENDIX D – Specimen Municipal Bond Insurance Policy" herein.

Qualified Tax-Exempt Obligations…	The District has designated the Bonds as "Qualified Tax-Exempt Obligations" for financial institutions. See "Tax Matters – Qualified Tax-Exempt Obligations".
Bond Counsel…	Allen Boone Humphries Robinson LLP, Houston, Texas. See "MANAGEMENT" herein.
General Counsel…	Davidson, Troilo, Ream & Garza P.C., San Antonio, Texas. See "MANAGEMENT" herein.
Disclosure Counsel…	Winstead PC, San Antonio, Texas. See "MANAGEMENT" herein.
Municipal Advisor…	Cedar Creek Municipal Advisors, LLC, Houston and Dallas, Texas. See "MANAGEMENT" herein.
Independent Auditor…	Garza Gonzalez & Associates, San Antonio, Texas. See "MANAGEMENT" herein.
Paying Agent/Registrar…	BOKF, NA, Dallas, Texas. See "THE BONDS" herein.

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SELECTED FINANCIAL INFORMATION

2026 Taxable Assessed Valuation	$	103,116,533	(a)
Direct Debt:			
The Bonds	$	7,250,000	
Total	$	7,250,000	
Estimated Overlapping Debt	$	12,081,346	(b)
Total Direct and Estimated Overlapping Debt	$	19,331,346	
Direct Debt Ratios:			
As a percentage of 2026 Taxable Assessed Valuation		7.03 %	
Direct and Estimated Overlapping Debt Ratios:			
As a percentage of 2026 Taxable Assessed Valuation		18.75 %	
Utility System Debt Service Fund Balance (as of Date of Delivery)	$	618,281	(c)
General Fund Balance (as of August 31, 2026)	$	570,966	
2026 Tax Rate per $100 of Assessed Taxable Valuation			
Utility System Debt Service		$0.00000	
Road Debt Service		$0.00000	
Maintenance		$0.56288	
Total		$0.56288	
Average Annual Debt Service Requirements on the Bonds (2027-2052)	$	522,063	(d)
Maximum Annual Debt Service Requirements on the Bonds (2028)	$	552,188	(d)
Combined Debt Service Tax Rate per $100 of Assessed Taxable Valuation Required to Pay Average Annual Debt Service Requirements on the Bonds (2027-2052) at 95% Tax Collections:			
Based Upon 2026 Taxable Assessed Valuation ($103,116,533)		$0.54	
Combined Debt Service Tax Rate per $100 of Assessed Taxable Valuation Required to Pay Maximum Annual Debt Service Requirement on the Bonds (2028) at 95% Tax Collections:			
Based Upon 2026 Taxable Assessed Valuation ($103,116,533)		$0.57	
Number of Single-Family Homes (including 80 homes in various stages of construction) as of August 1, 2026		452	

(a) As certified by the Bexar Central Appraisal District (the "Appraisal District") as of January 1, 2026. All property located in the District is valued on the tax rolls by the Appraisal District at 100% of estimated market value as of January 1 of each year. Includes $3,071,275 of uncertified value. See "TAX DATA" and "TAXING PROCEDURES."

(b) See "DISTRICT DEBT - Estimated Direct and Overlapping Debt Statement."

(c) Represents twelve (12) months of capitalized interest which will be deposited in the Debt Service Fund (herein defined) upon closing and delivery of the Bonds. Neither Texas law nor the Bond Resolution requires that the District maintain any particular sum in the Debt Service Fund. Funds in the Debt Service Fund are pledged only to pay debt service on bonds issued by the District for the Utility System (e.g., the Bonds), and are not available to pay debt service on Road System Bonds.

(d) Requirement of debt service on the Bonds and the Outstanding Bonds. See "DISTRICT DEBT – Debt Service Requirement Schedule."

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OFFICIAL STATEMENT

BRIGGS RANCH SPECIAL IMPROVEMENT DISTRICT
(A political subdivision of the State of Texas located within Bexar County)

$7,250,000
UNLIMITED AD VALOREM TAX BONDS,
SERIES 2026

This Official Statement provides certain information in connection with the issuance by Briggs Ranch Special Improvement District (the "District") of its Unlimited Ad Valorem Tax Bonds, Series 2026 (the "Bonds").

The Bonds are issued pursuant to the Texas Constitution, the general laws of the State of Texas (sometimes referred to herein as the "State"), Article XVI, Section 59, Texas Constitution, Chapter 382, Texas Local Government Code, as amended ("Chapter 382"), the Election (defined herein), Commissioners Court order authorizing the issuance of the Bonds, and a resolution of the District authorizing the issuance of the Bonds (the "Resolution") adopted by the Board of Directors of the District (the "Board") on November 19, 2026.

The District is a public improvement district created by an order of the Commissioner's Court of Bexar County (the "Court") on December 15, 2020, amended and restated on November 17, 2026 (the "Amended and Restated Order Granting Petition for Creation of the District"), pursuant to Chapter 382, and a confirmation election for the District, held on May 1, 2021, to approve its powers and taxing authority (the "Election"). The District consists of approximately 923.627 acres of land located in Bexar County, Texas (the "County"). The District is located in the western portion of the County, north of U.S. Highway 90 West, west of Grosenbacher Road and east of State Highway 211, approximately 22 miles from downtown San Antonio.

This Official Statement speaks only as of its date, and the information contained herein is subject to change. A copy of the final Official Statement pertaining to the Bonds will be deposited with the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system. See "CONTINUING DISCLOSURE OF INFORMATION" herein for a description of the District's undertaking to provide certain information on a continuing basis.

This Official Statement includes descriptions, among others, of the Bonds, the Resolution, and certain other information about the District. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each document. Copies of documents may be obtained from Davidson Troilo Ream & Garza P.C., General Counsel to the District, 601 NW Loop 410, Suite 100, San Antonio, Texas 78216, and the District's Municipal Advisor, Cedar Creek Municipal Advisors, LLC, 4801 Woodway Drive, Suite 118-E, Houston, Texas 77056, upon payment of the cost of duplication.

RISK FACTORS

Purchase of the Bonds involves a substantial degree of risk and the Bonds are a speculative investment. Given these risks, a purchaser of the Bonds should be capable of suffering a loss of the entirety of its investment represented by the Bonds. Set forth below are certain specific risk factors associated with an investment in the Bonds that should be carefully considered by prospective investors. The following enumeration of risk factors is not intended to be, and is not, exhaustive. Additional considerations are discussed throughout this Official Statement, and inclusion under the heading, "RISK FACTORS" should not be intended to signify any such factors are more or less significant than those discussed elsewhere in this Official Statement. Prospective investors should carefully consider the following factors relating to the District, and the security for the Bonds, in addition to the other information contained in this Official Statement, before purchasing the Bonds.

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UNLIMITED OBLIGATIONS OF THE DISTRICT

The Bonds are obligations of the District and are not obligations of the State, the County, the City of San Antonio (the "City"), or any other political entity other than the District. The Bonds will be secured by an unlimited continuing, direct, annual ad valorem tax, without legal limit as to rate or amount, levied on all taxable property within the District. The ultimate security for payment of the principal of and interest on the Bonds depends on the ability of the District to collect from the property owners within the District all taxes levied against the property, or in the event of foreclosure, on the value of the taxable property with respect to taxes levied by the District and by other taxing authorities. See "THE BONDS – Source of Payment".

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWERS OF THE STATE OF TEXAS, THE COUNTY, THE CITY, NOR ANY POLITICAL SUBDIVISION OTHER THAN THE DISTRICT ARE PLEDGED TO PAY PRINCIPAL OF AND INTEREST ON THE BONDS.

BEXAR COUNTY ORDER; DEBT SERVICE TAX RATE

The Amended and Restated Order Granting the Petition for Creation of the District was adopted on November 17, 2026 provides that in order to support a bond issuance supported in whole or in part by ad valorem taxes, the District shall present to the County an accounting (including any available sales tax and hotel occupancy taxes, if applicable) showing that it is feasible to sell the Bonds and maintain an overall tax rate (including a maintenance and operations tax rate) that shall not exceed that of the City of San Antonio (the "City Rate"). This requirement is the "Benchmark Test". The Benchmark Test shall not be construed as a limitation of the District's authority to levy an unlimited tax rate for debt service. The District's bonds shall be payable from and secured by a pledge of the proceeds of an ad valorem tax rate without legal limit as to the rate or amount.

After issuance of the Bonds, the average debt service requirement for all outstanding ad valorem tax bonds of the District is projected to be $522,063 (2027 through 2052), and the maximum annual debt service requirement for all outstanding ad valorem tax bonds of the District is projected to be $552,188 (2028). Assuming no increase or decrease from the 2026 certified taxable assessed valuation of the District of $103,116,533, a tax rate of $0.57 per $100 assessed valuation at an average of the last three years of actual collection rates (i.e., 95%) would be necessary to pay the maximum annual debt service requirement. The District can make no representations regarding the future level of assessed valuation within the District or property owners' ability or willingness to pay their taxes. Any increase in taxable values depends on the continuing construction and sale of homes and other taxable improvements within the District. If the District must increase its tax rate so that it exceeds the City Rate to meet its debt service obligations, the District must comply with certain notice provisions in its financial policy and in the Amended and Restated Order. See "TAX DATA" herein.

The District's maximum authorized ad valorem tax rate is unlimited for the purposes of paying debt service on the Bonds.

DEPENDENCE UPON SIGNIFICANT TAXPAYERS

The District will depend on the timely payment of taxes by principal taxpayers in the District. Currently, the top five taxpayers in the District are Pulte Homes of Texas LP, HDC HWY 211 LLC, Sapre Realty Inc., Weekley Homes LLC, and Amr Enterprises LLC. These principal taxpayers own property with a taxable assessed valuation of $20,118,310, or 20.11% of the 2026 Certified Taxable Assessed Valuation of $100,045,258 which represents ownership as of January 1, 2026.

The top ten taxpayers in the District currently account for approximately 23.86% of the District's tax base, thereby creating a concentration risk for the District. Adverse developments in economic conditions could adversely impact the businesses that own such properties in the District and the tax values in the District, resulting in less local tax revenue. Economic and market forces, such as a downturn in the economy, or legislative changes impacting funding or property taxation, for example, can also affect assessed values, particularly as these forces might trigger an increase in foreclosures or in delinquent tax payments or in the number of requests submitted to the assessment appeals board for a reduction in assessed value of taxable property in the District. "Table 6 – Significant Taxpayers" herein.

The ability of any significant taxpayer to make full and timely payments of taxes levied against its property by the District will directly affect the District's ability to meet its debt service obligations. While the District's financial policy is to maintain in its operations budget an amount equal to 25% of the next year's debt service, the District has not covenanted in the Resolution, nor is it required by Texas law, to maintain any particular balance in its Utility System Debt Service Fund (as defined herein) for the Bonds or any other funds to allow for delinquencies. The District cannot guarantee the timely payment of taxes by any taxpayer nor can the District predict the future financial condition of the principal taxpayers and the likelihood that taxes will be paid in a timely manner.

FACTORS AFFECTING TAXABLE VALUES AND TAX PAYMENTS

Economic Factors: The stability and/or growth of taxable values in the District is directly related to the vitality of the housing, and commercial real estate industries in the area around the District, including the San Antonio metropolitan area (the "San Antonio Area"). The housing and building industry has historically been a cyclical industry, affected by both short and long-term interest rates, availability of mortgage and development funds, employment levels, and general economic conditions. In recent years, the San Antonio Area has experienced strong economic growth positively affecting local residential development and construction industries. The San Antonio Area, including the County, has been one of the highest growth areas in the country.

A portion of the taxable values of the District is derived from the current market value of certain developed lots and undeveloped tracts. The market value of such lots and tracts is related to general economic conditions affecting the demand for single family, multi-family, commercial, retail, and office space. Demand for lots and tracts of this type and the construction of single family, multi-family residential dwellings, and/or commercial projects thereon can be significantly affected by factors such as interest rates, credit availability, construction costs, energy availability, and the prosperity and demographic characteristics of the urban center toward which the marketing of such lots and tracts is directed. Decreased levels of construction activity or reduced resale value of such lots and tracts would tend to restrict the growth of property values in the District or could adversely impact such values.

Future development and construction in the District is highly dependent on the availability of financing. Many lenders have become more selective in making real estate loans in the San Antonio Area. Because of the numerous and changing factors affecting the availability of funds, the District is unable to assess the future availability of such funds to potential builders and home purchasers.

Credit Markets and Liquidity in the Financial Markets: Interest rates and the availability of mortgage and development funding have a direct impact on the construction activity, particularly short-term interest rates at which developers are able to obtain financing for development costs. Interest rate levels may affect the ability of a landowner with undeveloped property to undertake and complete construction activities within the District. Because of the numerous and changing factors affecting the availability of funds, particularly liquidity in the national credit markets, the District is unable to assess the future availability of such funds for continued construction within the District. In addition, since the District is located approximately 15 miles from the central downtown business district of the City, the success of development within the District and growth of District taxable property values are, to a great extent, a function of the San Antonio Area regional economy and national credit and financial markets. A downturn in the economic conditions of San Antonio Area and a further decline in the nation's real estate and financial markets could adversely affect development and home-building plans in the District and restrain the growth of the District's property tax base.

Competition: The demand for and construction of single-family homes in the District could be affected by competition from other residential developments, including other residential developments located in the southern portion of the San Antonio Area market. In addition to competition for new home sales from other developments, there are numerous previously-owned homes in the San Antonio Area. Such homes could represent additional competition for new homes proposed to be sold within the District.

FUTURE DEBT

Following the issuance of the Bonds, the District will have $197,412,791 in authorized but unissued bonds for road purposes, $98,706,396 in authorized but unissued bonds for road refunding purposes, $54,907,047 in authorized but unissued bonds for recreational facilities purposes, $27,453,524 in authorized but unissued bonds for recreational facilities refunding purposes, $85,026,430 in authorized but unissued bonds for water, sanitary sewer, and drainage and storm drainage facilities purposes, $46,138,215 in authorized but unissued bonds for water, sanitary sewer, and drainage and storm drainage facilities refunding purposes, and $10,000,000 in authorized but unissued bonds for economic development or grant agreements purposes. See "DEBT AND FINANCIAL INFORMATION – Bonds Authorized But Unissued". The issuance of such future obligations may adversely affect the investment security of the Bonds. All bonds issued by the District must be approved by the Attorney General of the State of Texas.

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 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 San Antonio area. Under the Clean Air Act ("CAA") Amendments of 1990, the four-county San Antonio area ("San Antonio Area")—Bexar, Comal, Guadalupe, and Wilson Counties—has been designated an attainment/unclassifiable area under the eight-hour ozone standard of 75 ppb promulgated by the EPA in 2008 (the "2008 Ozone Standard").

However, the San Antonio Area is currently designated as a "serious" nonattainment area under the eight-hour ozone standard of 70 ppb promulgated by the EPA in 2015 (the "2015 Ozone Standard"), with an attainment deadline of September 24, 2027. For purposes of the 2015 Ozone Standard, the San Antonio Area consists of Bexar County only.

A designation of nonattainment for ozone or any other pollutant could 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. In the past, the San Antonio Area has entered into agreements with the TCEQ to undertake voluntary actions to help avoid nonattainment designation. Since 2004, the San Antonio Area has been party to a curtailment agreement with the TCEQ, and the San Antonio Area is currently part of an EPA Ozone Advance Program.

In order to comply with the EPA's ozone standards, the TCEQ has established a state implementation plan ("SIP") 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 San Antonio Area. It is possible that additional controls will be necessary to allow the San Antonio Area to maintain and/or achieve attainment with the ozone standards. Such additional controls could have a negative impact on the San Antonio Area's economic growth and development.

Water Supply & Discharge Issues. Water supply and discharge regulations 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 San Antonio Area. Certain types of special purpose districts that (i) are 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.

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.

POTENTIAL IMPACT OF NATURAL DISASTER

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

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

TAX COLLECTION LIMITATIONS AND FORECLOSURE REMEDIES

The District's ability to make debt service payments would be adversely affected by its inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on parity with the liens of all other state and local taxing authorities on the property against which taxes are levied, and such lien may be enforced by foreclosure. The District's ability to collect ad valorem taxes through such foreclosure may be impaired by (a) cumbersome, time consuming, and expensive collection procedures, (b) a bankruptcy court's stay of enforcement of liens for post-petition taxes against a taxpayer, or (c) market conditions limiting the proceeds from a foreclosure sale of taxable property. While the District has a lien on taxable property within the District for taxes levied against such property, such lien can be foreclosed only in a judicial proceeding. Attorney's fees and other costs of collecting any such taxpayer's delinquencies could substantially reduce the net proceeds to the District from a tax foreclosure sale. Finally, a bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the District pursuant to the federal Bankruptcy Code could stay any attempt by the District to collect delinquent ad valorem taxes against such taxpayer. In addition to the automatic stay against collection of delinquent taxes afforded a taxpayer during the pendency of a bankruptcy, a bankruptcy could affect payment of taxes in two other ways: first, a debtor's confirmation plan may allow a debtor to make installment payments on delinquent taxes for up to six years; and, second, a debtor may challenge, and a bankruptcy court may reduce, the amount of any taxes assessed against the debtor, including taxes that have already been paid. See "AD VALOREM TAXING PROCEDURES – District and Taxpayer Remedies."

