OFFICIAL STATEMENT DATED OCTOBER 26, 2026

IN THE OPINION OF BOND COUNSEL, THE BONDS ARE VALID OBLIGATIONS OF FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 229, AND INTEREST ON THE BONDS IS EXCLUDABLE FROM GROSS INCOME FOR PURPOSES OF FEDERAL INCOME TAXATION UNDER STATUTES, REGULATIONS, PUBLISHED RULINGS, AND COURT DECISIONS EXISTING ON THE DATE OF SUCH OPINION, SUBJECT TO THE MATTERS DESCRIBED UNDER "LEGAL MATTERS" HEREIN, INCLUDING THE ALTERNATIVE MINIMUM TAX ON CERTAIN CORPORATIONS. SEE "LEGAL MATTERS" HEREIN FOR A DISCUSSION OF THE OPINION OF BOND COUNSEL.

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

NEW ISSUE – Book Entry Only

S&P Global Ratings (BAM Insured) ..... "AA"
Moody's Ratings (Underlying) ..... "Baa3"
See "MUNICIPAL BOND INSURANCE" and "RATINGS."

$6,125,000

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 229

(A Political Subdivision of the State of Texas located within Fort Bend County)

UNLIMITED TAX ROAD BONDS

SERIES 2026A

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

The $6,125,000 Fort Bend County Municipal Utility District No. 229 Unlimited Tax Road Bonds, Series 2026A (the "Bonds") are solely obligations of Fort Bend County Municipal Utility District No. 229 (the "District") and are not obligations of the State of Texas ("Texas"); Fort Bend County, Texas (the "County"); the City of Houston, Texas (the "City"); or any political subdivision or entity other than the District.

Principal of the Bonds is payable at maturity or earlier redemption by the paying agent/registrar, initially Zions Bancorporation, National Association, Houston, Texas (the "Paying Agent/Registrar"). The Bonds are dated November 1, 2026. Interest on the Bonds accrues from the initial date of delivery (on or about November 19, 2026) (the "Date of Delivery") and is payable on March 1, 2027, and on each September 1 and March 1 thereafter until the earlier of maturity or redemption, and will be calculated on the basis of a 360-day year consisting of twelve (12) thirty (30) day months. The Bonds are fully registered bonds in the denomination of $5,000 or any integral multiple thereof.

The Bonds will be registered and delivered only in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. Beneficial Owners (as defined herein under "THE BONDS – Book-Entry-Only System") of the Bonds will not receive physical certificates representing the Bonds, but will receive a credit balance on the books of the DTC participants. So long as Cede & Co. is the registered owner of the Bonds, the principal of and interest on the Bonds will be paid by the Paying Agent/Registrar directly to DTC, which will, in turn, remit such principal and interest to its participants for subsequent disbursement to the Beneficial Owners. See "THE BONDS – Book-Entry-Only System."

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

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

The Bonds, when issued, will constitute valid and legally binding obligations of the District and will be payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within the District, as further described herein. Investment in the Bonds is subject to special investment considerations described herein. See "INVESTMENT CONSIDERATIONS."

The Bonds are offered when, as, and if issued by the District, subject, among other things, to the approval of the Bonds by the Attorney General of Texas and the approval of certain legal matters by Schwartz, Page & Harding, L.L.P., Houston, Texas, Bond Counsel. Delivery of the Bonds in book-entry form through DTC is expected on or about November 19, 2026.

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

$6,125,000

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 229

UNLIMITED TAX ROAD BONDS, SERIES 2026A

Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 34686X (b)	Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 34686X (b)
2027	$190,000	7.500%	3.700%	KK2	2040 (c)	$235,000	5.000%	5.000%	KY2
2028	120,000	7.500%	3.750%	KL0	2041 (c)	250,000	5.000%	5.070%	KZ9
2029	130,000	7.500%	3.850%	KM8	2042 (c)	265,000	5.000%	5.140%	LA3
2030	135,000	7.500%	3.950%	KN6	2043 (c)	280,000	5.000%	5.200%	LB1
2031	140,000	7.500%	4.000%	KP1	2044 (c)	295,000	5.000%	5.250%	LC9
2032 (c)	150,000	7.500%	4.050%	KQ9	2045 (c)	310,000	5.000%	5.300%	LD7
2033 (c)	160,000	5.000%	4.200%	KR7	2046 (c)	330,000	5.000%	5.330%	LE5
2034 (c)	170,000	5.000%	4.350%	KS5	2047 (c)	350,000	5.125%	5.360%	LF2
2035 (c)	180,000	5.000%	4.450%	KT3	2048 (c)	370,000	5.125%	5.380%	LG0
2036 (c)	190,000	5.000%	4.550%	KU0	2049 (c)	390,000	5.250%	5.390%	LH8
2037 (c)	200,000	5.000%	4.650%	KV8	2050 (c)	415,000	5.250%	5.400%	LJ4
2038 (c)	210,000	5.000%	4.750%	KW6	2051 (c)	435,000	5.250%	5.410%	LK1
2039 (c)	225,000	5.000%	4.850%	KX4					

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

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

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

USE OF INFORMATION IN OFFICIAL STATEMENT

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

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

All of the summaries of the statutes, resolutions, contracts, audited 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 the District c/o Schwartz, Page & Harding, L.L.P., 1300 Post Oak Blvd., Suite 2400, Houston, Texas 77056, upon payment of the costs for duplication thereof.

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

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

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

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APPENDIX A – INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS OF THE DISTRICT
APPENDIX B – SPECIMEN MUNICIPAL BOND INSURANCE POLICY

SALE AND DISTRIBUTION OF THE BONDS

Award and Marketing of the Bonds

After requesting competitive bids for the Bonds, the District has accepted the lowest bid, which was tendered by SAMCO Capital Markets, Inc. (the "Initial Purchaser"). The Initial Purchaser has agreed to purchase the Bonds, bearing the interest rates on the inside cover of this Official Statement, at a price of 97.500000% of the principal amount thereof, which resulted in a net effective interest rate of 5.334115%, calculated pursuant to Chapter 1204, Texas Government Code, as amended.

Prices and Marketability

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

The 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 reoffering prices, including sales to dealers who may sell the Bonds into investment accounts. IN CONNECTION WITH THE OFFERING OF THE BONDS, THE INITIAL PURCHASER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Securities Laws

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

MUNICIPAL BOND INSURANCE

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: 28 Liberty Street, 59th Floor, New York, New York 10005, 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 June 30, 2026 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $505.6 million, $295.6 million and $210.0 million, respectively.

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

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at 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 "MUNICIPAL BOND INSURANCE."

Additional Information Available from BAM

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

Credit Profiles: Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at https://bambonds.com/credit-profiles. BAM will

produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

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

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

RATINGS

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

Moody's has assigned an underlying rating of "Baa3" to the Bonds. An explanation of the ratings may be obtained from Moody's, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007. Furthermore, a security rating is not a recommendation to buy, sell, or hold securities. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by Moody's, if in their judgment, circumstances so warrant. Any such revisions or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

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

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OFFICIAL STATEMENT SUMMARY

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

THE BONDS

The District	Fort Bend County Municipal Utility District No. 229 (the "District"), a political subdivision of the State of Texas ("Texas"), is located in Fort Bend County, Texas (the "County"). See "THE DISTRICT."
The Bonds	The $6,125,000 Fort Bend County Municipal Utility District No. 229 Unlimited Tax Road Bonds, Series 2026A (the "Bonds") are dated November 1, 2026, and mature on September 1 in each of the years and in the principal amounts set forth on the inside cover hereof. Interest on the Bonds accrues from the initial date of delivery (expected on or about November 19, 2026) (the "Date of Delivery") and is payable March 1, 2027, and on each September 1 and March 1 thereafter until maturity or prior redemption. See "THE BONDS."
Redemption	The Bonds that mature on or after September 1, 2032, are subject to redemption prior to maturity at the option of the District, in whole or from time to time in part, on September 1, 2031, or on any date thereafter, at the principal amount thereof plus accrued interest thereon to the date fixed for redemption. See "THE BONDS – Redemption Provisions."
Book-Entry-Only System	The Bonds will be initially registered and delivered only to Cede & Co., the nominee of DTC (herein defined), pursuant to the Book-Entry-Only System (herein defined). Beneficial ownership of the Bonds may be acquired in denominations of $5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the Beneficial Owners (herein defined) thereof. Principal of and interest on the Bonds will be payable by the Paying Agent/Registrar (herein defined) to Cede & Co., which will make distribution of the amounts so paid to the DTC participants for subsequent payment to the Beneficial Owners of the Bonds. See "THE BONDS – Book-Entry-Only System."
Source of Payment	Principal of and interest on the Bonds are payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District. The Bonds are obligations solely of the District and are not obligations of Texas, the County, the City of Houston, Texas (the "City"), or any political subdivision or entity other than the District. See "THE BONDS – Source and Security for Payment."
Outstanding Bonds	The District has previously issued its: $9,710,000 Unlimited Tax Bonds, Series 2022; $8,000,000 Unlimited Tax Road Bonds, Series 2022A; $5,000,000 Unlimited Tax Bonds, Series 2023; $4,755,000 Unlimited Tax Road Bonds, Series 2023A; $12,805,000 Unlimited Tax Bonds, Series 2024; $6,300,000 Unlimited Tax Road Bonds, Series 2024A; $16,795,000 Unlimited Tax Bonds, Series 2025; $10,000,000 Unlimited Tax Road Bonds, Series 2025A; and $12,280,000 Unlimited Tax Bonds, Series 2026. As of the Date of Delivery of the Bonds, $82,440,000 principal amount of such previously issued bonds will remain outstanding (the "Outstanding Bonds").