REGISTERED OWNERS' REMEDIES AND BANKRUPTCY LIMITATIONS

In the event of default in the payment of principal of or interest on the Bonds, the Registered Owners (hereinafter defined) have a right to seek a writ of mandamus requiring the District and the District's officials to observe and perform covenants, obligations, or conditions proscribed in the Resolution. Even if the Registered Owners could obtain a judgment against the District, such a judgment could not be enforced by direct levy and execution against the District's property. There is no provision for acceleration of maturity on the principal of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Further, the Registered Owners cannot themselves foreclose on property within the District or sell property within the District in order to pay the principal of and interest on the Bonds. Based on recent Texas court decisions, it is unclear whether certain legislation effectively waives governmental immunity of governmental entities for suits for money damages. See "THE BONDS – Remedies in Event of Default." Since there is no trust indenture or trustee, the Registered Owners would have to initiate and finance the legal process to enforce their remedies.

The enforceability of the rights and remedies of Registered Owners may be limited by laws relating to bankruptcy, reorganization, or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. If a petitioning district were allowed to proceed voluntarily under Chapter 9 of the federal Bankruptcy Code, it could file a plan for an adjustment of its debts. If such a plan were confirmed by the bankruptcy court, it could, among other things, affect Registered Owners by reducing or eliminating the amount of indebtedness, deferring or rearranging the debt service schedule, reducing or eliminating the interest rate, modifying or abrogating collateral or security arrangements, substituting (in whole or in part) other securities, and otherwise compromising and modifying the rights and remedies of the Registered Owners' claims against a district.

CONTINUING COMPLIANCE WITH CERTAIN COVENANTS

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

UNCERTAIN MARKET VALUE

The market value of the Bonds may be affected by a variety of factors including, without limitation, general market conditions, the financial condition and business operations of the District, and federal and State income tax and other laws. The market value of the Bonds on the Delivery Date could be greater or less than the agreed-upon purchase price therefor by the Initial Purchaser, and the difference could be substantial. Neither the District nor the Initial Purchaser make any representation as to the market value of the Bonds as of or after the Delivery Date.

CONTINUING DISCLOSURE OBLIGATIONS

In connection with the issuance of the Bonds, the District will agree in the Resolution to provide certain annual financial information pursuant to Rule 15c2-12 of the United States Securities and Exchange Commission (the "Rule"). Failure to comply with such continuing disclosure undertaking may adversely affect the liquidity of the Bonds and their market price in the secondary market. See "CONTINUING DISCLOSURE OF INFORMATION".

APPROVAL OF THE BONDS

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

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. The District makes no representation on any matters the Texas Legislature may take or the effect of any such actions. See "AD VALOREM TAXING PROCEDURES – Property Tax Code and County-Wide Appraisal 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 Developer 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 Developer or homebuilders.

PLAN OF FINANCE

Proceeds from the sale of the Bonds will be used to reimburse the Developer for construction costs related to certain public improvements, including certain water, sewer and drainage facilities within the District, and to pay costs of issuing the Bonds.

The construction costs were compiled by the Developer, based on actual costs. Actual reimbursement requests have been reviewed in accordance with the Public Improvement Financing Agreement (defined herein) by Perez Project Consulting and will be confirmed by an independent audit conducted by McGrath and Co., PLLC ("McGrath").

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The Bonds

SOURCES OF FUNDS	
Par Amount of Bonds	$7,250,000.00
Net Reoffering Premium	$114,905.80
TOTAL SOURCES OF FUNDS	**$7,364,905.80**
USES OF FUNDS	
Project Fund Deposit	**$6,061,218.75**
Creation Costs	
General Engineering	
Operating Advances	
Operating Expenses	
Briggs Ranch East Phase 1 16" Water Main	
Briggs Ranch East Offsite Water 12"	
Briggs Ranch East Phase 1 Unit 1	
Capitalized Interest	**$618,281.25**
Non-Construction Costs	
Costs of Issuance[(1)]	$353,000.00
Underwriter's Discount	$332,405.80
Total Non-Construction Costs	$685,405.80
TOTAL USES OF FUNDS	**$7,364,905.80**

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THE BONDS

GENERAL

The following is a description of certain terms and conditions of the Bonds, which description is qualified in its entirety by reference to the Resolution. The Resolution authorizes the issuance and sale of the Bonds and governs the terms, conditions and provisions for the payment of the principal and interest on the Bonds by the District.

DESCRIPTION

The Bonds are dated December 1, 2026, with interest accruing from the Date of Delivery, and payable on February 15, 2027, and on each August 15 and February 15 thereafter (each an "Interest Payment Date") until the earlier of maturity or redemption. The Bonds mature on August 15 of the years and in the amounts shown on the inside cover page of this Official Statement. The Bonds are issued in fully registered form only in denominations of $5,000 or any integral multiple of $5,000 for any one maturity. Principal of the Bonds will be payable upon presentation of the Bonds at the principal payment office of BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar"). Interest calculations are based upon a 360 day year comprised of twelve 30-day months.

The principal of the Bonds will be payable, without exchange or collection charges, in any coin or currency of the United States of America which, on the date of payment, is legal tender for the payment of debts due the United States of America, upon their presentation and surrender as they respectively become due and payable, at the principal payment office of the Paying Agent/Registrar. If not then subject to the Book-Entry-Only System described below, interest on the Bonds will be payable by check, dated as of the Interest Payment Date, and mailed on or before the Interest Payment Date, by the Paying Agent/Registrar to the Registered Owners on the Record Date (described below under "THE BONDS – Record Date for Interest Payment"), or by such other customary banking arrangements as may be agreed upon by the Paying Agent/Registrar and the Registered Owner at the risk and expense of the Registered Owner, to the address of such Registered Owner as shown on the Paying Agent/Registrar's records (the "Register") or by such other customary banking arrangements as may be agreed upon by the Paying Agent/Registrar and the Registered Owners at the risk and expense of the Registered Owners. The Registered Owner ("Registered Owner") means any person who is the registered owner of any outstanding Bond as described in the Resolution.

If the date for payment of the principal of or interest on any Bond is a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment will be the next succeeding business day, as defined in the Resolution.

The Bonds initially will be registered in the name of Cede & Co., as nominee for DTC. DTC will act as securities depository for the Bonds. The Bonds will be available to purchasers only in book-entry form. For as long as Cede & Co. is the exclusive registered owner of the Bonds, the principal of and interest on the Bonds will be payable by the Registrar to DTC, which will be responsible for making such payments to its participants. Purchasers will not receive certificates representing their beneficial interests in the Bonds. In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Official Statement to "Registered Owners" should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC (defined below) and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to Registered Owners under the Resolution will be given only to DTC. See "BOOK-ENTRY-ONLY SYSTEM"

AUTHORITY FOR ISSUANCE

Pursuant to Chapter 382, Texas Local Government Code, the District held an election on May 1, 2021 (the "Election"), where the following propositions were approved as canvassed by the District on May 5, 2021:

Proposition	Purpose
A	Confirmation of the creation of the District.
B	Ad Valorem Tax at an unlimited rate and authorization to use the proceeds of the ad valorem tax to secure funds for making economic development loans or grants and for operation and maintenance purposes.
C	Sales and Use Tax not to exceed 2% and authorization to use the proceeds of the Sales and Use Tax to secure funds for making economic development loans or grants and for operation and maintenance purposes.

D	Hotel Occupancy Taxes at a rate not to exceed the greater of the rate levied by the City or 9% and authorization to use the proceeds of the Hotel Occupancy Tax ("HOT") to secure funds for making economic development loans or grants and for operation and maintenance purposes.
E	Authorization to enter into Economic Development or Grant Agreements with Developer(s) and pledges of all or part of the Hotel Occupancy Taxes, Sales and Use Taxes, and Ad Valorem Taxes collected by the District for a term of up to 30 years to induce developer or developers to promote economic development in the District.
F	$197,412,791 in bonds for road purposes and the levy of taxes to pay the bonds, authorized pursuant to Article III, Section 52, Texas Constitution.
G	$98,706,396 in bonds for road refunding purposes and the levy of taxes to pay the bonds, authorized pursuant to Article III, Section 52, Texas Constitution.
H	$54,907,047 in bonds for recreational facilities purposes and the levy of taxes to pay the bonds, authorized pursuant to Article XVI, Section 59, Texas Constitution.
I	$27,453,524 in bonds for recreational facilities refunding purposes and the levy of taxes to pay the bonds, authorized pursuant to Article XVI, Section 59, Texas Constitution
J	$92,276,430 in bonds for wastewater, sanitary sewer, and drainage and storm sewer facilities and the levy of taxes to pay the bonds, authorized pursuant to Article XVI, Section 59, Texas Constitution.
K	$46,138,215 in bonds for wastewater, sanitary sewer, and drainage and storm sewer facilities refunding purposes and the levy of taxes to pay the bonds, authorized pursuant to Article XVI, Section 59, Texas Constitution.
L	$10,000,000 bonds for funding economic development or grant agreements and the levy of taxes to pay the bonds, authorized pursuant to Article III, Section 52-a, Texas Constitution.

The District is authorized to levy a separate ad valorem tax for each constitutional purpose and will create or has created a separate debt service fund for bonds issued pursuant to each constitutional authorization. Ad valorem tax bonds are payable solely from the debt service fund created for its constitutional purpose.

The District's maximum authorized ad valorem tax rate is unlimited for purposes of paying debt service on the Bonds. See "RISK FACTORS – BEXAR COUNTY ORDER; DEBT SERVICE TAX RATE".

Although the District is authorized to levy a Sales and Use Tax, pursuant to Section 383.106(a), Local Government Code, the District may only adopt a Sales and Use Tax if as a result of adoption of the tax the combined rate of all local sales and use taxes imposed by political subdivisions having territory in the District will not exceed two percent. The current sales tax consists of 1.5% levied by the Bexar County Emergency Services District No. 2 and $0.50 by VIA Metropolitan Transit Authority ("VIA"); therefore, there is no capacity to levy a Sales and Use Tax for the benefit of the District and the District does not anticipate levying a Sales and Use Tax or for any Sales and Use Tax to be available for the District.

Before the Bonds can be issued, the Attorney General must pass upon the legality of certain related matters. The Texas Attorney General's office has taken the position that the Texas Constitution does not allow ad valorem tax revenues to be used for bonds issued for economic development purposes. Unless there is a change in the current interpretation of the law, all economic development bonds issued by the District will be payable from HOT revenues.

The Attorney General does not guarantee or pass upon the safety of the Bonds as an investment or upon the adequacy of the information contained in this Official Statement.

RECORD DATE FOR INTEREST PAYMENT

The date for determining the person to whom the interest on the Bonds is payable on any Interest Payment Date is the close of business on the last business day of the month next preceding each Interest Payment Date (the "Record Date").

In the event of a 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, if and when funds for the payment of such interest have been received from the District. Such Special Record Date will be 15 days prior to the date fixed for payment of such past due interest, and notice of the date of payment and the Special Record Date will be sent by United States mail, first class, postage prepaid,

not later than five days prior to the Special Record Date, to each affected Registered Owner of record as of the close of business on the day prior to the mailing of such notice.

SOURCE OF PAYMENT

The Bonds are issued pursuant to the authority granted under Article XVI, Section 59, Texas Constitution. The Bonds, and any other bonds subsequently issued payable in whole or in part from ad valorem taxes authorized by Article XVI, Section 59, Texas Constitution, are secured by and payable from the proceeds of an annual ad valorem tax levied against all taxable property located within the District without limit as to rate or amount. See "AD VALOREM TAXING PROCEDURES." The District does not currently impose a Sales and Use Tax or a HOT in the District but to the extent the District imposes a HOT in the future, if and when such HOT revenues are available, such revenues may be used (but are not pledged) for payment of debt service on the Bonds.

The Bonds involve certain elements of risk, and all prospective purchasers are urged to examine carefully this Official Statement with respect to the investment security of the Bonds. See "RISK FACTORS." The Bonds are obligations solely of the District and are not obligations of the State of Texas, the County, the City, or any political subdivision or entity other than the District.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWERS OF THE STATE OF TEXAS, BEXAR COUNTY, TEXAS NOR ANY POLITICAL SUBDIVISION OTHER THAN THE DISTRICT ARE PLEDGED TO PAY PRINCIPAL OF AND INTEREST ON THE BONDS.

OUTSTANDING UNLIMITED AD VALOREM TAX BONDS

The District has not issued bonds previously. The Bonds are the District's first series of unlimited tax bonds. Following the issuance of the Bonds, the District will have $85,026,430 in voted authority for utility purposes remaining.

OUTSTANDING REVENUE BONDS

The District has no outstanding obligations payable from Sales and Use Tax Revenues or hotel occupancy tax revenue. As previously noted, the sales and use tax is not available to be levied for the benefit of the District and there are no hotels in the development and the District has not levied a hotel occupancy tax.

PERFECTED SECURITY INTEREST

Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the taxes granted by the District under the Resolution and such pledge is, therefore, valid, effective, and perfected. Should Texas law be amended at any time while the Bonds are outstanding and unpaid, the result of such amendment being that the pledge of the taxes granted by the District under the Resolution is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, in order to preserve to the Registered Owners of the Bonds a security interest in such pledge, the District agrees to take such measures as it determines are reasonable and necessary to enable a filing of a security interest in said pledge to occur.

DEBT SERVICE FUNDS; TAX PLEDGE

Debt Service Fund: The Resolution creates the District's Utility System Debt Service Fund (the "Debt Service Fund"). The District is obligated to deposit into the Debt Service Fund, as collected, all ad valorem taxes levied, assessed and collected for and on account of the Bonds authorized by the Resolution. Such taxes levied each year include a continuing direct annual ad valorem tax upon all taxable property in the District at a rate sufficient to pay debt service on the Bonds and all other outstanding utility bonds as applicable. Amounts on deposit in the Debt Service Fund may also be used to pay the fees and expenses of the Paying Agent/Registrar and to defray the expenses of assessing and collecting taxes levied for payment of interest on and principal of the Bonds and any utility bonds payable from ad valorem taxes. See "THE BONDS - Authority for Issuance," and "TAX DATA" herein. The District does not currently expect to impose a Sales and Use Tax. See "THE BONDS – Authority for Issuance."

REDEMPTION PROVISIONS

Optional Redemption: The District reserves the right, at its option, to redeem the Bonds maturing on and after August 15, 2032, prior to their scheduled maturities, in whole or in part, in integral multiples of $5,000 on August 15, 2031, or any date thereafter, at par plus accrued interest on the principal amounts called for redemption to the date fixed for redemption. If a Bond subject to redemption is in a denomination larger than $5,000, a portion of such Bond may be redeemed, but only in integral multiples of $5,000. In selecting portions of Bonds for redemption, the Registrar will treat each Bond as representing that number of Bonds of $5,000 denomination which is obtained by dividing the principal amount of such Bond by $5,000. The Registrar will select the particular Bonds to be redeemed within any given maturity by lot or other random selection method. Upon surrender of any Bond for redemption in part, the Registrar, in accordance with the provisions of the Resolution, will authenticate and deliver in exchange therefor a Bond or Bonds of like maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered. Reference is made to the Resolution for complete details concerning the manner of redeeming the Bonds.

Mandatory Sinking Fund Redemption: The Bond maturing on August 15 in 2042 (the "Term Bond"), is subject to mandatory sinking fund redemption at a price equal to the principal amount thereof plus interest accrued thereon to the redemption date by lot or other random method, on the dates and in the principal amounts as follows:

$585,000 Term Bond Maturing August 15, 2042	
Redemption Date	Principal Amount
August 15, 2041	$285,000
August 15, 2042	$300,000

Notice of Redemption; Effect of Redemption: Notice of any redemption identifying the Bonds to be redeemed in whole or in part will be given by the Registrar at least 30 days prior to the date fixed for redemption by first class mail to the Registered Owner of each Bond to be redeemed in whole or in part at the address shown on the books of registration kept by the Registrar. Such notices will state the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment, and, if less than all the Bonds outstanding are to be redeemed, the numbers of the Bonds or the portions thereof to be redeemed. Any notice given will be conclusively presumed to have been duly given, whether or not the Registered Owner receives such notice.

By the date fixed for redemption, due provision must be made with the Paying Agent/Registrar for payment of the redemption price of the Bonds or portions thereof to be redeemed, plus accrued interest to the date fixed for redemption. When Bonds or portions thereof have been called for redemption, and due provision has been made to redeem the same, the principal amounts so redeemed will be payable solely from the funds provided for redemption, and interest which would otherwise accrue on the amounts called for redemption shall terminate on the date fixed for redemption.

REGISTRATION, TRANSFER, AND EXCHANGE

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

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

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

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

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

REPLACEMENT OF PAYING AGENT/REGISTRAR

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

REMEDIES IN EVENT OF DEFAULT

In addition to all of the rights and remedies provided by laws of the State of Texas, the District has agreed that in the event of default in payment of principal or interest on any of the Bonds when due, or, in the event it fails to make the payments required to be made into the Road Debt Service Fund or any other fund or defaults in the observance or performance of any other of the covenants, conditions or obligations set forth in the Resolution, the Registered Owners will be entitled to a writ of mandamus issued by a court of competent

jurisdiction compelling and requiring the District and the officials thereof to observe and perform the covenants, obligations or conditions prescribed in the Resolution.

The Texas sovereign immunity doctrine includes two distinct principles: immunity from suit and immunity from liability. With regard to breach of contract claims against the State, Texas courts have held that when the State enters into a contract with a private party, it waives immunity from liability but not immunity from suit. Immunity from suit deprives a court of subject matter jurisdiction, and can only be waived as specifically provided for by the State legislature, either by statute or by special resolution. The Texas Supreme Court (the "Court") ruled in *Tooke v. City of Mexia*, 197 S.W.3d 325 (Tex. 2006) ("*Tooke*") that a waiver of immunity from suit must be provided for by a statue in "clear and unambiguous" language. In so ruling, the Court declared that statutory language such as "sue and be sued" or "plead and be impleaded," in and of itself, did not constitute a clear and unambiguous waiver of sovereign immunity. In *Tooke*, the Court noted the enactment in 2005 of sections 271.151-.160, Texas Local Government Code (the "Local Government Immunity Waiver Act"), which according to the Court, waives "immunity from suit for contract claims against most local governmental entities in certain circumstances." The Local Government Immunity Waiver Act applies to districts and relates to contracts entered into by districts for good or services. Even if a judgment against the District could be obtained, it could not be enforced by direct levy and execution against the District's property.

In general, Texas courts have held that a writ of mandamus may be issued to require public officials to perform ministerial acts that clearly pertain to their duties. Texas courts have held that a ministerial act is defined as a legal duty that is prescribed and defined with a precision and certainty that leaves nothing to the exercise of discretion or judgment, though mandamus is not available to enforce purely contractual duties. However, mandamus may be used to require a public officer to perform legally-imposed ministerial duties necessary for the performance of a valid contract to which the State or a political subdivision of the State is a party (including the payment of monies due under a contract).

The enforcement of a claim for payment on the Bonds would be subject to the applicable provisions of the federal bankruptcy laws, any other similar laws affecting the rights of creditors of political subdivisions, and general principles of equity. Certain traditional legal remedies also may not be available. See "RISK FACTORS – Registered Owners' Remedies and Bankruptcy Limitations." Federal bankruptcy law provides that an automatic stay of actions by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from the bankruptcy court. In many cases post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

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.

LEGAL INVESTMENT AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

The Bonds are (a) legal investments for banks, savings banks, trust companies, building and loan associations, savings and loan associations, insurance companies, fiduciaries, and trustees and (b) legal investments for public funds of cities, villages, school districts, and other political subdivisions or public agencies of the State. The Bonds are also eligible under the Public Funds Collateral Act, to secure deposits of public funds of the State of Texas or any political subdivision or public agency of the State of Texas and are lawful and sufficient security for those deposits to the extent of their market value. Most political subdivisions in the State of Texas are required to adopt investment guidelines under the Public Funds Investment Act, and such political subdivisions may impose other, more stringent, requirements in order for the Bonds to be legal investments of such entity's funds or to be eligible to serve as collateral for their funds.

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

ISSUANCE OF ADDITIONAL DEBT

The District does not anticipate the issuance of additional ad valorem tax supported debt within the next 12 months.

DEFEASANCE

The Resolution provides that the District may discharge its obligations to the Registered Owners of any or all of the Bonds to pay principal, interest, and the 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 Texas a sum of money equal to 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 non-callable obligations of the United States, (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) non-callable 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.

BOND INSURANCE

BOND INSURANCE POLICY

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit 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: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.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 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 September 30, 2025 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $517.2 million, $273.6 million and $243.6 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 www.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 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 the heading "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.

BOND INSURANCE RISK FACTORS

The following are risk factors relating to bond insurance. In the event of default of the payment of principal or interest with respect to the Bonds when all or some becomes due, any owner of the Bonds shall have a claim under the Policy. 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 will not insure against redemption premium, if any. The payment of principal and interest in connection with any mandatory or optional prepayment of the Bonds by the District which is recovered by the District from the bond owner as a voidable preference under applicable bankruptcy law is covered by the Policy, however, such payments will be made by BAM at such time and in such amounts as would have been due absent such prepayment by the District unless BAM 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. BAM may direct and must consent to any remedies and the BAM's consent may be required in connection with amendments to any applicable Bond documents.

In the event BAM is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds will be payable solely from the moneys received pursuant to the applicable Bond documents. In the event BAM 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 of the Bonds, which are insured by the Policy are dependent in part on the financial strength of BAM and its claims paying ability. BAM'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 BAM and of the ratings on the Bonds insured by BAM 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.

The obligations of BAM are general obligations of BAM and in an event of default by BAM, the remedies available may be limited by applicable bankruptcy law or other similar laws related to insolvency.

Neither the District nor the Underwriter will make an independent investigation into the claims paying ability of BAM and no assurance or representation regarding the financial strength or projected financial strength of BAM is or will be given.

Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal of and interest on the Bonds and the claims paying ability of BAM, particularly over the life of the investment (see "BOND INSURANCE" herein).

BOOK-ENTRY-ONLY SYSTEM

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

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

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One or more fully-registered certificates will be issued for each issue of the Bonds, collectively in the aggregate principal amount of such issue, and will be deposited with DTC or a custodian of 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 Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

Redemption notices will 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 District as soon as

possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium (if any) 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 paying agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, paying agent, or District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium (if any) and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of District or paying agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that District believes to be reliable, but District takes no responsibility for the accuracy thereof.

THE DISTRICT

GENERAL

The District is a public improvement district created by an order of the Court on December 15, 2020, amended and restated on November 17, 2026, pursuant to Chapter 382, Texas Local Government Code, as amended ("Chapter 382"), and a confirmation election for the District, held on May 1, 2021, to approve its powers and taxing authority. The rights, powers, and privileges are established by Article III, Sections 52 and 52-a, and Article XVI, Section 59, of the Texas Constitution and Chapters 380, 381, 382, and 383 of the Texas Local Government Code, as amended.

The District is comprised of 923.627 acres. At the time of creation, on December 15, 2020, the District initially contained 866.977 acres owned by Convergence Brass, LLC (the "Original Landowner"). On April 15, 2021, following receipt of consent from Bexar County and the City of San Antonio, the Board approved a petition for annexation filed by Pulte Homes of Texas, L.P. ("Pulte"), thereby adding an additional 56.65 acres to the District and bringing the total District acreage to approximately 923.627 acres. See "DEVELOPMENT WITHIN THE DISTRICT" below and "THE DEVELOPERS."

The District is empowered, among other things, to exercise the powers of a road district; construct water, wastewater, and drainage facilities; enter into economic development agreements; levy ad valorem, hotel occupancy, and sales and use taxes; borrow money; and issue bonds and other obligations. The District is governed by a seven-member Board who are appointed by the Bexar County Commissioners Court to staggered two-year terms. To be eligible for appointment as a director, a person must be at least 18 years old. Once the District reaches a population of 1,000, such person must also reside in the District and either (1) own property in the District, (2) own stock of a corporate owner of property in the District, (3) own a beneficial interest in a trust that owns property in the District, or (4) be an agent, employee or tenant of (1)-(3) above.

BEXAR COUNTY COMMISSIONERS COURT'S AND COUNTY'S LIMITED INVOLVEMENT WITH THE ISSUANCE OF THE BONDS

Pursuant to Chapter 382, the District is required to receive approval from the Court when incurring debt, including the Bonds. Prior to the issuance of District bonds, the District shall satisfy the Benchmark Test. The District must demonstrate that it can repay the District's debt using a static debt service interest rate that when combined with the District's maintenance and operations tax rate, will not exceed the City's ad valorem tax rate. See "RISK FACTORS – Bexar County Order; Debt Service Tax Rate".

This approval granted by the Court is not to be construed as (i) a representation or warranty by the County that the Bonds will be paid or that any obligations assumed by any of the parties will, in fact, be performed, (ii) a pledge of the faith and credit of or by the County; additionally, the fact that the Court has approved the Bonds as required by Chapter 382, Local Government Code, may not, in any event be used as a sales device with respect to the Bonds, nor shall such approval be construed as a representation or warranty by the County concerning the validity of the Bonds.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWERS OF THE COUNTY ARE PLEDGED TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS. The Court's involvement with the issuance of the Bonds is limited to the appointment and reappointment of the Board, and the statutorily required approval for the issuance of any debt by the District. Additionally, neither the County nor any members of the Court were requested to participate, nor did either take part, in the preparation

of the Official Statement prepared or used in the issuance and sale of the Bonds, nor has either assumed any responsibility with respect thereto or undertaken independently to verify the information contained therein; furthermore, in the Court's order approving the issuance of the Bonds, the Court has expressly disclaimed any potential federal or state securities liability based on any potential claims submitted pursuant to then applicable federal or state securities laws relating the issuance of the Bonds.

DESCRIPTION AND LOCATION

The District is located in the western portion of the County, north of U.S. Highway 90 West, west of Grosenbacher Road, and east of State Highway 211, approximately 22 miles from downtown San Antonio. The District boundaries are located in the Medina Valley Independent School District. With many large employers, close proximity to Port San Antonio and Brooks City Base, the area attracts many military families, middle-class and first-time home buyers.

MASTER DEVELOPMENT PLAN

The District consists of approximately 923.627 acres of land located in Bexar County. The development is expected to include 2,394 residential lots and approximately 17 acres of commercial and multifamily development.

DEVELOPMENT WITHIN THE DISTRICT

To date, approximately 228 lots within the District have been developed by HDC HWY 211 LLC (defined herein) as a single-family residential subdivision called Phase 1, Unit 1. See "THE DEVELOPERS". As of July 1, 2026, 50 homes were complete (27 occupied and 23 unoccupied), 31 were under construction, and 147 lots were developed and vacant. The remaining land includes 1,651 expected lots to be developed.

Section	Type of Development	Acreage	Number of Lots	Completed Homes	Homes Under Construction	Vacant Lots
Unit 1	Single-family residential	93.067	228	50	31	147

Lots to be developed	1,651
Total Lots	1,879

As of August 12, 2026, approximately 515 lots within the District have been developed by Pulte (defined herein) as a single-family residential subdivision called Horizon Ridge. See "THE DEVELOPERS". Also as of August 12, 2026, 322 homes were complete (322 occupied and 0 unoccupied), 49 were under construction, and 144 lots were developed and vacant. The remaining land includes 0 expected lots to be developed.

Section	Type of Development	Acreage	Number of Lots	Completed Homes	Homes Under Construction	Vacant Lots
All Sections	Single-family residential	124	515	322	49	144

Lots to be developed	0
Total Lots	515

PUBLIC IMPROVEMENT FINANCING AGREEMENT

The District entered into a Public Improvement Financing Agreement with San Antonio Partners, LLC ("SAP") (predecessor in interest to the Developer) dated May 5, 2021 (the "Public Improvement Financing Agreement"). The Parties to the Public Improvement Financing Agreement agreed that the District shall undertake the development and construction of Public Improvements necessary to serve the District; the District will reimburse the Developer for funds expended for Public Improvements from all available revenues. To the extent provided by law, the District agrees in the Public Improvement Financing Agreement to levy and collect (a) an ad valorem property tax; (b) a sales and use tax at a rate not to exceed 2.0% per taxable sale within the District; and (c) a hotel occupancy tax at a rate not to exceed the greater of the rate levied by the City or 9% of each taxable hotel stay; and pledges these tax revenues, if and when collected to the reimbursements of Public Improvements.

The tax revenues discussed above will be applied by the District in the following order:

(1) To pay for (i) reasonable and necessary expenses incurred in collection of taxes; (ii) reasonable and necessary costs of operations of the District, including directors' fees and expenses; (iii) insurance for the District Board; (iv) reasonable and necessary professional fees; and (v) reasonable and necessary costs incurred in the organization and creation of the District ("Administrative Expenses");

(2) To pay for (i) any reimbursement for any remaining unreimbursed cost of Administrative Expenses, as provided in the Public Improvement Financing Agreement; (ii) any reimbursement for any remaining unreimbursed cost of Public Improvements paid by the Developer, as provided in the Public Improvement Financing Agreement. Additionally, in the event bonds are issued, the bonds shall be a general obligation of the District payable from taxes pledged to the bonds with a first lien on any pledged taxes of the District;

(3) To pay for any Public Improvement necessary to serve the Property constructed or caused to be constructed by the District.

The term of the Public Improvement Financing Agreement is 30 years from the date of execution (May 21, 2021) or until the transactions contemplated in the Public Improvement Financing Agreement are consummated, whichever occurs first.

On August 31, 2021, SAP entered into a partial assignment of its rights under the Public Improvement Financing Agreement to CW-Briggs, LLC ("CW") and OBICHI IV, Ltd. ("OBICHI") related to approximately 62.4 acres of land within the District.

On March 24, 2023, SAP entered into a partial assignment of its rights under the Public Improvement Financing Agreement to CW and OBICHI related to approximately 119.053 acres of land within the District. Contemporaneously with that partial assignment, CW and OBICHI made a full assignment of their rights under the Public Improvement Financing Agreement to Pulte Homes of Texas, L.P. See "DEVELOPER – Pulte Group".

On December 1, 2023, SAP entered into a partial assignment of its rights under the Public Improvement Financing Agreement to HWY 211 Investors, LLC. related to approximately 804 acres of remaining land within the District. Also on December 1, 2023, SAP entered into a partial assignment of its receivables under the Public Improvement Financing Agreement to HDC HWY 211, LLC ("HDC" or the "Developer") related to approximately 323.624 acres of land within the District.

On January 8, 2024, the Developer entered into a partial assignment of its rights under the Public Improvement Financing Agreement to FC MPC FUND, LP ("FC") related to the approximately 323.624 acres of land within the District. On December 17, 2025, HDC renewed, extended and restated in its entirety such assignment of its rights under the Public Improvement Financing Agreement to FC.

ANNEXATION

The City and the Original Landowner, entered into a "Development Agreement" (the "Development Agreement"), effective as of December 15, 2020. Pursuant to the Development Agreement, the property owners and City agree to postpone full purpose annexation of the District into the City limits for thirty (30) years.

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City, the District must conform to a City consent ordinance. Generally, the District may be annexed by the City without the District's consent, and the City cannot annex territory within the District unless it annexes the entire District; however, under legislation effective December 1, 2017, the City may not annex the District unless (i) such annexation has been approved by a majority of those voting in an election held for that purpose within the area to be annexed, and (ii) if the registered voters in the area to be annexed do not own more than 50 percent of the land in the area, a petition has been signed by more than 50 percent of the landowners consenting to the annexation. Notwithstanding the preceding sentence, the described election and petition process does not apply during the term of an agreement between the City and the District specifying the procedures for full purpose annexation of all or a portion of the District.

The Development Agreement provides that the Original Landowner will cause the District to enter into a strategic partnership agreement (the "SPA") for the purpose of imposing and collecting sales and use taxes within commercial use areas of the District. On January 11, 2022, the District approved and adopted the SPA with the City. The SPA provides the terms of certain limited purpose annexations, the terms of sharing sales and use tax revenue upon such limited purpose annexation, and the terms applicable to full annexation of the District by the City.

The SPA further provides that on or after December 31, 2050, the City may annex the District for full purposes. The City may exercise its right to annex the District or any portion thereof in its sole discretion, though the SPA does not obligate the District to annex the District or any portion thereof for limited or full purposes at any time. Once the City annexes the District, the City will have all of the authority within the District property that the City has in all other areas within the City's incorporated city limits, including the power to levy and collect ad valorem property taxes and sales taxes. After annexation, the City must assume the District's assets but it is not liable for the District's debt or other obligations. Under the SPA, the District may not incur any debt, liability, or other obligation that extends past December 31, 2050, or sell or otherwise transfer property without City approval, but may remain in existence for two years following full purpose annexation to collect taxes to be used for the purpose of satisfying any preexisting County authorized debt or obligations.

Pursuant to the SPA, once additional property is annexed into the District, upon the effective date of such annexation, the terms of the SPA will become applicable to that additional property in the same manner and to the same extent as if the additional property had originally been included within the District.

THE DEVELOPER

ROLE OF A DEVELOPER

In general, the activities of a landowner or developer in a special district such as the District include designing the project; defining a marketing program and setting building schedules; securing necessary governmental approvals and permits for development; arranging for the construction of roads and the installation of utilities; and selling or leasing improved tracts or commercial reserves to other developers, builders or third parties. Furthermore, there is no restriction on a developer's right to sell any or all of the land that the developer owns within a district. In addition, the developer is ordinarily the major taxpayer within the district during the early stages of development. The relative success or failure of a developer to perform in the above-described capacities may affect the ability of a district to collect sufficient taxes to pay debt service and retire bonds.