Payment Record	The District has never defaulted on the timely payment of its prior bonded indebtedness. See "THE BONDS – Issuance of Additional Debt."
Authority for Issuance	At an election held within the District on May 2, 2020, voters of the District authorized the District's issuance of a total of $70,315,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring a road system serving the District (the "Road System") and an equal amount for refunding such bonds; $90,645,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring a waterworks, sanitary sewer and drainage system serving the District (the "Utility System") and an equal amount for refunding such bonds; and $28,830,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring recreational facilities serving the District (the "Park System") and an equal amount for refunding such bonds. The Bonds represent the District's fifth series of bonds to be issued for the purpose of constructing or acquiring the Road System. To date, the District has also issued five (5) series of bonds for the purpose of constructing or acquiring the Utility System (inclusive of the Pending Bonds). After issuance of the Bonds, the following unlimited tax bonds will remain authorized but unissued: $35,135,000 for constructing or acquiring the Road System; $34,055,000 for constructing or acquiring the Utility System; and $28,830,000 for constructing or acquiring the Park System, and all of the unlimited tax bonds authorized for the purpose of refunding bonds issued by the District. The Bonds are issued pursuant to (i) the bond order adopted by the Board of Directors of the District on the date of the sale of the Bonds authorizing the issuance of the Bonds (the "Bond Order"); (ii) Chapter 138, Acts of the 86th Legislature, Regular Session, 2019, codified as Chapter 8062, Texas Special District Local Laws Code (the "Act"), and the general laws of Texas applicable to municipal utility districts, including Chapters 49 and 54 of the Texas Water Code, as amended; (iii) Article III, Section 52 of the Texas Constitution; and (iv) an election held within the District on May 2, 2020. See "THE BONDS – Authority for Issuance."
Use of Bond Proceeds	Proceeds of the sale of the Bonds will be used by the District to reimburse the Developer (herein defined) for all or a portion of the improvements and related costs shown under "USE AND DISTRIBUTION OF BOND PROCEEDS." Additionally, proceeds from the sale of the Bonds will be used to pay developer interest; six (6) months of capitalized interest; and other certain costs associated with the issuance of the Bonds. See "USE AND DISTRIBUTION OF BOND PROCEEDS."
NOT Qualified Tax-Exempt Obligations	The District has NOT designated the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended. See "LEGAL MATTERS – NOT Qualified Tax-Exempt Obligations."

Municipal Bond Insurance	Build America Mutual Assurance Company ("BAM"). See "MUNICIPAL BOND INSURANCE."
Ratings	S&P Global Ratings (BAM Insured): "AA." Moody's Ratings (Underlying): "Baa3." See "RATINGS."
Bond Counsel	Schwartz, Page & Harding, L.L.P.
Disclosure Counsel	McCall, Parkhurst & Horton L.L.P.
Financial Advisor	Cedar Creek Municipal Advisors, LLC.

THE DISTRICT

Description	The District was created pursuant to the Act. The District originally consisted of approximately 437.65 acres of land, all within the County. The District has since annexed approximately 136.98 acres, and thus the total acreage of the District is now approximately 574.63 acres. The District is located approximately 30 miles southwest of the central business district of the City and is located entirely within the extraterritorial jurisdiction of the City and within the boundaries of the Lamar Consolidated Independent School District. The District is bounded on the north by Fulshear-Gaston Road and bisected by FM 359. See "THE DISTRICT."
Authority	The rights, powers, privileges, authority, and functions of the District are established by Article XVI, Section 59 and Article III, Section 52 of the Constitution of the State of Texas, the Act, and the general laws of Texas pertaining to municipal utility districts, including particularly Chapters 49 and 54 of the Texas Water Code, as amended. See "THE DISTRICT – General."
The Developer	JDS Nursery Tract, LLC ("JDS") and JDS Nursery Tract South, LLC ("JDS South"), each a Texas limited liability company and an affiliate of Johnson Development Corp. ("JDC"), are the developers of the residential land within the District. JDS and JDS South are collectively referred to herein as the "Developer." See "THE DEVELOPER." Candela Ventures, LLC, a Texas limited liability company, owns approximately 7.34 acres of land in the District. The District is not aware of any development plans for such tract.
Principal Landowner	RCC Developers LLC ("RCC"), a Texas limited liability company, owns approximately 7.24 acres of commercial property located in the District. RCC is seeking to develop such tract for commercial and flex-space uses. See "THE DEVELOPER – Principal Landowner."
Status of Development	The District is being developed as the master-planned residential community known as Candela. To date, approximately 1,686 single family lots (423.83 acres) have been developed within the following single-family residential subdivisions: Candela, Sections 1-15, Section 18 and Candela South, Sections 1-4. As of September 1, 2026, development within the District consisted of approximately 1,368 completed homes (approximately 1,315 occupied and 53 unoccupied homes), approximately 131 homes under construction, and approximately 187 vacant, developed lots. The remainder of the land within the District consists of approximately 14.38 acres for a school site (elementary school), approximately 3.57 acres for a

	recreation center, approximately 118.32 undevelopable acres, and approximately 14.53 acres that are available for additional development. See "STATUS OF DEVELOPMENT."
Homebuilders Within the District.....	Homebuilders active within the District include Westin Homes, Coventry Homes, and Perry Homes. New homes being constructed in the District range in price from approximately $300,000 to approximately $830,000 and in size from 2,000 to over 4,500 square feet. See "STATUS OF DEVELOPMENT – Homebuilders Active within the District."

INVESTMENT CONSIDERATIONS

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

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SELECTED FINANCIAL INFORMATION

(UNAUDITED)

2026 Taxable Assessed Valuation	$ 646,747,824	(a)
Estimated Taxable Assessed Valuation as of July 1, 2026	$ 708,548,452	(b)
Direct Debt		
The Outstanding Bonds (as of the Date of Delivery)	$ 82,440,000	
The Bonds	$ 6,125,000	
Total	$ 88,565,000	
Estimated Overlapping Debt	$ 80,457,397	(c)
Total Direct and Estimated Overlapping Debt	$ 169,022,397	(c)
Direct Debt Ratios:		
As a Percentage of 2026 Taxable Assessed Valuation	13.69 %	
As a Percentage of Estimated Taxable Assessed Valuation as of July 1, 2026	12.50 %	
Direct and Estimated Overlapping Debt Ratios:		
As a Percentage of 2026 Taxable Assessed Valuation	26.13 %	
As a Percentage of Estimated Taxable Assessed Valuation as of July 1, 2026	23.85 %	
Utility System Debt Service Fund Balance (as of September 28, 2026)	$ 975,053	
Road System Debt Service Fund Balance (as of September 28, 2026)	$ 647,107	(d)
Operating Fund Balance (as of September 28, 2026)	$ 3,067,810	
Utility Capital Projects Fund Balance (as of September 28, 2026)	$ 1,080,610	
Road Capital Projects Fund Balance (as of September 28, 2026)	$ 259,526	

(a) Represents the assessed valuation of all taxable property within the District as of January 1, 2026, as provided by the Fort Bend Central Appraisal District (the "Appraisal District"). Such amount includes $1,709,530 of assessed valuation assigned to properties that remain under review by the Fort Bend County Appraisal Review Board (the "Appraisal Review Board"). Such amount represents the estimated minimum amount of assessed valuation that will ultimately be approved by the Appraisal Review Board, upon which the District will levy its tax. See "TAX DATA" and "TAXING PROCEDURES."

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

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

(d) At the delivery of the Bonds, six (6) months of capitalized interest from the proceeds of the Bonds will be deposited into this account. Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the Road System Debt Service Fund. Funds in the Road System Debt Service Fund are not available to pay debt service on Utility System Bonds (herein defined).

SELECTED FINANCIAL INFORMATION

(UNAUDITED)

2026 Tax Rate:			
Utility Debt Service		$ 0.575	
Road Debt Service		0.345	
Maintenance and Operations		0.430	
Total		$ 1.350	
Average Annual Debt Service Requirement (2027–2051)	$	5,865,411	(a)
Maximum Annual Debt Service Requirement (2027)	$	6,363,465	(a)
Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Average Annual Debt Service Requirement (2027–2051) at 95% Tax Collections:			
Based on 2026 Taxable Assessed Valuation		$ 0.96	
Based on Estimated Taxable Assessed Valuation as of July 1, 2026		$ 0.88	
Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Maximum Annual Debt Service Requirement (2027) at 95% Tax Collections:			
Based on 2026 Taxable Assessed Valuation		$ 1.04	
Based on Estimated Taxable Assessed Valuation as of July 1, 2026		$ 0.95	

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

OFFICIAL STATEMENT
relating to

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 229

$6,125,000
UNLIMITED TAX ROAD BONDS
SERIES 2026A

INTRODUCTION

This Official Statement provides certain information in connection with the issuance of the $6,125,000 Fort Bend County Municipal Utility District No. 229 Unlimited Tax Road Bonds, Series 2026A (the "Bonds") by Fort Bend County Municipal Utility District No. 229 (the "District").

The Bonds are issued pursuant to (i) the bond order adopted by the Board of Directors of the District (the "Board") on the date of the sale of the Bonds authorizing the issuance of the Bonds (the "Bond Order"); (ii) Chapter 138, Acts of the 86th Legislature, Regular Session, 2019, codified as Chapter 8062, Texas Special District Local Laws Code (the "Act"), and the general laws of Texas applicable to municipal utility districts, including Chapters 49 and 54 of the Texas Water Code, as amended; (iii) Article III, Section 52 of the Texas Constitution; and (iv) an election held within the District on May 2, 2020.

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

THE BONDS

General

The following is a description of some of the terms and conditions of the Bonds, which description is qualified in its entirety by reference to the Bond Order, a copy of which is available from Bond Counsel upon payment of the costs of duplication therefor. The Bond Order authorizes the issuance and sale of the Bonds and prescribes the terms, conditions and provisions for the payment of the principal of and interest on the Bonds by the District.

Description

The Bonds will be dated November 1, 2026, with interest payable on March 1, 2027, and on each September 1 and March 1 thereafter (each an "Interest Payment Date") until the earlier of maturity or redemption. Interest on the Bonds initially accrues from the date of delivery of the Bonds to the Initial Purchaser thereof (expected to be on or around November 19, 2026) (the "Date of Delivery"), and thereafter, from the most recent Interest Payment Date. The Bonds mature on September 1 of the years and in the principal amounts shown under "MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, AND INITIAL REOFFERING YIELDS" on the inside cover page hereof. The Bonds are issued in fully registered form only in denominations of $5,000 or any integral multiple of $5,000 for any one (1) maturity.

The Bonds will be registered and delivered only to The Depository Trust Company, New York, New York ("DTC"), in its nominee name of Cede & Co., pursuant to the book-entry system described herein ("Registered Owners"). No physical delivery of the Bonds will be made to the purchasers thereof. See "BOOK-ENTRY-ONLY SYSTEM." Interest calculations are based upon a 360-day year comprised of twelve (12) thirty (30) day months.

Authority for Issuance

At an election held within the District on May 2, 2020, voters of the District authorized a total of $70,315,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring a road system serving the District (the "Road System") and an equal amount for refunding such bonds. The Bonds constitute the fifth issuance of bonds from such authorization. After the issuance of the Bonds, a total of $35,135,000 in principal amount of unlimited tax bonds for the Road System will remain authorized but unissued.

The Bonds are issued by the District pursuant to (i) the terms and provisions of the Bond Order; the Act, and the general laws of Texas applicable to municipal utility districts, including Chapters 49 and 54 of the Texas Water Code, as amended; (ii) Article III, Section 52 of the Texas Constitution; and (iii) an election held within the District on May 2, 2020.