DESCRIPTION OF DEVELOPER

HDC

HDC HWY 211 LLC, a Texas limited liability company (the "Developer") is the developer of land within the District. The Developer is wholly owned by JDS HWY 211 Investors, LP, the general partner of which is JDS SA Investors GP LLC, and is an affiliate of Johnson Development Corp ("JDC"). Since its establishment in 1975, JDC has been involved in over 100 projects resulting in the development of over 40,000 acres devoted to multiple-use commercial parks; office buildings; retail centers; championship golf courses; and residential communities. In Texas, JDC is responsible for the development of several master-planned communities, including: Riverstone; Sienna; Cross Creek Ranch; Harvest Green; Imperial; Fall Creek; Tuscan Lakes; Edgewater; Woodforest; Harmony; Grand Central Park; Willow Creek Farms; Trinity Falls; Candela; and Viridian. JDC has partnered with HDC Group, a San Antonio developer, on multiple projects in Central Texas including, Davis Ranch, Cinco Lakes, Winding Brook, Willow Point and Overlook at Creekside. The Developer is a single purpose entity formed and capitalized for the purpose of developing the land it owns within the District. The Developer is a nominally 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. The Developer has minimal net revenues. See "Developer Financing" below. The Developer has developed approximately 93.067 acres of land within the District as the residential subdivision Phase 1, Unit 1, and continues to own approximately 649 remaining developable acres within the District and 32 vacant developed lots.

Pulte Group

Pulte Group Inc., operating under the homebuilding brand Pulte Homes of Texas, L.P. ("Pulte"), a developer of homes in the District, has been in the homebuilding industry for over 70 years and is the third largest homebuilder in the United States with operations in over 40 major cities. The Pulte development, Horizon Ridge, includes 515 lots.

HOMEBUILDERS WITHIN THE DISTRICT

Homebuilders currently active within the District include Pulte, Highland Homes, Perry Homes, Toll Brothers, and David Weekley Homes. Prices of homes being constructed in the District range from $300,000 to $750,000.

RESPONSIBILITY OF DEVELOPERS

Neither the Developer nor Pulte are responsible for or liable for, and have not made any commitment for, payment of the Bonds or other obligations of the District. The Developer and Pulte have no legal commitment to the District or owners of the Bonds to continue development of land within the District and may sell or otherwise dispose of their properties within the District, or any other assets, at any time. Further, the Developer's and Pulte's financial condition is subject to change at any time.

The District cautions that the prior success of the Developer and Pulte is no indication or guarantee that either will be successful in the development in the future of any land in the District.

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MANAGEMENT

BRIGGS RANCH SPECIAL IMPROVEMENT DISTRICT
BOARD OF DIRECTORS*

Name	Title	Term Expires	Occupation
Wayne Flores	President	June 2027	Engineer, Project Manager
Randal Alsup	Vice President	June 2027	Land Acquisition Manager
Allyson Walters	Secretary	June 2027	Land Acquisition and Development Professional
Jennifer Flores-Kelly	Director	June 2027	Civil Engineer
Legend Grigsby	Director	June 2027	Transaction Management Analyst
Miguel Rodriguez	Director	June 2027	Construction Utility Contractor
Taylor Solomon	Director	June 2027	Development Manager

* The directors are appointed by the Bexar County Commissioners Court (the "Court") to staggered two-year terms expiring on June 1st of each respective expiration year. To be eligible for appointment as a director, a person must be at least 18 years old. Once the District reaches a population of 1,000, such person must also reside in the District and either (1) own property in the District, (2) own stock of a corporate owner of property in the District, (3) own a beneficial interest in a trust that owns property in the District, or (4) be an agent, employee or tenant of (1)-(3) above. Pursuant to Article 16, Section 17, Texas Constitution, the current directors will continue to serve until replaced by the Court, notwithstanding the expiration of their stated terms.

BOARD OF DIRECTORS

The District is governed by a seven-member Board, which has control over and management supervision of all affairs of the District. The directors are appointed by the Bexar County Commissioner's Court. The directors and officers of the District are listed above.

TAX ASSESSOR/COLLECTOR

Land and improvements in the District are being appraised for taxation by the Bexar Appraisal District. The District contracts with the Bexar County Tax Assessor-Collector to act as Tax Assessor/Collector for the District.

BOND COUNSEL

Allen Boone Humphries Robinson LLP, Houston, Texas, serves as "Bond Counsel" to the District. The fee to be paid Bond Counsel for services rendered in connection with the issuance of the Bonds is contingent upon the sale and delivery of the Bonds.

GENERAL COUNSEL

Davidson Troilo Ream & Garza, P.C., San Antonio, Texas, serves as "General Counsel" to the District.

MUNICIPAL ADVISOR

Cedar Creek Municipal Advisors, LLC ("CCMA") is employed as "Municipal Advisor" to the District in connection with the issuance of the Bonds. The Municipal Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. CCMA, in its capacity as Municipal Advisor, has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Municipal Advisor to the District has provided the following sentence for inclusion in this Official Statement. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the District and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

The Municipal Advisor has also entered into an agreement with the District to serve as dissemination agent with respect to the Bonds.

AUDITORS

McGrath and Co., PLLC serves as special auditor to the District. McGrath has been engaged to review and audit the expenditures submitted by the Developer. The computation of certain costs of the Developer have been reviewed to determine that amounts are stated in accordance with contractual arrangements between the District and the Developer. McGrath will also re-calculate the computation of interest requested by the Developer related to the reimbursement requests.

Perez Project Consulting serves as "reimbursement" auditors and analyze and compile all project reimbursements and claims from the Developer to ensure they are documented in accordance with the Public Improvement Financing Agreement.

Garza Gonzalez & Associates, San Antonio, Texas, serves as independent auditor for the District's financial statements.

BOOKKEEPER

Armstrong, Vaughan & Associates, P.C., Universal City, Texas, serves as bookkeeper to the District.

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DEBT AND FINANCIAL INFORMATION

BONDS AUTHORIZED BUT UNISSUED

The Election authorized the issuance of bonds payable from the HOT, Sales and Use Taxes, and ad valorem taxes, in the amounts and for the purposes set forth below. The following table also sets forth the amount of bonds previously issued for each such purpose.

Table 1 – Bonds Authorized but Unissued

Purpose	Date Authorized	Amount Authorized	Amounts Issued Payable From Ad Valorem Taxes To Date	Amounts Being Issued Payable From Ad Valorem Taxes	Unissued Balance
Road	5/1/2021	$197,412,791.00	$ -	$ -	$197,412,791.00
Road Refunding	5/1/2021	$98,706,396.00			$98,706,396.00
Recreation Facilities	5/1/2021	$54,907,047.00	-	-	$54,907,047.00
Recreation Facilities Refunding	5/1/2021	$27,453,524.00			$27,453,524.00
Wastewater, Sanitary Sewer, and Drainage and Storm Sewer Facilities	5/1/2021	$92,276,430.00		$ 7,250,000.00	$85,026,430.00
Wastewater, Sanitary Sewer, and Drainage and Storm Sewer Facilities Refunding	5/1/2021	$46,138,215.00			$46,138,215.00
Economic Development[(1)]	5/1/2021	$10,000,000.00	-	-	$10,000,000.00
Total:		$526,894,403.00	$ -	$ 7,250,000	$ 519,644,403

(1) The Texas Attorney General's office has taken the position that the Texas Constitution does not allow ad valorem tax revenues to be used for security for economic development bonds. Unless there is a change in the current interpretation of the law, all economic development bonds issued by the District will be payable from HOT revenues only since sales and use taxes are not expected to be available.

ESTIMATED OVERLAPPING DEBT

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

Taxing Jurisdiction	Outstanding Debt as of October 31, 2026	Estimated Overlapping Percent	Estimated Overlapping Amount
Alamo Community College District	$ 924,810,000	0.04%	$ 342,871
Bexar County	2,078,020,000	0.04%	853,218
Medina Valley ISD	662,267,885	1.64%	10,885,257
Total Estimated Overlapping Debt			$12,081,346
The District			$ 7,250,000 (a)
Total Direct & Estimated Overlapping Debt			$19,331,346 (a)

(a) The Bonds.

Debt Ratios

	% of 2026 Assessed Taxable Valuation
Direct Debt (a)	7.03%
Direct and Estimated Overlapping Debt (a)	18.75%

(a) Includes the Bonds.

If land is devoted principally to agricultural use, the landowner can apply for an agricultural valuation on the property and pay ad valorem taxes based on land's productive capability. Agricultural use includes production of crop or livestock. It can also include leaving the land idle for a government program or for normal crop or livestock rotation.

If land is qualified for an agricultural valuation but the land use changes to a non-agricultural use, "rollback taxes" are assessed for each of the previous three years in which the land received the lower agricultural valuation. The rollback tax is the difference between the taxes paid on land's agricultural value and the taxes that the landowner would have paid if the land had been taxes on a higher market value plus interest charged for each year from the date on which taxes would have been due. If the land uses change to a non-agricultural use on only a portion of a larger tract, the landowner can fence off the remaining land and maintain the agricultural valuation on the remaining land. In this scenario, the landowner would only be responsible for rollback taxes on that portion of the land where use changed and not the entire tract.

Approximately 580 acres of property within the District is currently subject to agricultural valuation with respect to its ad valorem taxes. The Developer expects to remove the valuation as development occurs. The Developer or purchasers purchasing property from the Developer will pay rollback taxes with respect to such property.

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Table 2 – Statement of Activities

The following statement sets forth in condensed form the historical results of operation of the District's Utility System. Such summary has been prepared by the Municipal Advisor for inclusion herein, based upon information obtained from the District's audited financial statements. Reference is made to such statements for further and more complete information. See "APPENDIX A."

	Fiscal Year Ended	
	09/30/26 (a)	09/30/25
REVENUES		
Property Taxes	$ 340,232	$ 174,205
Interest Income	5,993	-
TOTAL REVENUES	$ 346,225	$ 174,205
EXPENDITURES		
Current:		
General Government:		
Appraisal Fees	$ 2,084	$ 400
Insurance Costs	-	2,000
Legal Services	12,467	7,000
Auditing Services	10,000	-
Engineering Services	9,060	4,000
Accounting Services	-	4,800
Banking Services	-	100
Developer Reimbursements	$ -	150,000
TOTAL EXPENDITURES	$ 33,611	$ 168,300
Net Change in Fund Balance	$ 312,614	$ 5,905
Fund Balance - (Beginning)	$ 98,143	$ 92,238
Fund Balance - (Ending)	$ 410,757	$ 98,143

(a) Unaudited; obtained from the District's bookkeeper. As of October 1, 2025 through July 31, 2026.

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Table 3 –Ad Valorem Tax Debt Service Requirements*

The following schedule sets forth the debt service requirements on the Outstanding Bonds and the principal and interest requirements for the Bonds.

Calendar	The Bonds		
Year	Principal	Interest	Debt Service
2027	$ -	$ 272,502	$ 272,502
2028	140,000	412,188	552,188
2029	150,000	400,988	550,988
2030	160,000	388,988	548,988
2031	165,000	376,188	541,188
2032	175,000	362,988	537,988
2033	185,000	348,988	533,988
2034	195,000	334,188	529,188
2035	205,000	318,588	523,588
2036	220,000	302,188	522,188
2037	230,000	291,188	521,188
2038	240,000	279,113	519,113
2039	255,000	266,513	521,513
2040	270,000	253,125	523,125
2041	285,000	238,950	523,950
2042	300,000	224,700	524,700
2043	315,000	209,700	524,700
2044	335,000	193,950	528,950
2045	355,000	176,781	531,781
2046	370,000	158,588	528,588
2047	390,000	139,625	529,625
2048	415,000	119,638	534,638
2049	435,000	98,369	533,369
2050	460,000	76,075	536,075
2051	485,000	52,500	537,500
2052	515,000	27,038	542,038
Total	$ 7,250,000	$ 6,323,639	$ 13,573,639

* Totals may not sum due to rounding.

Average Annual Debt Service Requirements on the Bonds and the Outstanding Bonds (2027-2052)	$ 522,063
Maximum Annual Debt Service Requirements on the Bonds and the Outstanding Bonds (2028)	$ 552,188

INVESTMENTS

The District is a governmental agency, body politic and corporate, and political subdivision of the State and is subject to the provisions of the Public Funds Investment Act (Texas Government Code, Chapter 2256) with respect to the investment of its funds. The District invests its funds in investments authorized by Texas law in accordance with investment policies approved by the Board. Both State law and the District's investment policies are subject to change.

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

CURRENT INVESTMENTS

As of September 30, 2026, the District has $546,820 in invested funds.

TAX DATA

AUTHORIZED TAXES

Debt Service Tax: The District covenants in the Resolution to levy and assess, for each year that all or any part of the Bonds remain outstanding and unpaid, a tax adequate to provide funds to pay the principal of and interest on the Bonds. See "Historical Ad Valorem Tax Collections" below, "AD VALOREM TAXING PROCEDURES," "RISK FACTORS – Factors Affecting Taxable Values and Tax Payments," "RISK FACTORS – Bexar County Order; Debt Service Tax Rate," and "THE BONDS – Authority for Issuance." The District has not levied a debt service tax rate for the 2026 tax year.

Maintenance Tax: The District has the statutory authority to levy and collect an annual ad valorem tax for maintenance of the District's improvements, if such maintenance tax is authorized by a vote of the District's electors. The District has levied a maintenance and operations tax of $0.56288 for the 2026 tax year.

Sales and Use Tax: Chapter 383, Subchapter F, Texas Local Government Code and Chapter 323, Texas Tax Code, authorize the District to levy a sales and use tax at a rate of 2% within the District. However, 2% authorized within the District is being levied by the Bexar County Emergency Services District No. 2 in the amount of 1.5% and the remaining 0.5% is levied by the VIA. Therefore, the District does not levy a Sales and Use Tax and does not anticipate such Sales and Use Tax to be available for the District.

Hotel Occupancy Tax: The District has the authority to levy a hotel occupancy tax of 9% in the District pursuant to and in accordance with Section 382.155, Texas Local Government Code, as amended and Section 352.107, Texas Tax Code, as amended. There are no hotels in the District and the District has not levied such hotel occupancy tax.

TAX EXEMPTIONS

The District has not granted any tax exemptions for property located within the District. However, property within the District may be subject to certain exemptions from ad valorem taxation under State law. See "AD VALOREM TAXING PROCEDURES – Property Subject to Taxation by the District."

ADDITIONAL PENALTIES

The District has contracted with a delinquent tax attorney to collect certain delinquent ad valorem taxes. In connection with that contract, the District can establish an additional penalty of 20% of the tax to defray the costs of collection. This 20% penalty applies to taxes that either: (1) become delinquent on or after February 1 of a year, but not later than 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 AD VALOREM TAX COLLECTIONS

The District's assessed value as of January 1 of each year is used by the District in establishing its tax rate. See "AD VALOREM TAXING PROCEDURES – Valuation of Property for Taxation." The following table displays the ad valorem tax collections of the District going back to fiscal year 2021.

Table 4 – Historical Ad Valorem Tax Collections

Tax Year	Assessed Taxable Valuation	Tax Rate/ $100 (a)	Adjusted Levy	% of Collections Current Year	For the Year Ended September 30	% of Collections as of 08/31/2026
2021	$ 474,473	$0.55830	$ 2,649	100.00%	2022	100.00%
2022	11,906,770	0.54161	64,488	100.00%	2023	100.00%
2023	13,548,212	0.54159	73,376	100.00%	2024	100.00%
2024	32,552,335	0.54159	176,300	97.02%	2025	97.87%
2025	63,539,456	0.54159	344,123	98.92%	2026	98.92%
2026	100,045,258	0.56288	563,135	(b)	2027	(b)

(a) See "Tax Rate Distribution."
(b) In the process of collection. Taxes are not due until January 1, 2027.

The District's assessed value as of January 1 of each year is used by the District in establishing its tax rate. See "AD VALOREM TAXING PROCEDURES – Valuation of Property for Taxation." The following table represents the composition of property comprising the 2022 through 2026 certified taxable assessed valuations.

Table 5 – Taxable Appraised Values (Fiscal years ending September 30)

The following represents the type of property comprising the 2022-2026 tax rolls as certified by the Appraisal District.

Type of Property	2026 Assessed Taxable Valuation (a)	2025 Assessed Taxable Valuation	2024 Assessed Taxable Valuation	2023 Assessed Taxable Valuation	2022 Assessed Taxable Valuation
Land	$ 62,348,340	$ 54,030,889	$ 43,381,302	$ 35,123,960	$ 29,804,020
Improvements	75,161,692	45,110,884	16,685,830	174,730	-
Personal Property	-	-	-	-	-
Exemptions	(37,464,774)	(35,602,317)	(27,514,797)	(21,750,478)	(17,897,250)
Total	$ 100,045,258	$ 63,539,456	$ 32,552,335	$ 13,548,212	$ 11,906,770

(a) Excludes $3,071,275 of uncertified value.

SIGNIFICANT TAXPAYERS

The following are the principal taxpayers in the District as shown on the District's certified appraisal rolls for the 2026 tax year. See "RISK FACTORS — Dependence Upon Significant Taxpayers and – Factors Affecting Taxable Values and Tax Payments."