At the above-described election, voters of the District also authorized a total of $90,645,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring a waterworks, sanitary sewer, and drainage system serving the District (the "Utility System") and an equal amount for refunding such bonds. To date, the District has issued five (5) series of bonds in the aggregate principal amount of $56,590,000 from such voted authorization, which includes the District's $12,280,000 Unlimited Tax Bonds, Series 2026 (the "Pending Bonds"), which are anticipated to close on October 29, 2026.

At such election, voters in the District also authorized a total of $28,830,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring recreational facilities to serve the District (the "Park System"). To date, no bonds have been issued from such voted authorization. See "THE BONDS – Financing Recreational Facilities."

Source and Security for Payment

The Bonds, together with the Outstanding Bonds (herein defined) and any additional bonds payable from ad valorem taxes, are secured by and payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property located within the District. See "TAXING PROCEDURES." Investment in the Bonds involves 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 "INVESTMENT CONSIDERATIONS." The Bonds are obligations solely of the District and are not obligations of the State of Texas ("Texas"), Fort Bend County, Texas (the "County"), the City of Houston, Texas (the "City"), or any political subdivision or entity other than the District.

Funds

The Bond Order confirms the prior creation of the District's Debt Service Fund, including the sub-accounts which are used to separate funds received to pay debt service on bonds issued to finance water, wastewater and storm drainage facilities ("Utility System Bonds") from funds received to pay debt service on bonds issued to finance road facilities ("Road System Bonds"). The Bond Order also confirms the District's Construction Fund, including the sub-accounts which are used to separate proceeds from Utility System Bonds and Road System Bonds. An amount equal to six (6) months of interest on the Bonds will be deposited from the proceeds of the sale of the Bonds into the sub-account of the Debt Service Fund created in respect of the Road System Bonds. All remaining proceeds of the Bonds will be deposited in the sub-account of the Construction Fund created in respect of Road System Bonds.

The proceeds from all taxes levied, appraised and collected for and on account of the Bonds authorized by the Bond Order shall be deposited, as collected, into the sub-account of the Debt Service Fund created in respect of Road System Bonds. The Debt Service Fund, which constitutes a trust fund for the benefit of the owners of the Outstanding Bonds, the Bonds, and any additional tax bonds issued by the District, is to be kept separate from all other funds of the District, and funds in the sub-accounts created in respect of Road System Bonds are to be used for payment of debt service on the Bonds and any of the District's duly authorized Road System Bonds, whether heretofore, hereunder, or hereafter issued, payable in whole or part from taxes. Amounts on deposit in the sub-accounts of the Debt Service Fund created in respect of Road System Bonds may also be used to pay the fees and expenses of the Paying Agent/Registrar (herein defined), to defray the expenses of assessing and collecting taxes levied for payment of interest on and principal of the Bonds and any of the Districts duly authorized Road System Bonds, whether heretofore, hereunder, or hereafter issued, payable in whole or in part from taxes, and to pay any tax anticipation notes issued in respect of debt service due to or become due on Road System Bonds, together with interest thereon, as such tax anticipation notes become due. Funds otherwise on deposit in the Debt Service Fund, including funds in a sub-account created in respect of Utility System Bonds, will not be allocated to the payment of the Bonds.

Record Date

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

Redemption Provisions

The District reserves the right, at its option, to redeem the Bonds maturing on and after September 1, 2032, prior to their scheduled maturities, in whole or from time to time in part, in integral multiples of $5,000, on September 1, 2031, or any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption.

If fewer than all of the Bonds are to be redeemed, the particular maturity or maturities and the amounts thereof to be redeemed shall be determined by the District. If fewer than all of the Bonds of the same maturity are to be redeemed, the particular Bonds shall be selected by DTC in accordance with its procedures. See "BOOK-ENTRY-ONLY SYSTEM." Notice of each exercise of the reserved right of optional redemption shall be given by the Paying Agent/Registrar at least thirty (30) calendar days prior to the redemption date, in the manner specified in the Bond Order.

By the redemption date, due provision shall be made with the Paying Agent/Registrar for payment of the principal of the Bonds or portions thereof to be redeemed, plus accrued interest to the redemption date. When Bonds have been called for redemption in whole or in part and due provision has been made to redeem the same as herein provided, the Bonds or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Registered Owners to collect interest which would otherwise accrue after the redemption date on any Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

Outstanding Bonds

The District has previously issued its: $9,710,000 Unlimited Tax Bonds, Series 2022; $8,000,000 Unlimited Tax Road Bonds, Series 2022A; $5,000,000 Unlimited Tax Bonds, Series 2023; $4,755,000 Unlimited Tax Road Bonds, Series 2023A; $12,805,000 Unlimited Tax Bonds, Series 2024; $6,300,000 Unlimited Tax Road Bonds, Series 2024A; $16,795,000 Unlimited Tax Bonds, Series 2025; $10,000,000 Unlimited Tax Road Bonds, Series 2025A; and $12,280,000 Unlimited Tax Bonds, Series 2026. As of the Date of Delivery of the Bonds, $82,440,000 principal amount of such previously issued bonds will remain outstanding (the "Outstanding Bonds").

Method of Payment of Principal and Interest

The Board has appointed Zions Bancorporation, National Association, Houston, Texas, as the initial Paying Agent/Registrar for the Bonds (the "Paying Agent/Registrar"). The principal of and interest on the Bonds shall be paid to DTC, which will make distribution of the amounts so paid. See "BOOK-ENTRY-ONLY SYSTEM."

Registration

Section 149(a) of the Internal Revenue Code of 1986, as amended, requires that all tax exempt obligations (with certain exceptions that do not include the Bonds) be in registered form in order for the interest payable on such obligations to be excludable from a Beneficial Owner's income for federal income tax purposes. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. pursuant to the Book-Entry-Only System described herein. One (1) fully-registered Bond will be issued for each maturity of the Bonds and will be deposited with DTC. See "BOOK-ENTRY-ONLY SYSTEM." So long as any Bonds remain outstanding, the District will maintain at least one (1) paying agent/registrar in the State of Texas for the purpose of maintaining the Register on behalf of the District.

Replacement of Paying Agent/Registrar

Provision is made in the Bond Order for replacement of the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the District, the new paying agent/registrar shall be required to accept the previous Paying Agent/Registrar's records and act in the same capacity as the previous Paying Agent/Registrar. Any paying agent/registrar selected by the District shall be a duly qualified and competent trust or banking corporation or organization organized and doing business under the laws of the United States of America or of

any State thereof, with a combined capital and surplus of at least $25,000,000, which is subject to supervision of or examination by federal or state banking authorities, and which is a transfer agent duly registered with the United States Securities and Exchange Commission.

Legal Investment and Eligibility to Secure Public Funds in Texas

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

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

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

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

Issuance of Additional Debt

Voters of the District authorized the issuance of a total of $70,315,000 unlimited tax bonds for the purpose of constructing or acquiring the Road System and an equal amount for the refunding of such bonds; $90,645,000 unlimited tax bonds for the purpose of constructing or acquiring the Utility System and an equal amount for the refunding of such bonds; and $28,830,000 unlimited tax bonds for constructing or acquiring the Park System and an equal amount for refunding of such bonds, and could authorize additional amounts of each.

After issuance of the Bonds, the following unlimited tax bonds will remain authorized but unissued: $35,135,000 for constructing or acquiring the Road System; $34,055,000 for constructing or acquiring the Utility System; $28,830,000 for constructing or acquiring the Park System; and all of the unlimited tax bonds authorized for the purpose of refunding bonds issued by the District. The Bond Order imposes no limitation on the amount of additional parity bonds which may be authorized for issuance by the District's voters or the amount ultimately issued by the District.

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

Financing Recreational Facilities

Conservation and reclamation districts in certain counties are authorized to develop and finance with property taxes certain recreational facilities after a district election has been successfully held to approve the issuance of bonds payable from taxes and/or a maintenance tax to support recreational facilities.

The District is authorized to issue bonds payable from an ad valorem tax to pay for the development and maintenance of recreational facilities if (i) the District duly adopts a plan for the facilities; (ii) the bonds are authorized at an election; (iii) the bonds payable from any source do not exceed 1% of the value of the taxable property in the District at the time of issuance of the bonds, or, in the event the District meets certain conditions, 3% of the value of the taxable property in the District at the time of issuance of the bonds, but in no event in an amount greater than the estimated cost in the plan; (iv) the District obtains any necessary governmental consents allowing the issuance of such bonds; (v) the issuance of the bonds is approved by the TCEQ in accordance with its rules with respect to same; and (vi) the bonds are approved by the Attorney General of Texas. The District may issue bonds for such purposes payable solely from net operating revenues without an election. In addition, the District is authorized to levy an operation and maintenance tax to support recreational facilities at a rate not to exceed 10 cents per $100 of assessed valuation of taxable property in the District, after such tax is approved at an election. Said maintenance tax is in addition to any other maintenance tax authorized to be levied by the District. At an election held within the District on May 2, 2020, voters of the District authorized a total of $28,830,000 in bonds for the purpose of acquiring or constructing the Park System and could authorize additional amounts. Issuance of bonds for the Park System may dilute the investment security for the Bonds.

Financing Road Facilities

Pursuant to the Act, the District is authorized to finance roads, including the power to issue bonds supported by property taxes to finance such roads. At an election held within the District on May 2, 2020, voters of the District authorized a total of $70,315,000 in bonds for the purpose of acquiring or constructing the Road System and could authorize additional amounts. The District has previously issued four series of Road Bonds. See "THE BONDS – Outstanding Bonds." Following the issuance of the Bonds, the District will have $35,135,000 principal amount of unlimited tax bonds authorized but unissued for the purpose of acquiring or constructing the Road System. Issuance of additional bonds for the Road System could dilute the investment security for the Bonds.

Annexation

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City, the District may be annexed for full purposes by the City, subject to compliance by the City with various requirements of Chapter 43 of the Texas Local Government Code, as amended. Such requirements may include the requirement that the City hold an election in the District whereby the qualified voters of the District approve the proposed annexation. If the District is annexed, the City must assume the District's assets and obligations (including the Bonds and the Outstanding Bonds) and abolish the District within 90 days of the date of annexation. Annexation of territory by the City is a policy-making matter within the discretion of the Mayor and City Council of the City, and, therefore, the District makes no representation that the City will ever attempt to annex the District and assume its debt. Moreover, no representation is made concerning the ability of the City to make debt service payments should annexation occur.

Consolidation

The District has the legal authority to consolidate with other districts and, in connection therewith, to provide for the consolidation of its water and wastewater systems with the water and wastewater systems of the district or districts with which it is consolidating, subject to voter approval. In their consolidation agreement, the consolidating districts may agree to assume each other's bonds, notes, and other obligations. If each district assumes the other's bonds, notes, and other obligations, taxes may be levied uniformly on all taxable property within the consolidated district in payment of same. If the districts do not assume each other's bonds, notes and other obligations, each district's taxes are levied on property in each of the original districts to pay said debts created by the respective original district as if no consolidation had taken place. No representation is made concerning whether the District will consolidate with any other district, but the District currently has no plans to do so.

Remedies in Event of Default

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

Defeasance

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

Upon such deposit as described above, such Bonds shall no longer be regarded to be 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 a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds. Because the Bond Order does not contractually limit such investments, Registered Owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as currently permitted under Texas law.

USE AND DISTRIBUTION OF BOND PROCEEDS

Proceeds of the sale of the Bonds will be used by the District to reimburse the Developer for all or a portion of the improvements and related costs shown below. Additionally, proceeds from the sale of the Bonds will be used to pay developer interest; six (6) months of capitalized interest; and other certain costs associated with the issuance of the Bonds.

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

CONSTRUCTION COSTS	
Road Construction and Engineering Related Costs	$ 5,509,306
Less: Surplus Funds	(259,525)
TOTAL CONSTRUCTION COSTS	**$ 5,249,781**
NON-CONSTRUCTION COSTS	
Bond Discount	$ 153,125
Capitalized Interest	165,938
Developer Interest (5.85%)	187,341
TOTAL NON-CONSTRUCTION COSTS	**$ 506,404**
ISSUANCE COSTS AND FEES	
Issuance Costs and Professional Fees	$ 349,472
State Regulatory Fees	6,125
Contingency (a)	13,219
TOTAL ISSUANCE COSTS AND FEES	**$ 368,816**
TOTAL BOND ISSUE REQUIREMENT	**$ 6,125,000**

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

The Engineer has advised the District that the proceeds of the sale of the Bonds should be sufficient to pay the costs of the above-described facilities. In the instance that approved estimated amounts exceed the actual costs, the difference comprises a surplus which may be expended for approved uses; however, the District cannot and does not guarantee the sufficiency of such funds for such purposes.

INVESTMENT CONSIDERATIONS

General

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

Factors Affecting Taxable Values and Tax Payments

Economic Factors and Construction of Improvements: The rate of development within the District is directly related to the vitality of the single-family housing industry in the City metropolitan area. Construction of new single-family homes can be significantly affected by factors such as interest rates, construction costs, and consumer demand. Decreased levels of such construction activity would restrict the growth of property values in the District. Although, as of September 1, 2026, the District included approximately 1,368 completed single-family homes and approximately 131 additional homes under construction, the District cannot predict the pace or magnitude of any future development in the District. See "STATUS OF DEVELOPMENT." Unless the District's tax base grows as a result of construction of additional housing and other taxable improvements, the District may be required to levy taxes at a substantially higher rate than customarily levied by other similar utility districts. An increase in the tax rate of the District to a higher level may have an adverse impact on future development in the District and on the District's ability to collect such tax. See "TAX DATA – Tax Rate Calculations."

Competition: The demand for and construction of taxable improvements in the District could be affected by competition from other developments near the District. In addition to competition for new single-family home sales from other developments, there are numerous previously owned single-family homes in more established commercial centers and neighborhoods closer to the City. Such existing developments could represent additional competition for new development proposed to be constructed within the District. The competitive position of the Developer (herein defined) or the principal landowners in the sale of land, and the sale or leasing of residences is affected by most of the factors discussed in this section. Such a competitive position is directly related to the growth and maintenance of taxable values in the District and tax revenues to be received by the District. The District can give no assurance that building and marketing programs in the District by the Developer will be implemented or, if implemented, will be successful.

Location and Access: The District is located approximately 30 miles southwest from the central business district of the City. Many of the single-family developments with which the District competes are in a more developed state and have lower taxes. As a result, particularly during times of increased competition, the Developer within the District may be at a competitive disadvantage to the developers in other single-family projects located closer to major urban centers or in a more developed state. See "THE DISTRICT" and "STATUS OF DEVELOPMENT."

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

Dependence on Principal Taxpayers: The top principal taxpayers represent approximately 6.31% ($40,725,019) of the certified portion ($645,038,294) of the 2026 Taxable Assessed Valuation, which represents ownership as of January 1, 2026. If these or other principal taxpayers were to default in the payment of taxes in an amount which exceeds the District's debt service fund surplus, the ability of the District to make timely payment of debt service on the Bonds would be dependent on its ability to enforce and liquidate its tax lien, which is a time-consuming process, or to sell tax anticipation notes. Failure to recover or borrow funds in a timely fashion could result in an excessive District tax rate, hindering growth and leading to further defaults in the payment of taxes. The District is not required by law or the Bond Order to maintain any specified amount of surplus in its debt service funds. See "TAX DATA – Principal Taxpayers" and "TAXING PROCEDURES – Levy and Collection of Taxes."

Maximum Impact on District Tax Rate: Assuming no further development or construction of taxable improvements, the value of the land and other taxable property currently within the District will be the major determinant of the ability or willingness of property owners in the District to pay their taxes. The taxable assessed valuation of the District as of January 1, 2026, is $646,747,824 and the estimated taxable assessed valuation as of July 1, 2026, is $708,548,452. See "TAX DATA."

After issuance of the Bonds, the maximum annual debt service requirement on the Outstanding Bonds and the Bonds will be $6,363,465 (2027), and the average annual debt service requirement on the Outstanding Bonds and the Bonds will be $5,865,411 (2027–2051). Based on the District's taxable assessed valuation as of January 1, 2026, and no use of funds on hand, a tax rate of $1.04 per $100 assessed valuation at a 95% collection rate would be necessary to pay the maximum annual debt service requirement, and a tax rate of $0.96 per $100 assessed valuation at a 95% collection rate would be necessary to pay the average annual debt service requirement. Based on the District's estimated taxable assessed valuation as of July 1, 2026, and no use of funds on hand, a tax rate of $0.95 per $100 assessed valuation at a 95% collection rate would be necessary to pay the maximum annual debt service requirement, and a tax rate of $0.88 per $100 assessed valuation at a 95% collection rate would be necessary to pay the average annual debt service requirement. See "DISTRICT DEBT – Debt Service Requirement Schedule" and "TAX DATA – Tax Rate Calculations."

The District can make no representation that the taxable property values in the District will increase in the future or will maintain a value sufficient to support the proposed District tax rate or to justify continued payment of taxes by property owners. Increases in the District's tax rate to rates substantially higher than the levels discussed above may have an adverse impact upon future development of the District, the sale and construction of property within the District, and the ability of the District to collect, and the willingness of owners of property located within the District to pay ad valorem taxes levied by the District.

Vacant Developed Lots

As of September 1, 2026, approximately 187 developed lots within the District remained available for home construction. Failure of the Developer and/or builders to construct taxable improvements on developed lots could result in substantial increases in the rate of taxation by the District during the term of the Bonds to pay debt service on the Bonds and any other tax supported debt of the District issued in the future. Future increases in value will result primarily from the construction of homes by builders. The District makes no representation that the lot sales and building program will be successful.

Increase in Costs of Building Materials

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

Competitive Nature of Residential Housing Market

The housing industry in the City area is very competitive, but the District can give no assurance that the building programs which are planned by any home builder(s) will be continued or completed. The respective competitive position of the homebuilders listed herein and any other developer or homebuilder(s) which might attempt future home building or development projects in the District, the sale of developed lots or in the construction and sale of single-family residential units, are affected by most of the factors discussed in this section, and such competitive positions are directly related to tax revenues received by the District and the growth and maintenance of taxable values in the District.

Severe Weather; Potential Impact of Natural Disaster

The Texas Gulf Coast area, including Fort Bend County, is subject to occasional severe weather events, including tropical storms and hurricanes. If the District were to sustain damage to its facilities requiring substantial repair or replacement, or if substantial damage were to occur to taxable property within the District as a result of such a weather event, the investment security of the Bonds could be adversely affected. The Texas Gulf Coast

area has experienced multiple storms exceeding a 0.2% probability (i.e. "500-year flood" events) since 2015, including Hurricane Harvey, which made landfall along the Texas Gulf Coast on August 26, 2017, and brought historic levels of rainfall during the successive four (4) days.

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

Specific Flood Type Risks

The District may be subject to the following flood risks:

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

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

National Weather Service Atlas 14 Rainfall Study

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

Potential Effects of Oil Price Volatility on the Houston Area

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

Environmental Regulations

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

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

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

Air Quality Issues. Air quality control measures required by the United States Environmental Protection Agency (the "EPA") and the TCEQ may impact new industrial, commercial and residential development in the Houston area. Under the Clean Air Act ("CAA") Amendments of 1990, the eight (8)-county Houston-Galveston-Brazoria area ("HGB Area")—Harris, Galveston, Brazoria, Chambers, Fort Bend, Waller, Montgomery, and Liberty Counties—has been designated a nonattainment area under two (2) separate federal ozone standards: the eight (8)-hour ozone standard of 75 ppb promulgated by the EPA in 2008 (the "2008 Ozone Standard"), and the EPA's most-recent promulgation of an even lower, 70 ppb eight (8)-hour ozone standard in 2015 (the "2015 Ozone Standard"). While Texas has been able to demonstrate steady progress and improvements in air quality in the HGB Area, the HGB Area remains subject to CAA nonattainment requirements.

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

The HGB Area is currently designated as a "serious" nonattainment area under the 2015 Ozone Standard, with an attainment deadline of August 3, 2027. For purposes of the 2015 Ozone Standard, the HGB Area consists of only six (6) counties: Brazoria, Chambers, Fort Bend, Galveston, Harris, and Montgomery Counties.

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

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

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

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

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

The TCEQ issued the General Permit for Phase II (Small) Municipal Separate Storm Sewer Systems (the "MS4 Permit") on August 15, 2024. The MS4 Permit authorizes the discharge of stormwater to surface water in the state from small municipal separate storm sewer systems. The District has applied for coverage under the MS4 permit and is waiting final approval from the TCEQ. In order to maintain compliance with the MS4 permit, the District continues to develop, implement, and maintain the required plans, as well as to install or implement best management practices to minimize or eliminate unauthorized pollutants that may otherwise be found in stormwater.