Taxpayer	Assessed Taxable Valuation 2026 Tax Roll	Percentage of Respective Tax Roll
Pulte Homes of Texas LP (a)	$ 7,436,010	7.43%
HDC Hwy 211 LLC	5,523,410	5.52%
Sapre Realty Inc	2,740,880	2.74%
Weekley Homes LLC	2,550,460	2.55%
Amr Enterprises LLC	1,867,550	1.87%
Homeowner	1,518,400	1.52%
Homeowner	909,080	0.91%
Homeowner	466,740	0.47%
Homeowner	448,800	0.45%
Homeowner	407,320	0.41%
Total	$ 23,868,650	23.86%

(a) See "THE DEVELOPER – Homebuilders Within the District."

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HOTEL OCCUPANCY TAXES

The District's HOT rate is authorized at 9% pursuant to the Election. The District has not levied the Hotel Occupancy Tax within the boundaries of the District. Under the authority of Section 382.155, Texas Local Government Code and Chapter 352, Tax Code (the "Enabling Acts") the District is authorized to impose the HOT on persons, based upon the price paid, for the use or possession, or right of use or possession, of rooms ordinarily used for sleeping at any hotel in the District. The District HOT may be imposed only for rooms for which the cost of occupancy is a rate of $2 or more per day and at a rate not to exceed 9% of the price paid for the room. Presently there are no hotels in the District and the District has not levied a hotel occupancy tax.

If then permitted by law, the District may by order, repeal, increase or decrease the rate of the HOT imposed at any time, subject to the current maximum rate of 9%.

Under the Enabling Acts, "hotel" means any building or buildings in which the public may, for consideration, obtain sleeping accommodations. The term includes hotels, motels, tourist homes, tourist houses, tourist courts, lodging houses, inns, rooming houses, bed and breakfasts, or other buildings where rooms are furnished for a consideration, but does not include hospitals, sanitariums or nursing homes. The consideration paid for the room, for purposes of the Enabling Acts, includes the cost of the room only if the room is one ordinarily used for sleeping, and does not include the cost of any food served or personal services rendered to the occupant of such room not related to the cleaning and readying of such room for occupancy. To be subject to the District HOT, the occupant's use, possession or right to the use or possession of the sleeping room must be for a period of less than 30 consecutive days. Certain housing facilities owned or leased and operated by an institution of higher education are excluded. Hotels and other eligible vendors of sleeping accommodations are required to collect the District HOT, if such HOT is imposed, at the time room charges are received from patrons.

Other Hotel Occupancy Taxes

Other provisions of the Texas Tax Code authorize the State, counties, cities and other political subdivisions meeting certain specified qualifications to impose hotel occupancy taxes similar to the HOT which may be imposed by the District. Currently, a hotel in the District would be subject to a 6% hotel occupancy tax imposed by the State on all short-term (30 days or less) room rentals costing $2 or more per day. However, there are currently no hotels in the District.

SALES AND USE TAX

District Sales and Use Tax -- Source and Authorization; No District Sales and Use Tax Levied

The District is authorized to levy a Sales and Use Tax of 2.0% on all taxable transactions within the District. However, under current State law, the maximum aggregate local sales and use tax which may be levied within a given area by most political subdivisions within such area is 2% (the "Local Sales and Use Tax"). Within the District, Sales and Use Tax is currently levied at 1.5% by Bexar County Emergency Services District No. 2 with the remaining 0.5% is levied by VIA (as defined below). Therefore, the District may not levy a Sales and Use Tax and does not anticipate such Sales and Use Tax to be available for the District.

Other Sales and Use Taxes

The State levies and collects a 6.25% sales and use tax against essentially the same taxable items and transactions as described above. Under current State law, the maximum aggregate local sales and use tax which may be levied within a given area by most political subdivisions within such area is 2% (the "Local Sales Tax"), which when added to the State sales and use tax rate of 6.25% equals a total rate of 8.25%. However, because there exists a 0.5% sales and use tax levied by VIA in the District, and 1.50% by the Bexar County Emergency Services District No. 2, purchases made in the District are currently at the maximum combined sales and use tax rate of 8.25%, and the District is not authorized to levy any Sales and Use Tax.

The Sales and Use Tax when levied is collected against the receipts from the sale at retail of taxable items within the District. The Sales and Use Tax also is an excise tax on the use, storage, or other consumption of taxable tangible personal property purchased, leased, or rented from a retailer within the District. The imposition, computation, administration, governance, abolition, and use of the Sales and Use Tax is governed by Chapters 151 and 321, Texas Tax Code.

In general, as applied to the Sales and Use Tax, a taxable item includes any tangible personal property and certain taxable services. "Taxable services" include certain amusement services, cable television services, personal services, motor vehicle parking and storage services, the repair, remodeling, maintenance and restoration of most tangible personal property, certain telecommunication services, credit reporting services, debt collection services, insurance services, information services, real property services, data processing services, real property repair and remodeling, security services, telephone answering services, and internet access service. Certain items are exempted by State law from sales and use taxes, including items purchased for resale, certain coin-operated machine sales, food products (except food products which are sold for immediate consumption, e.g. by restaurants, lunch counters, etc.), health care supplies (including medicines, corrective lens and various therapeutic appliances and devices), agricultural items (if the item is to be used exclusively on a farm or ranch or in the production of agricultural products), gas and electricity purchased for residential and certain other uses (unless a city has taken steps to repeal the exemption), certain property used in manufacturing, certain telecommunications services, newspapers, magazines, and basic fees for internet access service.

The taxable items and services subject to State and local sales and use taxes are subject to legislative action and have been changed in recent years by the Texas legislature. State law provides that the Sales and Use Tax cannot be levied against any taxable item or service unless such item or service is also subject to the State sales and use tax.

AD VALOREM TAXING PROCEDURES

AUTHORITY TO LEVY TAXES

The District is authorized to levy an annual ad valorem tax, without limit as to rate or amount, on all taxable property within the District in an amount sufficient to pay the principal of and interest on the Bonds and any other bonds payable from ad valorem taxes which the District has issued or may hereafter issue. See "THE BONDS – Authority for Issuance" and to pay the expenses of assessing and collecting such taxes. The District agrees in the Resolution to levy, assess, and collect such a tax from year-to-year as described more fully herein. See "THE BONDS – Source of Payment." The District has established its fiscal year 2026/2027 tax rate of $0.56288 with a maintenance and operation tax rate of $0.56288. Per the County Order Creating the District, the District shall present an accounting to the County that shows that it is feasible to sell the Bonds and maintain an overall tax rate not to exceed the City Rate. However, in any event, the District tax rate will be the tax rate required to satisfy the debt service obligations on outstanding Bonds (see "RISK FACTORS – Bexar County Order; Debt Service Tax Rate").

PROPERTY TAX CODE AND COUNTY-WIDE APPRAISAL DISTRICT

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

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

Unless extended by the Legislature, through December 31, 2026 an appraisal district is prohibited from increasing the appraised value of real property during the 2026 tax year on certain non-homestead properties (the "Subjected Property") whose appraised values are not more than $5.16 million dollars (the "maximum property value") to an amount not to exceed the lesser of: (1) the market value of the Subjected Property for the most recent tax year that the market value was determined by the appraisal office or (2) the sum of: (a) 20 percent of the appraised value of the Subjected Property for the preceding tax year; (b) the appraised value of the Subjected Property for the preceding tax year; and (c) the market value of all new improvements to the Subjected Property. The maximum property value may be increased or decreased by the product of the preceding state fiscal year's increase or decrease in the consumer price index, as applicable, to the maximum property value.

PROPERTY SUBJECT TO TAXATION BY THE DISTRICT

Except for certain exemptions provided by Texas law, all real property, tangible personal property held or used for the production of income, and mobile homes, are subject to taxation by the District. Principal categories of exempt property include, but are not limited to, property owned by the State of Texas or its political subdivisions if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies, and personal effects; certain goods, wares, and merchandise in transit; farm products owned by the producer; certain property of charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; most individually owned automobiles; and intangible personal property. In addition, the District may by its own action exempt residential homesteads of persons 65 years or older and of certain disabled persons, and travel trailers, to the extent deemed advisable by the Board. The District may be required to offer such an exemption if a majority of voters approve it at an election. The District would be required to call such 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 $5,000 to $12,000 of assessed valuation depending upon the disability rating of the veteran, if such rating is less than 100%. A veteran who receives a disability rating of 100% is entitled to the exemption for the full amount of the residential homestead. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran is entitled to an exemption for the full value of the veteran's residence homestead to which the disabled veterans' exemption applied including the surviving spouse of a disabled veteran who would have qualified for such exemption if it had been in effect on the date the disabled veteran died. 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 homesteads in an amount equal to the partially disabled veteran's disability rating if the residence homestead was donated by a charitable organization. Also, the surviving spouse of a member of the armed forces who was killed in action is, subject to certain conditions, entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse. The surviving spouse of a first responder who was killed or fatally injured in the line of duty is, subject to certain conditions, also entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and, subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse.

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

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

Personal Property: Tangible personal property (furniture, machinery, supplies, inventories, etc.) used in the "production of income" is taxed based on the property's market value. Taxable personal property includes income-producing equipment and inventory. Intangibles such as goodwill, accounts receivable, and proprietary processes are not taxable. Tangible personal property not held or used for production of income, such as household goods, automobiles or light trucks, and boats, is exempt from ad valorem taxation unless the governing body of a taxing unit elects to tax such property.

Certain Tax Exemptions Provided for Affordable Housing: Certain multi-family housing may be exempt from ad valorem taxation by the District pursuant to Chapter 303 of the Texas Local Government Code (the "PFC Act"), Chapter 392 of the Texas Local Government Code (the "Housing Authority Act"), or Chapter 394 of the Texas Local Government Code (the "HFC Act"), if certain conditions are met.

The PFC Act authorizes cities, counties, school districts, housing authorities and special districts (a "Sponsor") to create a sponsored Public Facility Corporation ("PFC") to acquire, construct, rehabilitate, renovate, repair, equip, furnish and place in service public facilities. These activities may be financed through certain obligations of either the Sponsor or the PFC. Under the PFC Act, a "public facility" includes any real, personal, or mixed property, or an interest in property devoted or to be devoted to public use, and authorized to be financed under the PFC Act. A public facility, including a leasehold estate in a public facility, that is owned by a PFC is exempt from taxation by the State or a municipality or other political subdivision of the State, including the District. This exemption applies to both ad valorem and sales taxes levied by such taxing authorities. Subject to certain restrictions, a leasehold or other possessory interest granted by the PFC to the user of a PFC-owned multifamily residential development entitles that user to this same exemption. The District is not aware of any public facilities located within the boundaries of the District that are either owned or leased by a PFC.

The HFC Act provides for the formation of housing finance corporations ("HFCs") by municipalities and counties for the purpose of providing decent, safe, and sanitary housing at affordable prices to residents of local governments. Public property owned by an HFC, including property for which an HFC holds an equitable interest, is exempt from taxes imposed by the state or any political subdivision of the state, provided certain conditions are met under the HFC Act. This exemption applies to both ad valorem and sales taxes levied by taxing authorities where the qualified project is located. The District is not aware of any public property located within the boundaries of the District that is owned by an HFC

TAX ABATEMENT

The County is statutorily prohibited from granting a tax abatement or entering into a tax abatement agreement for any area within the District.

VALUATION OF PROPERTY FOR TAXATION

Generally, property in the District must be appraised by the Appraisal District at market value as of January 1 of each year. Once an appraisal roll is prepared and finally approved by the Appraisal Review Board, it is used by the District in establishing its tax rolls and tax rate. Assessments under the Property Tax Code are to be based on 100% of market value, as such is defined in the Property Tax Code. Nevertheless, certain land may be appraised at less than market value under the Property Tax Code. 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 basedon the land's capacity

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

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

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

DISTRICT AND TAXPAYER REMEDIES

Under certain circumstances taxpayers and taxing units (such as the District) may appeal the orders of the Appraisal Review Board by filing a timely petition for review in State district court. In such event, the value of the property in question will be determined by the court or by a jury if requested by any party. Additionally, taxing units may bring suit against the Appraisal District to compel compliance with the Property Tax Code. The Property Tax Code also establishes a procedure for notice to property owners of reappraisals reflecting increased property value, appraisals which are higher than renditions, and appraisals of property not previously on an appraisal roll. Owners of certain property (being (i) commercial real and personal property, (ii) real and personal property of utilities, (iii) industrial and manufacturing real and personal property, and (iv) multifamily residential real property) with a taxable value in excess of the current year "minimum eligibility amount", as determined by the State Comptroller, and situated in a county with a population of 1.2 million or more, may protest the determinations of an appraisal district directly to a three-member special panel of the appraisal review board, appointed by the chairman of the appraisal review board, consisting of highly qualified professionals in the field of property tax appraisal. The minimum eligibility amount is set at $62,883,169 for the 2026 tax year and is adjusted annually by the State Comptroller to reflect the inflation rate.

LEVY AND COLLECTION OF TAXES

The District is responsible for the levy and collection of its taxes unless it elects to transfer such functions to another governmental entity. The rate of taxation is set by the Board of Directors, after the legally required notice has been given to owners of property within the District, based upon: (a) the valuation of property within the District as of the preceding January 1, and (b) the amount required to be raised for debt service, maintenance purposes, and authorized contractual obligations. Taxes are due October 1, or when billed, whichever comes later, and generally become delinquent if not paid before February 1 of the year following the year in which imposed. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent and incurs an additional penalty for collection costs of an amount established by the District and a delinquent tax attorney. A delinquent tax on personal property incurs an additional penalty, in an amount established by the District and a delinquent tax attorney, 60 days after the date the taxes become delinquent. The delinquent tax accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code makes provisions for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes under certain circumstances which, at the option of the District, which may be rejected by taxing units. The District's tax collector is required to enter into an installment payment agreement with any person who is delinquent on the payment of tax on a residence homestead for payment of tax, penalties and interest, if the person requests an installment agreement and has not entered into an installment agreement with the collector in the preceding 24 months. The installment agreement must provide for payments to be made in monthly installments and must extend for a period of at least 12 months and no more than 36 months. Additionally, the owner of a residential homestead property who is (i) sixty-five (65) years of age or older, (ii) disabled, or (iii) a disabled veteran, is entitled by law to pay current taxes on a

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

TAX PAYMENT INSTALLMENTS AFTER DISASTER

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

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

ROLLBACK OF OPERATION AND MAINTENANCE TAX RATE

Chapter 49 of the Texas Water Code, as amended, and SB 2, classify Special Taxing Units, such as the District, differently based on the current operation and maintenance tax rate or on the percentage of build-out that the District has completed. Districts that have adopted an operation and maintenance tax rate for the current year that is 2.5 cents or less per $100 of taxable value are classified as "Special Taxing Units." Districts that have financed, completed, and issued bonds to pay for all improvements and facilities necessary to serve at least 95% of the projected build-out of the district are classified as "Developed Districts." Districts that do not meet either of the classifications previously discussed can be classified herein as "Developing Districts." The impact each classification has on the ability of a district to increase its maintenance and operations tax rate is described for each classification below. Debt service and contract tax rates cannot be reduced by a rollback election held within any of the districts described below.

SB 2 classifies districts differently based on the current operation and maintenance tax rate or on the percentage of build-out that the District has completed. Districts that have adopted an operation and maintenance tax rate for the current year that is 2.5 cents or less per $100 of taxable value are classified as "Special Taxing Units." Districts that have financed, completed, and issued bonds to pay for all improvements and facilities necessary to serve at least 95% of the projected build-out of the district are classified as "Developed Districts." Districts that do not meet either of the classifications previously discussed can be classified herein as "Developing Districts." The impact each classification has on the ability of a district to increase its maintenance and operations tax rate pursuant to SB 2 is described for each classification below.

SPECIAL TAXING UNITS

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

DEVELOPED DISTRICTS

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

DEVELOPING DISTRICTS

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

THE DISTRICT

A determination as to a district's status as a Special Taxing Unit, Developed District or Developing District is made by the Board of Directors on an annual basis. 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. The District is currently classified as a Developing District for purposes of SB 2.

DISTRICT'S RIGHTS IN THE EVENT OF TAX DELINQUENCIES

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

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

Federal bankruptcy law provides that an automatic stay of actions by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents enforcement of liens for post-petition taxes from the bankruptcy court. In many cases post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

COLLECTION AND ADMINISTRATION

The Comptroller administers and enforces all sales and use tax laws and collects all sales and use taxes levied by the State, and levying counties, political subdivisions and other special districts having sales and use tax powers. Certain limited items are taxed for the benefit of the State under sales and use tax statutes, such as certain natural resources and other items described above, and are not subject to the local sales and use tax of political subdivisions and counties, including the District. Political subdivisions may by local option determine to tax certain telecommunication services on the same basis as the State taxes such services. With respect to the taxation of the residential use of gas and electricity, the State is not authorized to collect a sales and use tax, while political subdivisions, on a local option basis, may tax such use. The District has opted to tax telecommunication services. The District has not opted to tax residential uses of gas and electricity.

In recent years, several changes in the State sales and use tax laws have contributed to the growth of local sales and use tax revenues. These changes have added goods and services to the list of taxable items. Other items have been subjected to sales and use tax on an interim basis or have been taxed pursuant to legislation which includes planned phase-outs of the tax.