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

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

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

Tax Collections and Foreclosure Remedies

The District's ability to make debt service payments may be adversely affected by its inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on a parity with the liens of all other taxing authorities on the property against which taxes are levied, and such lien may be enforced by foreclosure. The District's ability to collect ad valorem taxes through such foreclosure may be impaired by (a) cumbersome, time consuming and expensive collection procedures, (b) a bankruptcy court's stay of tax collection procedure 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 (2) other ways: first, a debtor's confirmation plan may allow a debtor to make installment payments on delinquent taxes for up to six (6) years; and, second, a debtor may challenge, and a bankruptcy court may reduce, the amount of any taxes assessed against the debtor, including taxes that have already been paid.

Registered Owners' Remedies

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

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

Bankruptcy Limitation to Registered Owners' Rights

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

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

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

The District may not be placed into bankruptcy involuntarily.

Future Debt

At an election held within the District on May 2, 2020, voters of the District authorized the District's issuance of the following: a total of $70,315,000 principal amount of unlimited tax bonds for the purpose of constructing or acquiring the Road System and an equal amount for refunding such bonds; a total of $90,645,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Utility System and an equal amount for the refunding of such bonds; and a total of $28,830,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing the Park System and an equal amount for refunding such bonds.

The Bonds represent the District's fifth series of unlimited tax bonds to be issued for the purpose of constructing or acquiring the Road System. To date, the District has also issued five (5) series of bonds for the purpose of constructing or acquiring the Utility System. After issuance of the Bonds, the following unlimited tax bonds will remain authorized but unissued: $35,135,000 for constructing or acquiring the Road System; $34,055,000 for constructing or acquiring the Utility System; and $28,830,000 for constructing or acquiring the Park System, and all of the unlimited tax bonds authorized for the purpose of refunding bonds issued by the District.

All of the remaining bonds described above, which have heretofore been authorized by the voters of the District, may be issued by the District from time to time as needed. In the Bond Order, the District reserves the right to issue the remaining authorized but unissued bonds and such additional bonds as may hereafter be approved by the voters of the District.

The District's issuance of the remaining unlimited tax bonds for the Utility System and for the Park System shall be subject to approval by the TCEQ. The District's issuance of bonds for purpose of constructing or acquiring the Road System is not subject to approval of the TCEQ.

According to the Developer, following reimbursement from the proceeds of the Bonds, the District will owe the Developer approximately $25,000,000 for expenditures advanced to date for the development of the District. If additional bonds are issued in the future and property values have not increased proportionately, such issuance may increase gross debt-to-property-valuation ratios and thereby adversely affect the investment quality or security of the Bonds. See "THE BONDS – Issuance of Additional Debt."

Collection of Taxes

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

Marketability of the Bonds

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

Continuing Compliance with Certain Covenants

Failure of the District to comply with certain covenants contained in the Bond Order on a continuing basis prior to the maturity of the Bonds could result in interest on the Bonds becoming taxable retroactively to the date of original issuance. See "LEGAL MATTERS – Tax Exemption."

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.

Future and Proposed Legislation

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

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

Cybersecurity

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

The 90th Texas Legislature

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

Bond Insurance Risk Factors

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

by the issuer from the bond owner as a voidable preference under applicable bankruptcy law is covered by the insurance policy, however, such payments will be made by the Insurer at such time and in such amounts as would have been due absence such prepayment by the District unless the bond insurer chooses to pay such amounts at an earlier date.

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

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

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

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

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

BOOK-ENTRY-ONLY SYSTEM

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

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

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial

Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 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 (the "Direct Participants") deposit with DTC.

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

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

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

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

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

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

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

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

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

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

Use of Certain Terms in Other Sections of this Official Statement

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

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DISTRICT DEBT

General

The following tables and calculations relate to the Bonds. The District and various other political subdivisions of government which overlap all or a portion of the District are empowered to incur debt to be paid from revenues raised or to be raised by taxation against all or a portion of the property.

2026 Taxable Assessed Valuation	$ 646,747,824	(a)
Estimated Taxable Assessed Valuation as of July 1, 2026	$ 708,548,452	(b)
Direct Debt		
The Outstanding Bonds (as of the Date of Delivery)	$ 82,440,000	
The Bonds	6,125,000	
Total	$ 88,565,000	
Estimated Overlapping Debt	$ 80,457,397	(c)
Total Direct and Estimated Overlapping Debt	$ 169,022,397	(c)
Direct Debt Ratios:		
As a Percentage of 2026 Taxable Assessed Valuation	13.69 %	
As a Percentage of Estimated Taxable Assessed Valuation as of July 1, 2026	12.50 %	
Direct and Estimated Overlapping Debt Ratios:		
As a Percentage of 2026 Taxable Assessed Valuation	26.13 %	
As a Percentage of Estimated Taxable Assessed Valuation as of July 1, 2026	23.85 %	
Utility System Debt Service Fund Balance (as of September 28, 2026)	$ 975,053	
Road System Debt Service Fund Balance (as of September 28, 2026)	$ 647,107	(d)
Operating Fund Balance (as of September 28, 2026)	$ 3,067,810	
Utility Capital Projects Fund Balance (as of September 28, 2026)	$ 1,080,610	
Road Capital Projects Fund Balance (as of September 28, 2026)	$ 259,526	

(a) Represents the assessed valuation of all taxable property within the District as of January 1, 2026, as provided by the Fort Bend Central Appraisal District (the "Appraisal District"). Such amount includes $1,709,530 of assessed valuation assigned to properties that remain under review by the Fort Bend County Appraisal Review Board (the "Appraisal Review Board"). Such amount represents the estimated minimum amount of assessed valuation that will ultimately be approved by the Appraisal Review Board, upon which the District will levy its tax. See "TAX DATA" and "TAXING PROCEDURES."

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

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

(d) At the delivery of the Bonds, six (6) months of capitalized interest from the proceeds of the Bonds will be deposited into this account. Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the Road System Debt Service Fund. Funds in the Road System Debt Service Fund are not available to pay debt service on Utility System Bonds.

2026 Tax Rate:			
Utility Debt Service		$ 0.575	
Road Debt Service		0.345	
Maintenance and Operations		0.430	
Total		$ 1.350	
Average Annual Debt Service Requirement (2027–2051)	$	5,865,411	(a)
Maximum Annual Debt Service Requirement (2027)	$	6,363,465	(a)
Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Average Annual Debt Service Requirement (2027–2051) at 95% Tax Collections:			
Based on 2026 Taxable Assessed Valuation		$ 0.96	
Based on Estimated Taxable Assessed Valuation as of July 1, 2026		$ 0.88	
Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay Maximum Annual Debt Service Requirement (2027) at 95% Tax Collections:			
Based on 2026 Taxable Assessed Valuation		$ 1.04	
Based on Estimated Taxable Assessed Valuation as of July 1, 2026		$ 0.95	

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

Direct and Estimated Overlapping Debt Statement

The following table indicates the indebtedness, defined as outstanding bonds payable from ad valorem taxes, of governmental entities overlapping the District and the estimated percentages and amounts of such indebtedness attributable to property within the District. This information is based upon data secured from the individual jurisdictions and/or *Texas Municipal Reports* prepared by the Municipal Advisory Council of Texas. Such figures do not indicate the tax burden levied by the applicable taxing jurisdictions for operation and maintenance or for other purposes.

Taxing Jurisdiction	Outstanding Debt as of August 31, 2026	Percent	Overlapping Amount
Fort Bend County	$ 1,152,335,706	0.48%	$ 5,566,451
Fort Bend County Drainage District	20,585,000	0.49%	100,148
Lamar Consolidated Independent School District	3,555,130,000	2.12%	74,790,798
Total Estimated Overlapping Debt			$ 80,457,397
The District			$ 88,565,000 (a)
Total Direct & Estimated Overlapping			$169,022,397

(a) Includes the Bonds and the Outstanding Bonds.

Debt Ratios

Direct Debt Ratios (a):	
As a Percentage of 2026 Taxable Assessed Valuation	13.69%
As a Percentage of Estimated Taxable Assessed Valuation as of July 1, 2026	12.50%
Direct and Estimated Overlapping Debt Ratios (a):	
As a Percentage of 2026 Taxable Assessed Valuation	26.13%
As a Percentage of Estimated Taxable Assessed Valuation as of July 1, 2026	23.85%

(a) Includes the Bonds and the Outstanding Bonds.

Debt Service Requirement Schedule

The following schedules set forth the total debt service requirements of the District at the Date of Delivery, plus the principal and interest requirements on the Bonds. Totals may not sum due to rounding.

Calendar Year	Outstanding Debt Service (a)	The Bonds			Total Debt Service
		Principal	Interest	Debt Service	
2027	$ 5,913,496	$ 190,000	$ 259,969	$ 449,969	$ 6,363,465
2028	5,889,113	120,000	317,625	437,625	6,326,738
2029	5,860,819	130,000	308,625	438,625	6,299,444
2030	5,825,938	135,000	298,875	433,875	6,259,813
2031	5,784,419	140,000	288,750	428,750	6,213,169
2032	5,747,013	150,000	278,250	428,250	6,175,263
2033	5,729,994	160,000	267,000	427,000	6,156,994
2034	5,737,431	170,000	259,000	429,000	6,166,431
2035	5,733,831	180,000	250,500	430,500	6,164,331
2036	5,744,519	190,000	241,500	431,500	6,176,019
2037	5,752,263	200,000	232,000	432,000	6,184,263
2038	5,773,938	210,000	222,000	432,000	6,205,938
2039	5,773,638	225,000	211,500	436,500	6,210,138
2040	5,796,263	235,000	200,250	435,250	6,231,513
2041	5,799,181	250,000	188,500	438,500	6,237,681
2042	5,816,131	265,000	176,000	441,000	6,257,131
2043	5,827,994	280,000	162,750	442,750	6,270,744
2044	5,853,575	295,000	148,750	443,750	6,297,325
2045	5,859,950	310,000	134,000	444,000	6,303,950
2046	5,877,263	330,000	118,500	448,500	6,325,763
2047	5,887,025	350,000	102,000	452,000	6,339,025
2048	5,899,756	370,000	84,063	454,063	6,353,819
2049	4,061,650	390,000	65,100	455,100	4,516,750
2050	2,793,813	415,000	44,625	459,625	3,253,438
2051	888,300	435,000	22,838	457,838	1,346,138
Total	$135,627,309	$ 6,125,000	$ 4,882,969	$ 11,007,969	$146,635,278

(a) Includes the Pending Bonds, which are anticipated to close on October 29, 2026.

Average Annual Debt Service Requirement (2027–2051) ..... $ 5,865,411

Maximum Annual Debt Service Requirement (2027) ..... $ 6,363,465

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TAXING PROCEDURES

Property Tax Code and County-Wide Appraisal District

The Texas Tax Code (the "Property Tax Code") requires, among other matters, county-wide appraisal and equalization of taxable property values and establishes in each county of Texas a single appraisal district with the responsibility for recording and appraising property for all taxing units within a county and a single appraisal review board with the responsibility for reviewing and equalizing the values established by the appraisal district. The Fort Bend Central Appraisal District (the "Appraisal District") has the responsibility for appraising property for all taxing units wholly within the County, including the District. Such appraisal values are subject to review and change by the Fort Bend County Appraisal Review Board (the "Appraisal Review Board"). Under certain circumstances, taxpayers and taxing units (such as the District) may appeal the orders of the Appraisal Review Board by filing a 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. Absent any such appeal, the appraisal roll, as prepared by the Appraisal District and approved by the Appraisal Review Board, must be used by each taxing jurisdiction in establishing its tax roll and tax rate. The District is eligible, along with all other conservation and reclamation districts within the County, to participate in the nomination of and vote for a member of the board of directors of the Appraisal District.

Property Subject to Taxation by the District

Except for certain exemptions provided by Texas law, all real property and tangible personal property in the District are subject to taxation by the District; however, it is expected that no effort will be made by the District to collect taxes on personal property other than on personal property rendered for taxation, business inventories and the property of privately owned utilities. Principal categories of exempt property include: property owned by Texas or its political subdivisions if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies and personal effects; farm products owned by the producer; all oil, gas, and mineral interests owned by an institution of higher education; certain property owned by exclusively charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; solar and wind-powered energy devices; and most individually owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons sixty-five (65) years or older or under a disability for purposes of payment of disability insurance under the Federal Old-Age Survivors and Disability Insurance Act to the extent deemed advisable by the Board. The District would be required to call an election on such residential homestead exemption upon petition by at least twenty percent (20%) of the number of qualified voters who voted in the District's preceding election and would be required to offer such an exemption if a majority of voters approve it at such election. For the 2026 tax year, the District has not granted any such exemptions. The District must grant exemptions to disabled veterans or certain surviving dependents of disabled veterans, if requested, of between $5,000 and $12,000 of assessed valuation depending upon the disability rating of the veteran, if such rating is less than one hundred percent (100%). A veteran who receives a disability rating of one hundred percent (100%) is entitled to an exemption for the full value of the veteran's residence homestead. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran who is entitled to an exemption for the full value of the veteran's residence homestead is also entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating (i) the residence homestead was donated by a charitable organization at no cost to the disabled veteran or, (ii) the residence was donated by a charitable organization at some cost to the disabled veteran if such cost is less than or equal to fifty percent (50%) of the total good faith estimate of the market value of the residence as of the date the donation is made. Also, the surviving spouse of (i) a member of the armed forces or, (ii) a first responder as defined under Texas law, 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.

A "Freeport Exemption" applies to goods, wares, merchandise, other tangible personal property and ores, other than oil, natural gas, and petroleum products (defined as liquid and gaseous materials immediately derived from refining petroleum or natural gas), and to aircraft or repair parts used by a certified air carrier acquired in or imported into the Texas which are destined to be forwarded outside of Texas and which are detained in Texas for assembling, storing, manufacturing, processing, or fabricating for less than one hundred and seventy-five (175) days. Although certain taxing units may take official action to tax such property in transit and negate such exemption, the District does not have such an option. A "Goods-in-Transit" Exemption is applicable to certain tangible personal property, as defined by the Property Tax Code, acquired in or imported into Texas for storage purposes and which is stored under a contract of bailment by a public warehouse operator at one (1) 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. The exemption excludes oil, natural gas, petroleum products, aircraft and certain special inventory including dealer's motor vehicles, dealer's vessel and outboard motor vehicle, dealer's heavy equipment and retail manufactured housing inventory. The exemption applies to covered property if it 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 one hundred and seventy-five (175) days after acquisition or importation. 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. However, taxing units who took official action as allowed by prior law before October 1, 2011, to tax goods-in-transit property, and who pledged such taxes for the payment of debt, may continue to impose taxes against the goods-in-transit property until the debt is discharged without further action, if cessation of the imposition would impair the obligations of the contract by which the debt was created. The District has not exercised its option to tax goods-in-transit personal property but may choose to do so in the future.

General Residential Homestead Exemption

Texas law authorizes the governing body of each political subdivision in Texas to exempt up to twenty percent (20%) of the appraised value of residential homesteads, but not less than $5,000 if any exemption is granted, from ad valorem taxation. The law provides, however, that where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. For the 2026 tax year, the District has not granted a general residential homestead exemption.

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. Assessments under the Property Tax Code are to be based upon one hundred percent (100%) of market value. The appraised value of residential homestead property may be limited to the lesser of the market value of the property, or the sum of the appraised value of the property for the last year in which it was appraised, plus ten percent (10%) of such appraised value multiplied by the number of years since the last appraisal, plus the market value of all new improvements to the property. Once an appraisal roll is prepared and approved by the Appraisal Review Board, it is used by the District in establishing its tax rate. The Property Tax Code requires the Appraisal District to implement a plan for periodic reappraisal of property to update appraised values. The plan must provide for appraisal of all real property by the Appraisal District at least once every three (3) years. It is not known what frequency of reappraisal will be utilized by the Appraisal District or whether reappraisals will be conducted on a zone or county-wide basis.

The 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 fifteen percent (15%) physically damaged by a disaster and located within an area declared to be a disaster area by the Governor of Texas. This temporary exemption is automatic if the disaster is declared prior to a taxing unit, such as the District, adopting its tax rate for the tax year. A taxing unit, such as the District, may authorize the exemption at its discretion if the disaster is declared after the taxing unit has adopted its tax rate for the tax year. The amount of the exemption is based on the

percentage of damage and is prorated based on the date of the disaster. Upon receipt of an application submitted within the eligible timeframe by a person who qualifies for a temporary exemption under the Property Tax Code, the Appraisal District is required to complete a damage assessment and assign a damage assessment rating to determine the amount of the exemption. The temporary exemption amounts established in the Property Tax Code range from fifteen percent (15%) for property less than thirty percent (30%) damaged to one hundred percent (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, including the District, may appeal orders of the Appraisal Review Board by filing a petition for review in district court within forty-five (45) days after notice is received that a final order has been entered. In such event, the property value in question may be determined by the court, or by a jury, if requested by any party. Additionally, taxing units may bring suit against the Appraisal District to comply with the Property Tax Code. The District may challenge the exclusion of property from the appraisal rolls or the grant, in whole or in part, of an exemption.

Texas law provides for notice and hearing procedures prior to the adoption of an ad valorem tax rate by the District. Additionally, under certain circumstances, an election would be required to determine whether to approve the adopted total tax rate. See "TAXING PROCEDURES – Rollback of Operation and Maintenance Tax Rate." The Property Tax Code also establishes a procedure for notice to property owners of reappraisals reflecting increased property values, appraisals that are higher than renditions and appraisals of property not previously on an appraisal roll.

Agricultural, Open Space, Timberland, and Inventory Deferment

The Property Tax Code permits land designated for agricultural use (including wildlife management), open space, or timberland to be appraised at its value based on the land's capacity to produce agriculture or timber products rather than at its fair market value. The Property Tax Code permits, under certain circumstances, that residential real property inventory held by a person in the trade or business be valued at the price all such property would bring if sold as a unit to a purchaser who would continue the business. Landowners wishing to avail themselves of any of such designations must apply for the designation, and the Appraisal District is required by the Property Tax Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by some political subdivisions and not as to others. If a claimant receives the designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use for the three (3) years prior to the loss of the designation for agricultural, timberland, or open space land. According to the Tax Assessor/Collector, as of January 1, 2026, no land within the District was designated for agricultural use, open space, inventory deferment, or timberland.

Tax Abatement

The County and the City may designate all or part of the District as a reinvestment zone, and the District, the County, and (if it were to annex the area) the City may thereafter enter into tax abatement agreements with the owners of property within the zone. The tax abatement agreements may exempt from ad valorem tax, by the applicable taxing jurisdictions, and by the District, for a period of up to ten (10) years, all or any part of any increase in the assessed valuation of property covered by the agreement over its assessed valuation in the year in which the agreement is executed, on the condition that the property owner make specified improvements or repairs to the property in conformity with a comprehensive plan. According to the Tax Assessor/Collector, to date, none of the area within the District has been designated as a reinvestment zone.

Levy and Collection of Taxes

The District is responsible for the collection of its taxes, unless it elects to transfer such functions to another governmental entity. The District adopts its tax rate each year after it receives a tax roll certified by the Appraisal District. Taxes are due upon receipt of a bill therefor, and become delinquent after January 31 of the following year or thirty (30) days after the date billed, whichever is later, or, if billed after January 10, they are delinquent on the first day of the month next following the 21st day after such taxes are billed. A delinquent tax

accrues interest at a rate of one percent (1%) for each month or portion of a month the tax remains unpaid beginning the first calendar month it is delinquent. A delinquent tax also incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent plus a one percent (1%) penalty 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. However, a tax delinquent on July 1 incurs a total penalty of twelve percent (12%) of the amount of the delinquent tax without regard to the number of months the tax has been delinquent, which penalty remains at such rate without further increase. If the tax is not paid by July 1, an additional penalty of up to the amount of the compensation specified in the District's contract with its delinquent tax collection attorney, but not to exceed twenty percent (20%) of the total tax, penalty, and interest, may, under certain circumstances, be imposed by the District. With respect to personal property taxes that become delinquent on or after February 1 of a year and that remain delinquent sixty (60) days after the date on which they become delinquent, as an alternative to the penalty described in the foregoing sentence, an additional penalty on personal property of up to the amount specified in the District's contract with its delinquent tax attorney, but not to exceed twenty percent (20%) of the total tax, penalty, and interest, may, under certain circumstances, be imposed by the District prior to July 1. The District's contract with its delinquent tax collection attorney currently specifies a twenty percent (20%) additional penalty. The District may waive penalties and interest on delinquent taxes only for the items specified in the Property Tax Code. The Property Tax Code also makes provision for the split payment of taxes, discounts for early payment and the postponement of the delinquency of taxes under certain circumstances. The owner of a residential homestead property who is (i) a person sixty-five (65) years of age or older, (ii) under a disability for purpose of payment of disability insurance benefits under the Federal Old Age Survivors and Disability Insurance Act or (iii) qualifies as a disabled veteran under Texas law is entitled by law to pay current taxes on a residential homestead in installments or to defer the payment of taxes without penalty during the time of ownership. Additionally, a person who is delinquent on taxes for a residential homestead is entitled to an agreement with the District to pay such taxes in equal installments over a period of between twelve (12) and thirty-six (36) months (as determined by the District) when such person has not entered into another installment agreement with respect to delinquent taxes with the District in the preceding twenty-four (24) months.