With certain exceptions, sales and use taxes in the State are collected at the point of sale and are remitted to the Comptroller by the "taxpayer" who is, generally speaking, the business that collects the tax resulting from a taxable transaction. Taxpayersowing $500 or more in sales and use tax dollars for a calendar month submit their tax collections to the Comptroller on a monthly basis; taxpayers owing less than $500 in sales and use tax dollars for a calendar month or $1,500 in a calendar quarter submit their tax collections quarterly. Generally, taxpayers are required to submit tax reports to the Comptroller on the same date as payment is due. The Comptroller is required by law to distribute funds to the receiving political subdivisionsperiodically and as promptly as feasible, but not less frequently than twice during each fiscal year of the State. Historically, and at the present time, the Comptroller distributes the funds monthly to the District. The Comptroller has a direct deposit program using electronic funds transfers to expedite the distribution of monthly allocation checks. If a political subdivision desires to participate in the electronic funds transfers, it may submit an application to the Comptroller. The District participates in this program.

Under State law, the Comptroller utilizes sales and use tax permits, sales and use tax bonds and audits to encourage timely payment of sales and use taxes. Each entity selling, renting, leasing, or otherwise providing taxable goods or services is required to have a sales and use tax permit. Permits are required for each individual location of a taxpayer and are valid for only one year. As a general rule, every person who applies for a sales and use tax permit for the first time, or who becomes delinquent in paying the sales or use tax, is required to post a bond in an amount sufficient to protect against the failure to paytaxes. The Comptroller's audit procedures include auditing each of the largest 2% of the sales and use tax taxpayers (who report about 65% of all sales and use taxes in the State annually), every three or four years. Other taxpayers are selected at random or upon some other basis for audits. The Comptroller also engages in taxpayer education programs and mails a reportto each taxpayer before the last day of the month, quarter or year that it covers.

Once a taxpayer becomes delinquent in the payment of a sales or use tax, the Comptroller may collect the delinquent tax by using one or more of the following methods: (i) collection by an automated collection center or local field office, (ii) estimating the taxpayers'

liability based on the highest amount due in the previous 12 months and billing them for it, (iii) filing liens and requiring a new or increased payment bond, (iv) utilizing forced collection procedures, such as seizing assets of the taxpayer (e.g., a checking account) or freezing assets of the taxpayer that are in the custody of third parties, (v) removing a taxpayer's sales and use tax permit, and (vi) certifying the account to the Attorney General to file suit for collection. A political subdivision, including the District, may not sue for delinquent taxes unless it joins the Attorney General as a plaintiff or unless it first receives the permission of the Attorney General and the Comptroller.

The Comptroller retains 2% of the tax receipts for collection of the tax; additionally, under State law, a taxpayer may deduct and withhold 1/2 of 1% of the amount of taxes due on a timely return as reimbursement for the cost of collecting sales and use taxes. In addition, a taxpayer who prepays its tax liability on the basis of a reasonable estimate of the tax liability for a month or quarter in which a prepayment is made may deduct and withhold 1.25% of the amount of the prepayment in addition to the 1/2 of 1% allowed for the cost of collecting the sales and use tax.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWERS OF THE STATE OF TEXAS, THE COUNTY, THE CITY; NOR ANY POLITICAL SUBDIVISION OTHER THAN THE DISTRICT ARE PLEDGED TO PAY PRINCIPAL OF AND INTEREST ON THE BONDS.

MUNICIPAL BOND RATINGS

The Bonds have been assigned a rating of "AA" (stable outlook) by S&P Global Ratings ("S&P") based on the municipal bond insurance policy of BAM to be issued simultaneously with the delivery of the Bonds. See "BOND INSURANCE" and "BOND INSURANCE RISK FACTORS" herein. An explanation of the significance of the rating may be obtained from S&P. The rating and any other ratings received by the Bonds or the District reflect only the view of such rating agencies at the time such ratings are given, and the District makes no representation as to the appropriateness of such ratings. There is no assurance that the ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely if, in the judgment of the applicable rating agency, circumstances so warrant. Any such downward revision or withdrawal of these or any other ratings on the Bonds or the District may have an adverse effect on the market price of the Bonds.

LEGAL MATTERS

LEGAL PROCEEDINGS

Delivery of the Bonds will be accompanied by the unqualified approving legal opinions of the Attorney General of the State to the effect that the Bonds are valid and legally binding obligations of the District under the Constitution and laws of the State of Texas payable from the proceeds of an annual ad valorem tax levied by the District, 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 legal opinions of Bond Counsel, to a like effect and as described below under "TAX MATTERS."

Bond Counsel has reviewed the information appearing in this Official Statement under "PLAN OF FINANCE," "THE BONDS," "THE DISTRICT — General," "AD VALOREM TAXING PROCEDURES," "LEGAL MATTERS," "TAX MATTERS," and "CONTINUING DISCLOSURE OF INFORMATION" solely to determine whether such information fairly summarizes matters of law and the provisions of the documents referred to therein. General Counsel has reviewed the information under "PLAN OF FINANCE," "THE DISTRICT," "MANAGEMENT – Board of Directors," "LEGAL MATTERS," and "CONTINUING DISCLOSURE OF INFORMATION." Bond Counsel and General Counsel have not, however, independently verified any of the factual information contained in this Official Statement nor has either conducted an investigation of the affairs of the District, the Developer or Pulte 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.

Certain legal matters incident to the authorization, issuance, placement, and delivery of the Bonds by the District are subject to the approving opinions of the Attorney General and the opinion of Allen Boone Humphries Robinson LLP, Bond Counsel. The form of the opinion of Bond Counsel with respect to the Bonds is attached hereto as Appendix B and will be available at the time of delivery of the Bonds. Other than the limited review of certain information in this Official Statement as described in the preceding paragraph and Bond Counsel's legal opinions set forth herein, Bond Counsel has not reviewed nor undertakes any responsibility for any of the information contained in this Official Statement. The legal fees paid to Bond Counsel for services rendered in connection with the issuance of the Bonds are based on a percentage of the Bonds actually issued. Certain legal matters will be passed upon for the District by Davidson Troilo Ream & Garza, P.C., San Antonio, Texas, as its General Counsel. Certain legal matters will be passed upon for the District by Winstead PC, San Antonio, Texas, as Disclosure Counsel, whose legal fees are contingent on the sale and delivery of the Bonds.

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

NO MATERIAL ADVERSE CHANGE

The obligations of the 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 has been no material adverse change in the financial condition of the District from that set forth or contemplated in the Official Statement.

TAX MATTERS

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

TAX EXEMPTION

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

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

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

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

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

ADDITIONAL FEDERAL INCOME TAX CONSIDERATIONS

Collateral Tax Consequences

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

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

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

the United States may be subject to the "branch profits tax" on their effectively connected earnings and profits, including tax-exempt interest such as interest on the Bonds.

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

Tax Accounting Treatment of Original Issue Premium

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

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

Tax Accounting Treatment of Original Issue Discount

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

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

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

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

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

Tax Legislative Changes

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

NO LITIGATION CERTIFICATE

LITIGATION

It is the opinion of the District's General Counsel that there is no pending litigation against the District that would have a material adverse financial impact upon the District or its operations. The District will furnish the Initial Purchaser a certificate, executed by both the President and Secretary of the District, and dated as of the Date of Delivery of the Bonds, to the effect that no litigation of any nature is pending or threatened, either in state or federal courts, contesting or attacking the Bonds, restraining or enjoining the levy, assessment and collection of taxes to pay the interest on or the principal of 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 or the title of the present officers of the District.

PREPARATION OF OFFICIAL STATEMENT

SOURCES AND COMPILATION OF INFORMATION

The financial data and other information contained in this Official Statement has been obtained primarily from the District's records, the Developer, the independent auditor listed on page iii, the Tax Assessor/Collector, the Appraisal District, the County, and other sources. The information set forth under the headings and subcaptions "THE DISTRICT – Master Development Plan," "DEVELOPMENT WITHIN THE DISTRICT," and "THE DEVELOPERS" has been provided by the Developer, and neither the District nor the Municipal Advisor has undertaken to verify such information, and the District and the Municipal Advisor make no representations about the accuracy or completeness of the information contained under the heading and subcaptions "THE DISTRICT – Master Development Plan," "DEVELOPMENT WITHIN THE DISTRICT," and the heading "THE DEVELOPERS." All of these sources are believed to be reliable, but no guarantee is made by the District as to the accuracy or completeness of the information derived from sources other than the District, and its inclusion herein is not to be construed as a representation on the part of the District except as described below under "—Certification of Official Statement." Furthermore, there is no guarantee that any of the assumptions or estimates contained herein will be realized. The summaries of the agreements, reports, statutes, resolutions, engineering, and other related information set forth in this Official Statement are included herein subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents for further information.

UPDATING THE OFFICIAL STATEMENT

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

CERTIFICATION OF OFFICIAL STATEMENT

Officers of the District, acting in their official capacity, will certify, that the information, statements, and descriptions or any addenda, supplement, and amendment thereto pertaining to the District and its affairs contained herein, to the best of its knowledge and belief, contain no untrue statement of a material fact and do not omit to state any material fact necessary to make the statements herein, in the light of the circumstances under which they are made, not misleading. With respect to information included in this Official Statement other than that relating to the District, the District has no reason to believe that such information contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements herein, in the light of the circumstances under which they are made, not misleading; however, the District has made no independent investigation as to the accuracy or completeness of the information derived from sources other than the District. In rendering such certificate, the official executing such certificate such state that he has relied in part on his examination of records of the District relating to matters within his own area of responsibility, and his discussions with, or certificates or correspondence signed by, certain other officials, employees, consultants, and representatives of the District.

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

CONTINUING DISCLOSURE OF INFORMATION

The offering of the Bonds qualifies for the Rule 15c2-12(d)(2) exemption from Rule 15c2-12(b)(5) regarding the District's continuing disclosure obligations because the District does not have more than $10,000,000 in aggregate amount of outstanding debt offered pursuant to SEC Rule 15c2-12 (the "Rule") and no person is committed by contract or other arrangement with respect to the payment of the Bonds. Pursuant to the exemption, the District in the Resolution has made the following agreement for the benefit of the holder and beneficial owners of the Bonds. This information will be available at no charge via the Municipal Securities Rulemaking Board's ("MSRB") Electronic Municipal Market Access ("EMMA") system at www.emma.msrb.org. Cedar Creek Municipal Advisors, LLC has been engaged to assist with continuing disclosure services for the District.

ANNUAL REPORTS

The District will provide certain updated financial information and operating data included in APPENDIX A (Audited Financial Statements of the District) to EMMA annually. The District will update and provide this information within twelve (12) months after the end of each of its fiscal years ending in or after 2026. The District will provide the updated information to EMMA. Any information so 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 pursuant to Texas law or regulation, and audited if the audit report is completed within the period during which it must be provided. If the audit report is not complete within such period, then the District shall provide unaudited financial statements for the applicable fiscal year to EMMA within such twelve (12) month period, and audited financial statements when the audit report becomes available.

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

EVENT NOTICES

The District will provide timely notices of certain events to the MSRB, but in no event will such notices be provided to the MSRB in excess of 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 Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of beneficial owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the District or other obligated person; (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person or the sale of all or substantially all of the assets of the District or other obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or other obligated person, any of which affect Beneficial Owners of the Bonds, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District or other obligated person, any of which reflect financial difficulties. The terms "obligated person" and "financial obligations" when used in this paragraph shall have the meanings ascribed to them under the Rule. The term "material" when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Resolution 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 discussed under "CONTINUING DISCLOSURE OF INFORMATION – Annual Reports."

AVAILABILITY OF INFORMATION FROM EMMA

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

LIMITATIONS AND AMENDMENTS

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

COMPLIANCE WITH PRIOR UNDERTAKINGS

The District has not previously entered into a continuing disclosure undertaking under Rule 15c2-12.

OTHER INFORMATION

AUTHENTICITY OF FINANCIAL DATA AND OTHER INFORMATION

The financial data and other information contained herein have been obtained from District records, financial statements, and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents, and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents, and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

FORWARD-LOOKING STATEMENTS DISCLAIMER

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "anticipate," "budget" or other similar words. Such statements may involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements to be different from the future results, performance or achievements expressed or implied by such forward-looking statements. Investors are cautioned that the actual results could differ materially from those set forth in the forward-looking statements.

All forward-looking statements included in this Official Statement are based on information available to the District on the date hereof, and the District assumes no obligation to update any such forward-looking statements. The District's actual results could differ materially from those discussed in such forward-looking statements.

MISCELLANEOUS

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

The Resolution approved the form and content of this Official Statement, and any addenda, supplement or amendment thereto, and authorized its further use in the reoffering of the Bonds by the Initial Purchaser in accordance with the provisions of the Rule.

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FIGURE 1 – DISTRICT LOCATION

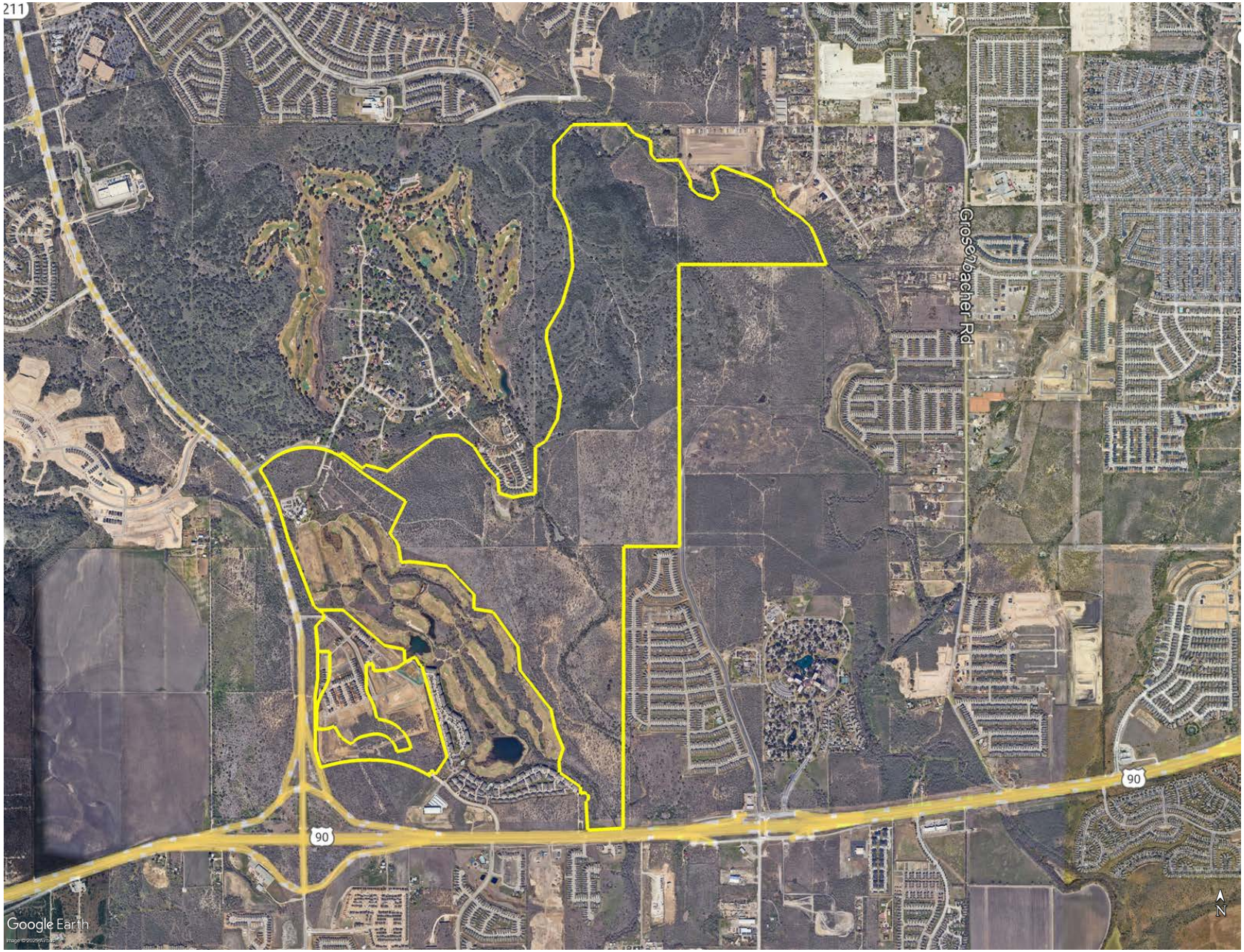


FIGURE 2 – PHOTOS OF THE DISTRICT









BRIGGS RANCH SPECIAL IMPROVEMENT DISTRICT

/s/ Wayne Flores
President, Board of Directors
Briggs Ranch Special Improvement District

ATTEST:

/s/ Allyson Walters
Secretary, Board of Directors
Briggs Ranch Special Improvement District

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APPENDIX A

AUDITED FINANCIAL STATEMENT OF THE DISTRICT FOR YEAR ENDED SEPTEMBER 30, 2025

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GARZA GONZALEZ & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

BRIGGS RANCH SPECIAL IMPROVEMENT DISTRICT

(A Component Unit of Bexar County)
San Antonio, Texas

FINANCIAL STATEMENTS

Year Ended September 30, 2025

(210) 227-1389
40 NE Loop 410, Ste. 305
San Antonio, TX 78216
www.gga-cpa.biz

BRIGGS RANCH SPECIAL IMPROVEMENT DISTRICT
(A Component Unit of Bexar County)
San Antonio, Texas

FINANCIAL STATEMENTS

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Briggs Ranch Special Improvement District
San Antonio, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and the general fund of the Briggs Ranch Special Improvement District (the District), a component unit of Bexar County, Texas, as of and for the year ended 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 the general 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.