Rollback of Operation and Maintenance Tax Rate

Chapter 49 of the Texas Water Code classifies certain special purpose districts, including the District, differently based on their current operation and maintenance tax rate or on the percentage of projected build-out that a district has completed. Districts that have adopted an operation and maintenance tax rate for the current year that is $0.025 or less per $100 of taxable value are classified herein as "Low Tax Rate Districts." Districts that have financed, completed, and issued bonds to pay for all land, improvements, and facilities necessary to serve at least 95% of the projected build-out of the district are classified as "Developed Districts." Districts that do not meet either of the classifications previously discussed can be classified herein as "Developing Districts." The impact each classification has on the ability of a district to increase its maintenance and operations tax rate 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. See "SELECTED FINANCIAL INFORMATION" for a description of the District's current total tax rate.

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

Developed Districts: Developed Districts that adopt a total tax rate that would impose more than 1.035 times the amount of the total tax imposed by the district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead in the district, subject to certain homestead exemptions, plus any unused increment rates, as calculated and described in Section 26.013 of the Tax Code, are required to hold an election within the district to determine whether to approve the adopted total tax rate.

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

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

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

District's Rights in the Event of Tax Delinquencies

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

Except with respect to (i) owners of residential homestead property who are sixty-five (65) years of age or older or under a disability as described above and who have filed an affidavit as required by law and (ii) owners of residential homesteads who have entered into an installment agreement with the District for payment of delinquent taxes as described above and who are not in default under said agreement, at any time after taxes on property become delinquent, the District may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the District must join other taxing units that have claims for delinquent taxes against all or part of the same property. Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, or by taxpayer redemption rights (a taxpayer may redeem property that is a residence homestead or was designated for agricultural use within two (2) years after the deed issued at foreclosure is filed of record and may redeem all other property within six (6) months after the deed issued at foreclosure is filed of record) or by bankruptcy proceedings which restrict the collection of taxpayer debt. The District's ability to foreclose its tax lien or collect penalties and interest may be limited on property owned by a financial institution which is under receivership by the Federal Deposit Insurance Corporation pursuant to the Federal Deposit Insurance Act, 12 U.S.C. 1825, as amended. Generally, the District's tax lien and a federal tax lien are on par with the ultimate priority being determined by applicable federal law. See "INVESTMENT CONSIDERATIONS – Tax Collection Limitations and Foreclosure Remedies."

TAX DATA

General

Taxable property within the District is subject to the assessment, levy, and collection by the District of an annual ad valorem tax, without legal limitation as to rate or amount, sufficient to pay principal of and interest on the Bonds and any future tax-supported bonds that may be issued from time to time as authorized. Taxes are levied by the District each year against the District's assessed valuation as of January 1 of that year. Taxes become due September 1 of such year, or when billed, and generally become delinquent after January 31 of the following year. The Board covenants in the Bond Order to assess and levy for each year that all or any part of the Bonds remain outstanding and unpaid a tax sufficient to produce funds to pay the principal of and interest on the Bonds. The actual rate of such tax will be determined from year to year as a function of the District's tax base, its debt service requirements, and its available funds. The District also has the power and authority to assess, levy, and collect ad valorem taxes, not to exceed $1.50 per $100 of assessed valuation, for operation and maintenance purposes. For the 2026 tax year, the District levied a total combined tax rate of $1.350 per $100 of assessed valuation composed of a maintenance and operations tax rate of $0.430, a utility debt service tax rate of $0.575, and a road debt service tax rate of $0.345.

Tax Rate Limitation

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

Debt Service Tax

The Board covenants in the Bond Order to levy and assess, for each year that all or any part of the Bonds remain outstanding and unpaid, a tax adequate to provide funds to pay the debt service requirements on the Bonds. The Board levied a total 2026 tax rate of $0.920 per $100 of assessed valuation for debt service on the bonds issued for the Utility System and Road System.

Maintenance and Operations Tax

The Board has the statutory authority to levy and collect an annual ad valorem tax for maintenance of the District's improvements, if such maintenance tax is authorized by vote of the District's electors. On May 2, 2020, the Board was authorized to levy such a maintenance and operations tax in an amount not to exceed $1.50 per $100 assessed valuation. The Board levied a 2026 tax rate of $0.430 per $100 of assessed valuation for maintenance and operation purposes. Such tax is in addition to taxes which the District is authorized to levy for paying principal and interest on the District's bonds.

Tax Exemption

As discussed in the section entitled "TAXING PROCEDURES," certain property in the District may be exempt from taxation by the District. The District has not granted a general homestead exemption or a residential homestead exemption to persons sixty-five (65) years of age or older or certain other disabled persons for tax year 2026. See "TAXING PROCEDURES – Property Subject to Taxation by the District."

Additional Penalties

The District has contracted with a delinquent tax attorney to collect certain delinquent taxes. In connection with that contract, the District can establish an additional penalty of twenty percent (20%) of the tax to defray the costs of collection. This twenty percent (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 Property Tax Code (herein defined).

Historical Tax Collections

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

Tax Year (a)	Assessed Valuation	Tax Rate	Adjusted Levy	Collections Current Year	Current Year Ended 9/30	Collections at 9/30/2026
2022	$111,846,305	$1.35	$1,509,925	98.95%	2023	99.64%
2023	242,249,205	1.35	3,270,364	98.99%	2024	99.76%
2024	335,194,504	1.35	4,525,126	99.56%	2025	99.81%
2025	497,591,003	1.35	6,717,479	98.38%	2026	98.38%
2026	645,038,294	1.35	8,708,017	(b)	2027	(b)

(a) See "TAX DATA – Tax Rate Distribution."
(b) In process of collections. Taxes for the 2026 tax year are due without penalty by January 31, 2027.

Tax Rate Distribution

The following table illustrates the components of the tax rate of the District for tax years 2022–2026.

	2026	2025	2024	2023	2022
Utility Debt Service	$ 0.575	$ 0.530	$ 0.505	$ 0.380	$ 0.455
Road Debt Service	$ 0.345	$ 0.360	$ 0.360	$ 0.330	$ 0.380
Maintenance and Operations	$ 0.430	$ 0.460	$ 0.485	$ 0.640	$ 0.515
Total	$ 1.350	$ 1.350	$ 1.350	$ 1.350	$ 1.350

Analysis of Tax Base

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

Type of Property	2026 Taxable Assessed Valuation (a)	2025 Taxable Assessed Valuation	2024 Taxable Assessed Valuation	2023 Taxable Assessed Valuation	2022 Taxable Assessed Valuation
Land	$ 164,158,783	$ 131,244,215	$ 92,114,047	$ 63,031,624	$ 39,644,412
Improvements	546,198,654	422,022,597	288,738,573	201,404,377	75,726,489
Personal Property	1,424,458	1,074,722	781,853	450,304	391,480
Exemptions	(66,743,601)	(56,750,531)	(46,439,969)	(22,637,100)	(3,916,076)
Total	$ 645,038,294	$ 497,591,003	$ 335,194,504	$ 242,249,205	$ 111,846,305

(a) Such amounts does not include $1,709,530 of assessed valuation assigned to properties that remain under review by the Appraisal Review Board. Such amount represents the estimated minimum amount of assessed valuation that will ultimately be approved by the Appraisal Review Board, upon which the District will levy its tax.

Principal Taxpayers

The following represents the principal taxpayers, type of property, and their preliminary taxable assessed values as of the Appraisal District based upon the certified portion ($645,038,294) of the 2026 Certified Taxable Assessed Valuation:

Taxpayer	Type of Property	Certified Assessed Valuation 2026 Tax Roll	Percentage of Assessed Valuation 2026 Tax Roll
Westin Homes & Properties LP (a)	Land & Improvements	$ 12,988,287	2.01%
Perry Homes LLC (a)	Land & Improvements	6,345,051	0.98%
DFH Coventry LLC (a)	Land & Improvements	4,858,734	0.75%
Can RT Dev LLC	Land & Improvements	3,609,042	0.56%
JDS Nursery Tract LLC (b)	Land & Improvements	3,374,138	0.52%
Candela Real Estate LLC	Land & Improvements	3,271,140	0.51%
CRP AR Candela Owner LP	Land & Improvements	2,740,999	0.42%
510 DFH 1 LLC	Land & Improvements	1,596,300	0.25%
Homeowner	Land & Improvements	1,018,432	0.16%
Candela Business LLC	Land & Improvements	922,896	0.14%
Total		$ 40,725,019	
% of Respective Tax Roll			6.31%

(a) See "STATUS OF DEVELOPMENT – Homebuilders Active within the District."
(b) Includes taxable property owned by JDS Nursery Tract South, LLC. See "THE DEVELOPER."

Tax Rate Calculations

The tax rate calculations set forth below are presented to indicate the tax rates per $100 of taxable assessed valuation that would be required to meet certain debt service requirements the on the Outstanding Bonds and the Bonds if no growth in the District occurs beyond the District's taxable assessed valuation as of January 1, 2026 ($646,747,824), and the District's estimated taxable assessed valuation as of July 1, 2026 ($708,548,452). The following further assumes collection of 95% of taxes levied and the sale of no additional bonds:

Average Annual Debt Service Requirements (2027–2051)	$ 5,865,411
Tax Rate of $0.96 on the 2026 Taxable Assessed Valuation	$ 5,898,340
Tax Rate of $0.88 on the Estimated Taxable Assessed Valuation as of July 1, 2026	$ 5,923,465
Maximum annual Debt Service Requirements (2027)	$ 6,363,465
Tax Rate of $1.04 on the 2026 Taxable Assessed Valuation	$ 6,389,868
Tax Rate of $0.95 on the Estimated Taxable Assessed Valuation as of July 1, 2026	$ 6,394,650

Estimated Overlapping Taxes

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

Set forth below is a compilation of all 2026 taxes levied by such jurisdictions per $100 of assessed valuation. Such levies do not include local assessments for community associations, fire department contributions, charges for solid waste disposal, or any other dues or charges made by entities other than political subdivisions.

Taxing Jurisdiction	2026 Tax Rate Per $100 of Assessed Value
The District	$ 1.350000
Fort Bend County	0.407000
Fort Bend County Drainage District	0.010000
Fort Bend County Emergency Service District No. 4	0.097567
Lamar Consolidated Independent School District	1.139000
Total 2026 Tax Rate	$ 3.003567

THE DISTRICT

General

The District is a municipal utility district created by the 86th Texas Legislature pursuant to Article XVI, Section 59 of the Texas Constitution, and operates under the provisions of the Act and other general statutes of Texas applicable to municipal utility districts, including Chapters 49 and 54 of the Texas Water Code, as amended. The District, which lies wholly within the extraterritorial jurisdiction of the City, is subject to the continuing supervisory jurisdiction of the TCEQ.