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San Antonio, TX 78216
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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

Garza Gonzalez & Associates

January 8, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

BRIGGS RANCH SPECIAL IMPROVEMENT DISTRICT
(A Component Unit of Bexar County)
San Antonio, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Briggs Ranch Special Improvement District (the District) offers readers this narrative overview and analysis of its financial performance as of and for the year ended September 30, 2025. Readers are encouraged to consider the information presented here in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's government-wide unrestricted net position was a deficit ($3,097,752) at September 30, 2025. This was a decrease of ($293,357) from the period ended September 30, 2024, which is a result of interest accrued on submittals from developer.
- The general fund reported a fund balance of $276,610 at September 30, 2025, compared to $92,238 at September 30, 2024. The fund balance at September 30, 2025 is reflected as unassigned fund balance and can, therefore, be used to meet the District's ongoing obligations. The net increase in fund balance of $184,372 was the result of increased property tax revenue collections in the amount of $122,174 and increased interest on cash deposits of $2,260; and, decreased expenditures of $1,583.
- As of the fiscal year ended September 30, 2025, the District's total amounts due to developer was $3,374,578 which includes accrued interest of $1,233,549. The total amount due to property owners is reflected as a non-current liability at September 30, 2025.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District's financial statements consist of two parts—*the financial section and the required supplementary information*. The financial section includes the management's discussion and analysis (this section), the basic financial statements, which include two kinds of statements that present different views of the District, and the related notes:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on the District's general fund and report the District's operations in *more detail* than the government-wide statements. These statements also report how *general government* services were financed in the *short term* as well as what remains for future spending.
- The *notes* provide additional information that is the key in understanding the data provided in the government-wide and fund financial statements.

The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Government-wide Financial Statements

The *government-wide financial statements* report information about the District as a whole using accounting methods similar to those used by private-sector companies.

The *statement of net position* includes *all* of the District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. To assess the overall health of the District, additional nonfinancial factors; such as, changes in the District's tax base, should be considered.

The *statement of activities* presents information showing how the District's *net position* changed during the period. All revenues and expenses are accounted for in this statement regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e. uncollected taxes).

The government-wide financial statements include only g*overnmental activities* since the District does not have any *business type activities.* The District's basic services are included here, which consist of, among other things, paying administrative expenses, levying taxes; and borrowing money for the purpose of financing the Improvement Project costs.

Fund Financial Statements

The *fund financial statements* provide more detailed information about the District's most significant *funds*—not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes. The District currently only maintains a general fund, which is a governmental fund.

Governmental Funds— used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. The District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out, and (2) the balances left at year-end that are available for spending. Consequently, unlike the government-wide financial statements, governmental fund financial statements provide a detailed *short-term* view that may be useful in determining whether there are more or fewer financial resources that can be spent in the near future to finance the District's services. Because this information does not encompass the additional long-term focus of the government-wide financial statements, we provide a reconciliation on the subsequent page of the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance to explain the relationship (or differences) between *governmental funds* and *governmental activities*.

Other Information

The District adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget. This schedule is presented as Required Supplementary Information (RSI) in this report.

BRIGGS RANCH SPECIAL IMPROVEMENT DISTRICT
(A Component Unit of Bexar County)
San Antonio, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position and Change in Net Position:

Net position may serve over time as a useful indicator of a government's financial position. The District's net position at September 30, 2025 was ($3,097,752) (See Table A-1).

Table A-1
The District's Net Position

	Governmental Activities 2025
Current Assets	$ 281,158
Total Assets	$ 281,158
Current Liabilities	$ 4,332
Noncurrent Liabilities	3,374,578
Total Liabilities	$ 3,378,910
Unrestricted Net Position (Deficit)	(3,097,752)
Total Net Position	$ (3,097,752)

Governmental Activities

The District's total revenues were $200,274 (See Table A-2), with $195,514, or 97.6%, generated from property taxes.

The District's total expenses were $493,631, with $477,945, or 96.8%, representing interest accrued on amounts owed to developer.

The District reflects a negative change in net position of ($293,357), which is primarily attributable to the accrual of interest on amounts owed to developer.

Table A-2
Changes in the District's Net Position

	Governmental Activities 2025
Revenues	
General Revenues	
Property Taxes, Levied for General Purposes	$ 195,514
Interest Income	4,760
Total Revenues	200,274
Expenses	
General Government	15,686
Debt Service – Interest Due to Developer	477,945
Total Expenses	493,631
Change in Net Position	(293,357)
Beginning Net Position (Deficit)	(2,804,395)
Ending Net Position, (Deficit)	$ (3,097,752)

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As stated earlier, the District uses fund accounting for the purpose of carrying on specific activities in accordance with laws, regulations, or other appropriate requirements.

The *general fund* is the chief and only operating fund of the District and was established to account for resources that finance the fundamental operations of the District. At the end of the fiscal year ended September 30, 2025, the general fund's fund balance totaled $276,610, which is classified as unassigned.

Revenues from governmental fund types totaled $200,058, with $195,298, or 97.6%, representing property taxes.

General Fund Budgetary Highlights

The Board of Directors adopts a budget for the general fund. At September 30, 2025, the District exceeded total appropriations in the general fund in following expenditure lines:

- Appraisal Fees by $572, and,
- Legal Services by $2,494.

LONG-TERM DEBT

Due to Developer

At the end of the current fiscal year, the District's total long-term debt outstanding was $3,374,578. (See Table A-3).

The Due to Developer – Public Improvements represents authorized and approved construction costs incurred by the Developer, which are to be reimbursed by the District in future years with the issuance of bonds, and/or the property tax, sales and use tax, and hotel occupancy tax revenues. The total amount incurred on behalf of the District at September 30, 2025 was $3,374,578; of which, $477,945 was interest accrued in the current fiscal year.

Table A-3
The District's Long Term Liabilities

	Governmental Activities		
	2025	**2024**	**Change**
Due to Developer – Public Improvements	$ 3,374,578	$ 2,896,633	$ 477,945
Total Long-Term Debt	$ 3,374,578	$ 2,896,633	$ 477,945

Additional information on the District's non-current liabilities can be found in note III.E. in the notes to financial statements.

ECONOMIC FACTORS AND OTHER MATTERS

- The 2025-2026 property tax rate of $.54159 remained the same as the 2024-2025 rate.
- Taxable property values for 2025-2026 are expected to increase significantly due to development in the District.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the District's General Counsel.

Basic Financial Statements

Government-Wide Financial Statements

BRIGGS RANCH SPECIAL IMPROVEMENT DISTRICT
(A Component Unit of Bexar County)
San Antonio, Texas

STATEMENT OF NET POSITION

SEPTEMBER 30, 2025

	Primary Government
	Governmental Activities
ASSETS	
Current Assets	
Cash	$ 280,862
Property Taxes - Delinquent	216
Due from Other Government	80
Total Current Assets	281,158
Total Assets	281,158
LIABILITIES	
Current Liabilities	
Accounts Payable	4,332
Total Current Liabilities	4,332
Noncurrent Liabilities	
Due in more than one year:	
Due to Developer - Public Improvements	3,374,578
Total Noncurrent Liabilities	3,374,578
Total Liabilities	3,378,910
Net Position	
Unrestricted Net Position (Deficit)	(3,097,752)
Total Net Position	$ (3,097,752)

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

BRIGGS RANCH SPECIAL IMPROVEMENT DISTRICT
(A Component Unit of Bexar County)
San Antonio, Texas

STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2025

Functions/Programs	Expenses	Program Revenue	Net (Expense) Revenue and Changes in Net Position Primary Government Governmental Activities
Primary Government:			
Governmental Activities:			
General Government	$ 15,686	$ -	$ (15,686)
Debt Service - Interest on Due to Developer	477,945	-	(477,945)
Total Governmental Activities	$ 493,631	$ -	(493,631)
General Revenues:			
Taxes:			
Property Taxes, Levied for General Purposes			195,514
Interest Income			4,760
Total Revenues			200,274
Change in Net Position			(293,357)
Net Position—Beginning (Deficit)			(2,804,395)
Net Position—Ending (Deficit)			$ (3,097,752)

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

Governmental Funds Financial Statements

BRIGGS RANCH SPECIAL IMPROVEMENT DISTRICT
(A Component Unit of Bexar County)
San Antonio, Texas

BALANCE SHEET

GOVERNMENTAL FUNDS

SEPTEMBER 30, 2025

	Major Fund	
	General Fund	Total Governmental Fund
Assets		
Cash	$ 280,862	$ 280,862
Property Taxes - Delinquent	216	216
Due fom Other Government	80	80
Total Assets	$ 281,158	$ 281,158
Liabilities		
Accounts Payable	$ 4,332	$ 4,332
Deferred Inflows of Resources		
Unavailable Revenue - Property Taxes	216	216
Fund Balance		
Unassigned Fund Balance	276,610	276,610
Total Liabilities, Deferred Inflows, and Fund Balance	$ 281,158	$ 281,158

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

BRIGGS RANCH SPECIAL IMPROVEMENT DISTRICT
(A Component Unit of Bexar County)
San Antonio, Texas

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2025

Total Fund Balance--Governmental Funds	$	276,610
Long-term liabilities, which include amounts due to developer, are not due and payable in the current period and are therefore not reported as liabilities in the funds. At the beginning of the year, the amount due to the developer was ($2,896,633), including accrued interest. The net effect of including the beginning balance for long-term liabilities in the governmental activities is to (decrease) net position.		(2,896,633)
Transactions related to current year long-term liabilities are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting, as follows: - Interest accrued on amounts due to developer increased by ($477,945). The net effect is to (decrease) net position.		(477,945)
Recognize revenues on the accrual basis of accounting for deferred inflows of resources which are not recognized on the modified accrual basis of accounting. This includes recognizing unavailable revenues-property taxes as revenue from the current year tax levy in the amount of $216. The net effect is to increase net position.		216
Net Position of Governmental Activities	$	(3,097,752)

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

BRIGGS RANCH SPECIAL IMPROVEMENT DISTRICT
(A Component Unit of Bexar County)
San Antonio, Texas

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS

YEAR ENDED SEPTEMBER 30, 2025

	Major Fund	Total
	General Fund	Governmental Funds
REVENUES:		
Property Taxes	$ 195,298	$ 195,298
Interest Income	4,760	4,760
Total Revenues	200,058	200,058
EXPENDITURES:		
Current:		
General Government		
Appraisal Fees	972	972
Legal Services	9,494	9,494
Engineering Services	420	420
Accounting Services	4,800	4,800
Total Expenditures	15,686	15,686
Net Change in Fund Balance	184,372	184,372
Fund Balance - October 1, 2024 (Beginning)	92,238	92,238
Fund Balance - September 30, 2025 (Ending)	$ 276,610	$ 276,610

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

BRIGGS RANCH SPECIAL IMPROVEMENT DISTRICT
(A Component Unit of Bexar County)
San Antonio, Texas

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2025

Total Net Change in Fund Balances--Governmental Funds	$	184,372
Transactions related to current year long-term liabilities are necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting, as follows: - Interest accrued on amounts due to developer increased by ($477,945). The net effect is a (decrease) to the change in net position.		(477,945)
Various other reclassifications and eliminations are necessary to convert from the modified accrual to the accrual basis of accounting, as folows: - Recognize unavailable revenue as revenue from the current year tax levy in the amount of $216. The net effect is an increase to the change in net posistion.		216
Change in Net Position of Governmental Activities	$	(293,357)

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

BRIGGS RANCH SPECIAL IMPROVEMENT DISTRICT
(A Component Unit of Bexar County)
San Antonio, Texas

NOTES TO FINANCIAL STATEMENTS

Year Ended September 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Briggs Ranch Special Improvement District (the District) is a public improvement district created by an order of the Bexar County Commissioners Court on December 15, 2020 (the Order), pursuant to Chapter 382 of the Texas Local Government Code, and approved by the voters in May 2021. The District was established to promote economic development by funding public improvement projects within and outside the District that benefit the District. Such projects may be financed through economic development agreements, grants, and loans, funded by local taxes and proceeds from bonds and other financing methods.

The District is located on the far west side of Bexar County. Under a Strategic Partnership Agreement (SPA) between the City of San Antonio (the City) and the District, effective March 17, 2022, the commercial use areas within the District were annexed to the City for limited purposes, including planning and zoning, and the imposition and collection of sales and use taxes. Pursuant to the SPA, the City will not annex property within the District boundaries for full municipal purposes until on or after December 31, 2050.

The District prepares its basic financial statements in conformity with accounting principles generally accepted in the United States of America, (GAAP), as promulgated by the Government Accounting Standards Board (GASB).

A. Reporting Entity

The District is governed by a seven-member Board of Directors (the Board) whose members are appointed by the Bexar County Commissioners Court to serve staggered two-year terms. The Board is financially accountable for the District; therefore, the District qualifies as a financial reporting entity as defined by GASB.

The District is a component unit of Bexar County within the meaning of GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units,* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. Pursuant to the Order, the District is required to obtain approval from Bexar County Commissioners Court to increase its authorized tax rate, execute economic development agreements, enter into agreements to make loans or grants of District proceeds, and issue bonds.

B. Government-Wide and Fund Financial Statements

The statement of net position and the statement of activities are government-wide financial statements. They report information on all of the District's activities. The District's governmental activities are supported by property, Sales and Use, and Hotel Occupancy taxes.

The District's net position is classified as unrestricted. Unrestricted net position consists of amounts that do not meet the definition of restricted and may be used at the discretion of the Board for any lawful purpose of the District.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The statement of activities demonstrates how other parties or entities that participate in the District's programs have shared in the payment of the direct costs. Thus, the purpose is to show the degree to which the direct expenses of a given function are offset by program revenues, if any. Direct expenses are those that are clearly identifiable with a specific function. During the year ended September 30, 2025, all of the District's activities and programs were funded by general revenues (property taxes).

The fund financial statements provide reports on the financial condition and results of operations for governmental activities.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under this basis of accounting, revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under this measurement focus, only current assets, current liabilities, deferred inflows and outflows of resources, and fund balances are reported on the balance sheet. The operating statements for these funds present increases and decreases in the net current assets (i.e. revenues and expenditures).

Under the modified accrual basis of accounting, revenues are recognized in the period in which they become both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collectible within 60 days after year end. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

Property tax revenue is recognized under the susceptible-to-accrual concept, as they are both measurable and available. Interest income is recognized as earned, since it is both measurable and available.

D. Fund Accounting

The District reports the general fund as the only governmental fund and it is reported as the District's major fund. The general fund is the District's primary operating fund that is used to account for all financial resources. The District's revenue sources in fiscal year 2025 were local property taxes and interest earnings. Expenditures include all costs associated with the District's daily operations.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Other Accounting Policies

1. Sales and Use Tax

   Pursuant to the Order, the District is authorized to levy a sales and use tax at a rate of 2% on all taxable sales within the District. However, under the SPA, the District instead receives 25% (District's share) of sales and use taxes collected from the commercial use areas within the District. No sales and use tax revenues were received by the District during the fiscal year.

2. Hotel Occupancy Taxes

   Pursuant to the Order, the District is authorized to levy a hotel occupancy tax at a rate equal to the greater of the rate levied by the City of San Antonio (City) or 9% of the amount paid for the use and occupancy of a room in a hotel or motel within the District. No hotel occupancy tax revenues were received by the District during the fiscal year.

3. Fund Balance

   The District uses the following criteria when classifying fund balance amounts:

   Nonspendable – amounts not in spendable form or that are legally or contractually required to be maintained intact. The District did not have any amounts in this category at September 30, 2025.

   Restricted – amounts that have been legally separated for a specific purpose by law or external funding source; such as, long-term debt and grants. The District did not have any amounts in this category at September 30, 2025.

   Committed – amounts that require Board action to be used for a specific purpose. Formal action to commit funds must occur prior to year-end and can only be modified or removed by the same formal action. The District did not have any amounts in this category at September 30, 2025.

   Assigned – amounts that do not require Board approval but are intended to be used for a specific purpose, as determined by an official or body to which the Board has delegated authority. These amounts do not meet the criteria to be classified as restricted or committed. The District did not have any amounts in this category at September 30, 2025.

   Unassigned – residual amount in the general fund that is available to finance operating expenditures. In other funds, this classification is used only to report a deficit fund balance resulting from over spending of specific purposes for which amounts had been restricted, committed, or assigned. At September 30, 2025, the unassigned fund balance reported in the general fund was $276,610.

   If the District were to incur an expenditure for purposes in which both restricted and unrestricted fund balances were available, restricted resources would be utilized first.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

4. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

5. Priority Use of Available Revenues

Pursuant to the Public Improvement Financing Agreement, the District's property tax revenues and hotel occupancy tax revenues (when available) shall be applied in the following order of priority:

(A) To pay administrative expenses of the District pursuant to its annual budget.
(B) To pay any debt service on outstanding bond issues.
(C) To reimburse, with interest, any unreimbursed advances for administrative expenses costs paid by the developer.
(D) To reimburse, with interest, any unreimbursed eligible public improvement costs paid by the developer.
(E) To pay for any public improvement necessary to serve the District property that are not subject to reimbursement as described above.

Pursuant to the Strategic Partnership Agreement, the District's 25% share of sales and use tax revenues, when collected, shall be applied in the following order of priority:

(A) To pay for police, fire, and EMS services within the District.
(B) To reimburse any unreimbursed eligible public improvement costs paid by the developer.
(C) To pay for the operation, maintenance, repair, and replacement of the eligible public improvement.
(D) For the retirement of District bonds after the 10th anniversary of issuance.

II. BUDGETARY DATA

The Board adopts an annual budget for the general fund. The original adopted and final amended budget for revenues and expenditures, with a comparison of actual revenues and expenditures to the final amended budget amounts, is presented in the accompanying financial statements. During the fiscal year, the District did not amend its budget.

II. BUDGETARY DATA (Continued)

For the fiscal year ended September 30, 2025, the budget comparison schedule indicate that expenditure line items exceeded the adopted and final budget in the general fund as follows:

	Adopted and Final Budget	Actual Expenditures	Variance (Excess)
General Fund:			
Appraisal Fees	$ 400	$ 972	$ (572)
Legal Services	$ 7,000	$ 9,494	$ (2,494)

III. DETAILED NOTES

A. Cash

At September 30, 2025, the District's deposits consisted of demand deposits with a carrying amount of $280,862 and a bank balance of $319,877. The District's policy requires that deposits in excess of the $250,000 FDIC insurance limit be collateralized. From January 2025 through the end of the fiscal year, the District's deposits exceeded FDIC insurance coverage and were not collateralized. As of September 30, 2025, deposits totaling $69,877 exceeded FDIC insurance coverage and were not collateralized.

B. Property Taxes

The appraisal of all property within the District are the responsibility of the Bexar County Appraisal District (BCAD), an independent governmental unit governed by a board of directors appointed by the taxing jurisdictions within the County and funded through assessments against those jurisdictions. BCAD is legally required to appraise taxable property at its market value as of January 1. Real property must be reappraised at least once every three years. Under certain circumstances, taxpayers and taxing units, including the District, may protest appraisal determinations and challenge decisions of the BCAD Review Board through various appeals and, if necessary, legal action.

Property taxes are levied by October 1 on the assessed value of property listed as of the prior January 1 for all real and business personal property located within the District, in conformity with Subtitle E of the Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which they are imposed. State law automatically places a tax lien on all property on January 1 of each year to ensure payment of all taxes.

Property tax revenues are considered available when they are due or past due and receivable within the current period. The adjusted assessed valuation of the property tax roll upon which the fiscal year 2025 levy was based, was $32,541,669.

Pursuant to the Order, the District is authorized to levy ad valorem taxes at a rate not to exceed $0.558270 per $100 of assessed valuation, subject to applicable state and local ad valorem tax requirements. The District's actual tax rate for fiscal year 2025 (tax year 2024) was $0.541590 per $100 of assessed valuation. Any increase in the tax rate authorized by the Order requires approval of the County.

III. DETAILED NOTES (Continued)

C. Property Taxes Receivable

Delinquent property taxes are recorded at the rates adopted for the year of the levy. As of September 30, 2025, the District did not record an allowance for uncollectible taxes receivable, since the amount was determined to be immaterial. Uncollectible personal property taxes may be periodically reviewed and written off; however, the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

For the fiscal year ended September 30, 2025, tax collection totaled 99.88% of the adjusted 2024 tax year levy. At September 30, 2025, the general fund reported $216 in property taxes receivable, which was considered delinquent.

D. Deferred Inflows of Resources

Deferred inflows of resources represents an acquisition of net position that is applicable to a future period and, therefore, will not be recognized as revenue until that time. The District reports deferred inflows of resources for unavailable property tax revenues in the governmental funds balance sheet. The amount is deferred and will be recognized as revenue in the period in which the revenues become available.

At September 30, 2025, deferred inflows of resources consisted of unavailable property tax revenue in the amounts of $216 reported in the general fund.

E. Due to Developer

On May 5, 2021, the District entered into a Public Improvement Financing Agreement with a developer, for the reimbursement of eligible public improvement costs and amounts advanced to the District for administrative and other eligible project expenses. Interest accrues on unreimbursed costs and advances at a rate equal to the Prime Rate plus 9% per annum, compounded annually. Interest accrues from the date payments are made by the developer for administrative expenditures, or from the date the developer submits a request for reimbursement to the District's consultant for public improvement costs, through the date of reimbursement.

During the fiscal year, accrued interest was calculated using an interest rate of 16.5%. As of September 30, 2025, the amount due to the developer totaled $3,374,578, which included $1,233,549 of accrued interest.

III. DETAILED NOTES (Continued)

The changes in the amount due to developer for the year ended September 30, 2025, were as follows:

Balance – October 1, 2024	$	2,896,633
Add: Submittals		-
Less: Current Year Payments		-
Add: Interest Accrued During Current Year		477,945
Balance – September 30, 2025	$	3,374,578
Amount Due Within One Year	$	-

F. Risk Management

The District is exposed to various risks of loss related to theft of assets and errors or omissions. During fiscal year 2025, the District elected to retain these risks, and did not incur any losses.

G. Contingencies and Commitments

Legal Proceedings

From time to time, the District may be a defendant in legal proceedings relating to its operations. It is the opinion of the District's general counsel that there is no pending litigation against the District that would have a material or adverse financial impact upon the District or its operations.

Economic Dependency

For the fiscal year ended September 30, 2025, property taxes accounted for approximately 97% of the District's total governmental revenues. The District's property tax base is influenced by real estate values, new construction activity, and changes in taxable assessed valuations, all of which may be affected by adverse economic conditions. The District's cash inflows is dependent on the timely payment of taxes by its principal taxpayers. The inability of any significant taxpayer to make full and timely payment of taxes levied against its property could directly affect the District's ability to meet its debt service and other long-term obligations in the future.

H. Net Position

At September 30, 2025, the District's unrestricted net position, as reported in the government-wide statement of net position, was a deficit of ($3,097,752). This deficit primarily reflects the District's developmental stage, during which expenditures for public improvements and other project costs have been incurred before the receipt of significant revenues. The deficit is expected to increase in future periods as a result of recognizing long-term liabilities related to amounts due to the developer and the issuance of ad valorem tax bonds.

III. DETAILED NOTES (Continued)

I. Subsequent Events

Management have evaluated subsequent events through January 8, 2026, the date the financial statements were available to be issued. No events have occurred subsequent to September 30, 2025, that would require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

BRIGGS RANCH SPECIAL IMPROVEMENT DISTRICT
(A Component Unit of Bexar County)
San Antonio, Texas

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

YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final	(GAAP Basis)	Positive or (Negative)
REVENUES:				
Property Taxes	$ 174,205	$ 174,205	$ 195,298	$ 21,093
Interest Income	-	-	4,760	4,760
Total Revenues	174,205	174,205	200,058	25,853
EXPENDITURES:				
Current:				
General Government:				
Appraisal Fees	400	400	972	(572)
Insurance - D & O	2,000	2,000	-	2,000
Legal Services	7,000	7,000	9,494	(2,494)
Engineering Services	4,000	4,000	420	3,580
Accounting Services	4,800	4,800	4,800	-
Banking Services	100	100	-	100
Economic Development				
Developer Reimbursements	150,000	150,000	-	150,000
Total Expenditures	168,300	168,300	15,686	152,614
Net Change in Fund Balance	5,905	5,905	184,372	178,467
Fund Balance - October 1, 2024 (Beginning)	92,238	92,238	92,238	-
Fund Balance - September 30, 2025 (Ending)	$ 98,143	$ 98,143	$ 276,610	$ 178,467

APPENDIX B

FORM OF BOND COUNSEL OPINION

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ABHR

Allen Boone Humphries Robinson LLP

December __, 2026

WE HAVE ACTED AS BOND COUNSEL for BRIGGS RANCH SPECIAL IMPROVEMENT DISTRICT (the "District"), in connection with an issue of bonds (the "Bonds") described as follows:

> BRIGGS RANCH SPECIAL IMPROVEMENT DISTRICT UNLIMITED AD VALOREM TAX BONDS, SERIES 2026, dated December 1, 2026, aggregating $_____ in initial principal amount, the issuance of which has been authorized by a resolution (the "Bond Resolution") of the District's Board of Directors.

WE HAVE ACTED AS BOND COUNSEL for the purpose of rendering an opinion with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas and with respect to the exclusion of interest on the Bonds from gross income for federal income tax purposes. We have neither investigated nor verified original proceedings, records, data or other material, but have relied solely upon the transcript of proceedings and the representations described herein. We have assumed no responsibility with respect to the financial condition of the District or the reporting or disclosure thereof in connection with the sale of the Bonds. Our role in connection with the District's Official Statement prepared for use in connection with the sale of the Bonds has been limited as described therein.

IN OUR CAPACITY AS BOND COUNSEL, we have participated in the preparation of and have examined a transcript of certified proceedings pertaining to the Bonds, upon which we have relied in issuing our opinions. Such transcript contains certified copies of certain proceedings of the District, customary certificates of officers, agents and representatives of the District and other public officials and other certified showings relating to the authorization and issuance of the Bonds. We also have reviewed such laws, regulations, guidance and other materials as we have deemed necessary to render the opinions expressed herein.

BASED ON SAID EXAMINATION, IT IS OUR OPINION that the District has been validly created and organized and that the transcript of certified proceedings evidences complete legal authority for the issuance of the Bonds in full compliance with the Constitution and laws of the State of Texas presently effective; and that therefore the Bonds are valid and legally binding obligations of the District, and all taxable property

in the District is subject to the levy of ad valorem taxes, without legal limitation as to rate or amount, to pay the same.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights and remedies of creditors and by general principles of equity, which permit the exercise of judicial discretion, whether considered at law or in equity.

IT IS OUR FURTHER OPINION THAT, under existing law:

(1) Interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code").

(2) Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax on individuals (although we observe that such interest may be considered in computing the alternative minimum tax imposed on certain corporations).

In providing such opinions, we have relied on representations of the District, the District's Financial Advisor and the Underwriter (as defined in the Bond Resolution) with respect to matters solely within the knowledge of the District, the District's Financial Advisor and the Underwriter, respectively, which we have not independently verified; and we have assumed continuing compliance with the covenants in the Bond Resolution pertaining to those sections of the Code that affect the exclusion from gross income of interest on the Bonds for federal income tax purposes. If such representations are determined to be inaccurate or incomplete or the District fails to comply with the foregoing covenants of the Bond Resolution, interest on the Bonds could become includable in gross income from the date of their original delivery, regardless of the date on which the event causing such inclusion occurs.

Except as stated above, we express no opinion as to any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or acquisition, ownership or disposition of, the Bonds. Further, we express no opinion concerning any laws other than the laws of the State of Texas and the United States.

Our opinions are based on existing law and regulations, which are subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law or regulations that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service (the

"Service"); rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given as to whether the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the District as the taxpayer. We observe that the District has covenanted in the Bond Resolution not to take any action, or omit to take any action within its control, that, if taken or omitted, would cause the interest on the Bonds to be includable in gross income for federal income tax purposes.

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APPENDIX C

THE CITY OF SAN ANTONIO AND BEXAR COUNTY

Neither the City of San Antonio, Texas nor Bexar County, Texas has any obligations with respect to payment of the Bonds. The information set forth in this Appendix C has been sourced from publicly available offering documents for bonds issued by Bexar County, Texas and is provided for general information only and may contain dated material. Neither the District nor the Municipal Advisor has undertaken to verify such information, and the District and the Municipal Advisor make no representation about the accuracy or completeness of the information contained in this Appendix C.

Population and Location

The 2020 Decennial Census (the "2020 Census"), prepared by the United States Census Bureau ("U.S. Census Bureau"), found the City to have a population of 1,434,625[1]. The City's Information Technology Services Department has estimated the City's population to be 1,522,498[2] for 2026. The U.S. Census Bureau ranks the City as the second largest in the State of Texas (the "State" or "Texas") and the seventh largest in the United States ("U.S."). The City is located in south central Texas approximately 80 miles south of the state capitol in Austin, 165 miles northwest of the Gulf of Mexico, and approximately 150 miles from the U.S./Mexico border cities of Del Rio, Eagle Pass, and Laredo, respectively.

The City is the county seat of Bexar County. Bexar County had a population of 2,009,324[1] according to the 2020 Census. The City's Information Technology Services Department has estimated Bexar County's population to be 2,128,666[2] and the San Antonio-New Braunfels Metropolitan Statistical Area ("MSA") population to be 2,765,476[2] in 2026.

[1] Provided by the 2020 Census.
[2] Estimates are based on American Community Survey data in years when Decennial Census data is not available.

Population

The following table provides the population of the City, Bexar County, and the San Antonio-New Braunfels MSA for the years shown:

Year	City of San Antonio	Bexar County	San Antonio-New Braunfels MSA [1]
1920	161,379	202,096	255,928
1930	231,542	292,533	351,048
1940	253,854	338,176	393,159
1950	408,442	500,460	556,881
1960	587,718	687,151	749,279
1970	654,153	830,460	901,220
1980	785,880	988,800	1,088,710
1990	935,933	1,185,394	1,324,749
2000	1,144,646	1,392,931	1,711,703 [2]
2010	1,326,539	1,714,773	2,142,508
2020	1,434,625	2,009,324	2,558,143 [3]

[1] Data for 1920-1990 has been restated to the redefined eight-county MSA from the original four-county MSA.
[2] As of June 2003, the U.S. Office of Management and Budget redefined the MSA by increasing the number of counties from four to eight: Atascosa, Bandera, Kendall, and Medina Counties were added to its mainstays of Bexar, Comal, Guadalupe, and Wilson Counties. (The 2000 figure reflects the new 2003 redefined eight-county area.) As of December 2009, New Braunfels, Texas qualified as a new principal city of the San Antonio MSA, and the MSA was re-titled San Antonio-New Braunfels MSA.
[3] Provided by the 2020 Census at *data.census.gov.*
Sources: U.S. Census Bureau; Texas Association of Counties – County Information Project; and City of San Antonio, Information Technology Services Department.

Area and Topography

The Planning Department recently processed an owner-initiated Consent Annexation request, which became effective in February 2025, for a total of 794.50 acres (1.24 square miles). As a result of that large annexation, the City's corporate land rose to approximately 526.50 square miles. The topography of San Antonio is generally hilly with heavy black to thin limestone soils. There are numerous streams fed with underground spring water. The average elevation is 795.5 feet above mean sea level.

Bexar County

The County was organized in 1836 as one of the original counties of the Republic of Texas and is now the fourth most populous county in the State. The County has an area of approximately 1,256 square miles and is located in south central Texas and is a component of the San Antonio-New Braunfels MSA.

The diversified economic base of the County is composed of financial services, healthcare, agriculture, manufacturing, construction, military, and tourism. Support for these economic activities is demonstrated by the County's ongoing commitment to economic development projects together with ongoing infrastructure improvements to support the County's growing population. Another economic factor attracting companies and families to the San Antonio area is the low cost of living. With one of the lowest cost workforces of any major cities in the United States, Bexar County is positioned to increase employment across various industries.

Employment by Industry – Bexar County

San Antonio-New Braunfels MSA[1]	Average Annual 2025	Average Annual 2024	Average Annual 2023	Average Annual 2022	Average Annual 2021
Mining, Logging, and Construction	76,100	75,900	72,500	67,800	63,200
Manufacturing	60,600	62,100	61,000	57,700	51,500
Trade, Transportation, and Utilities	211,300	209,300	207,200	203,200	188,300
Information	18,100	19,300	18,900	18,400	17,500
Financial Activities	101,500	100,200	99,600	98,700	93,800
Professional and Business Services	154,800	157,000	159,900	159,500	148,800
Private Education and Health Services	183,100	180,200	176,800	169,500	163,500
Leisure and Hospitality	147,900	146,500	142,700	136,100	124,400
Other Services	42,500	42,200	20,800	38,900	36,800
Government	191,500	189,400	181,800	174,800	172,500
Total Nonfarm	**1,187,400**	**1,181,800**	**1,161,300**	**1,124,500**	**1,060,300**

[1] Based on Labor Market Information Department, Texas Workforce Commission (model-based methodology).

Labor Force Statistics for Bexar County[1]

	Average Annual 2025	Average Annual 2024	Average Annual 2023	Average Annual 2022	Average Annual 2021
Civilian Labor Force	1,351,666	1,335,679	1,302,322	1,263,944	1,226,065
Total Employed	1,298,220	1,284,749	1,253,664	1,217,224	1,162,543
Total Unemployed	53,446	50,930	48,658	46,720	63,522
Unemployment Rate	4.0%	3.8%	3.7%	3.7%	5.2%
% Unemployed (Texas)	4.2%	4.1%	4.0%	3.9%	5.6%
% Unemployed (U.S.)	4.3%	4.0%	3.6%	3.6%	5.3%

[1] Source: Texas Employment Commission.

APPENDIX D

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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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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