The District is empowered, among other things, to finance, purchase, construct, operate, and maintain all works, improvements, facilities, and plants necessary for the supply and distribution of water; the collection, transportation and treatment of wastewater; and the control and diversion of stormwater. The District may issue bonds and other forms of indebtedness to purchase or construct such facilities. The District may also provide solid waste disposal and collection services. The District is also empowered to establish, operate, and maintain fire-fighting facilities, separately or jointly with one (1) or more conservation and reclamation districts, municipalities or other political subdivisions, after approval by the TCEQ and the voters of the District. Additionally, the District may, subject to certain limitations, develop and finance recreational facilities and may also develop and finance roads. See "THE BONDS – Issuance of Additional Debt," "THE BONDS – Financing Recreational Facilities," and "THE BONDS – Financing Road Facilities."

The District is required to observe certain requirements of the City which limit the purposes for which the District may sell bonds to finance the acquisition, construction, and improvement of waterworks, wastewater, drainage, recreational, road and fire-fighting facilities and the refunding of outstanding debt obligations; limit the net effective interest rate on such bonds and other terms of such bonds; require approval by the City of District construction plans; and permit connections only to lots and reserves described in a plat that has been approved by the City and filed in the real property records of Fort Bend County.

The District is required to obtain certain TCEQ approvals prior to acquiring, constructing and financing road and firefighting facilities, as well as voter approval of the issuance of bonds for said purposes and/or for the purposes of financing recreational facilities. Construction and operation of the District's drainage system is subject to the regulatory jurisdiction of additional State of Texas and local agencies. See "THE UTILITY SYSTEM."

Description

The District was created pursuant to the Act. The District originally consisted of approximately 437.65 acres of land, all within the County. The District has since annexed approximately 136.98 acres, and thus the total acreage of the District is now approximately 574.63 acres. The District is located approximately 30 miles

southwest of the central business district of the City and is located entirely within the extraterritorial jurisdiction of the City and within the boundaries of the Lamar Consolidated Independent School District. The District is bounded on the north by Fulshear-Gaston Road and bisected by FM 359.

Management of the District

The District is governed by the Board, which consists of five (5) directors and has control and management supervision over all affairs of the District. All of the directors currently own property in the District. Directors are elected in May of even-numbered years for four (4)-year staggered terms. The present members and officers of the Board and their positions are listed below:

Name	Position	Term Expires May
Brian Edwards	President	2028
Kris Kohler	Vice President	2028
Justin Patton	Secretary	2028
Kumail Hasan	Assistant Secretary	2030
Amy Love	Assistant Secretary	2030

The District has contracted with the following companies to operate its facilities and perform certain other services:

Tax Assessor/Collector: The District's tax assessor/collector is Utility Tax Service, LLC (the "Tax Assessor/Collector"). The Tax Assessor/Collector applies the District's tax levy to tax rolls prepared by the Appraisal District and bills and collects such levy.

Bookkeeper: The District's bookkeeper is Municipal Accounts & Consulting, L.P.

Operator: The District's water and sewer system is operated by Inframark, LLC.

Auditor: The financial statements of the District as of June 30, 2025, and for the year then ended, included in this offering document, have been audited by Forvis Mazars, LLP, independent auditors, as stated in their report appearing herein. The District engaged Forvis Mazars, LLP, to audit its financial statements for the fiscal year ended June 30, 2026.

Engineer: The District's consulting engineer is Quiddity Engineering, LLC.

Bond Counsel and General Counsel: Schwartz, Page & Harding, L.L.P. ("Bond Counsel") 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. In addition, Schwartz, Page & Harding, L.L.P. serves as general counsel to the District on matters other than the issuance of bonds.

Disclosure Counsel: The District has engaged McCall, Parkhurst & Horton L.L.P. as Disclosure Counsel in connection with the issuance of the District's Bonds. The fees of Disclosure Counsel are contingent upon the sale and delivery of the Bonds.

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

STATUS OF DEVELOPMENT

Status of Development

The District is being developed as the master-planned residential community known as Candela. To date, approximately 1,686 single-family lots (423.83 acres) have been developed within the following single-family residential subdivisions: Candela, Sections 1-15, Section 18 and Candela South, Sections 1-4. As of September 1, 2026, development within the District consisted of approximately 1,368 completed homes (approximately 1,315 occupied and 53 unoccupied homes), approximately 131 homes under construction, and approximately 187 vacant, developed lots. The remainder of the land within the District consists of approximately 14.38 acres for a school site (elementary school), approximately 3.57 acres for a recreation center, approximately 118.32 undevelopable acres, and approximately 14.53 acres that are available for additional development.

Candela	Acreage	Section Lots	Homes Completed	Homes Construction	Vacant Lots
Section 1 (Model Home Park)	6.69	21	9	–	12
Section 2	14.48	55	55	–	–
Section 3	20.86	114	114	–	–
Section 4	23.54	112	111	1	–
Section 5	18.10	54	54	–	–
Section 6	17.10	75	75	–	–
Section 7	20.60	106	106	–	–
Section 8	11.10	30	30	–	–
Section 9	36.56	151	151	–	–
Section 10	23.45	140	140	–	–
Section 11	17.08	52	52	–	–
Section 12	32.29	88	78	9	1
Section 13	11.73	65	65	–	–
Section 14	19.72	61	48	5	8
Section 15	33.39	156	24	67	65
Section 18	36.70	58	18	14	26
Total Residential Developed	343.39	1,338	1,130	96	112

Candela South	Acreage	Section Lots	Homes Completed	Homes Construction	Vacant Lots
Section 1	21.53	93	77	6	10
Section 2	20.37	84	67	3	14
Section 3	23.02	111	36	24	51
Section 4	15.52	60	58	2	–
Total Residential Developed	80.44	348	238	35	75

School Site	14.38
Recreation Center	3.57
Undevelopable	118.32
Remaining Developable (a)	14.53
District's Approximate Total	574.63

(a) Represents 25 lots remaining for development as Candela, Sections 16 and 17.

Homebuilders Active within the District

Homebuilders active within the District include Westin Homes, Coventry Homes, and Perry Homes. New homes being constructed in the District range in price from approximately $300,000 to approximately $830,000 and in size from 2,000 to over 4,500 square feet.

PHOTOGRAPHS TAKEN WITHIN THE DISTRICT

(September 2026)













THE DEVELOPER

The Role of a Developer

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

Description

JDS Nursery Tract, LLC ("JDS") and JDS Nursery Tract South, LLC ("JDS South"), each a Texas limited liability company and an affiliate of Johnson Development Corp. ("JDC"), are the developers of the residential land within the District. JDS and JDS South are collectively referred to herein as the "Developer." 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; and Viridian. The Developer continues to own approximately 360 acres of land within the District.

JDS and JDS South are single purpose entities formed for the purpose of developing the land each owns within the District. JDS and JDS South are thinly capitalized limited liability companies whose assets consist primarily of the land in the District and the receivables due from the District for development costs. JDS and JDS South have minimal net revenues. See "Development Financing" below.

Candela Ventures, LLC, a Texas limited liability company, is the owner of an approximately 7.34-acre commercial parcel in the northwest corner of the District. The District is not aware of any development plans for such tract.

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

Developer Financing

JDS has obtained financing for a portion of the development of Candela through the Public Finance Authority of Wisconsin (the "PFA"). The PFA issued $40,790,000 Special Revenue Bonds, Series 2025A (the "PFA Bonds"), which are secured in part by the sale and assignment of the Developer's right to receive proceeds from the Bonds and the future sale of unlimited tax bonds issued by the District. According to the Developer, they are currently in compliance with all material representations and certifications made with respect to the PFA Bonds and have made the necessary certifications required by the Texas Attorney General ensuring the proceeds of the Bonds are being used for lawful purposes authorized under Texas law. See "INVESTMENT CONSIDERATIONS – Approval of the Bonds."

Lot-Sales Contracts

The Developer has entered into lot-sales contracts with each of Coventry Homes, Perry Homes and Westin Homes. The contracts for the sale of lots between the Developer and the builders require that earnest money be deposited with a title company, in this case, 19% of the total price of the completed lots. The sales contracts establish certain required lot purchases quarterly, with pro rata earnest money credit being given to the builders at lot closings stated in each contract. The Developer's sole remedy for builders not purchasing lots in accordance with the contracts is cancellation of the contract and retention of the remaining earnest money on deposit. According to the Developer, each of the builders is in compliance with their respective lot-sales contract. As of September 2026, the total number of lots contracted and purchased by each builder is listed below:

Candela:

Homebuilder	Total Lots Contracted	Total Lots Purchased – Closed	Total Lots Purchased – Not Closed
Coventry Homes	328	320	8
Perry Homes	507	487	20
Westin Homes	506	498	8
Totals	1,341	1,305	36

Candela South:

Homebuilder	Total Lots Contracted	Total Lots Purchased – Closed	Total Lots Purchased – Not Closed
Coventry Homes	116	116	0
Perry Homes	116	116	0
Westin Homes	116	116	0
Totals	348	348	0

Principal Landowner

RCC Developers LLC ("RCC"), a Texas limited liability company, owns approximately 7.24 acres of commercial property located at the intersection of FM 359 and Settegast Ranch Road within the District. RCC is seeking to develop such tract for commercial and flex-space uses. RCC anticipates funding the design and construction of certain public infrastructure improvements necessary to serve the tract and may seek reimbursement from the District for eligible public infrastructure costs. Development plans for the tract remain subject to engineering, platting, permitting, financing, market conditions, and other governmental approvals.

THE UTILITY SYSTEM

Water Supply

The District is currently served by two (2) water plants. Water Plant No. 1, which contains a 1,000 gallon per minute (gpm) well; two (2) 320,000-gallon ground storage tanks; two (2) 15,000-gallon hydropneumatic tanks; and four (4) 850-gpm booster pumps serving the Candela development, is according to the Engineer, adequate to serve approximately 1,916 equivalent single-family connections. In addition, the District has one (1) emergency interconnect through an Amended and Restated Water Supply Agreement (the "Water Agreement") with Fort Bend County Municipal Utility District No. 142 ("FBCMUD No. 142").

Water Plant No. 2 is located on the southeast corner of FM 359 and Settegast Ranch Road and serves the southern portion of the District. Water Plant No. 2 consists of a 300 gpm well; two (2) 120,000-gallon ground storage tanks; two (2) 5,000-gallon hydropneumatic tanks; and three (3) 400 gpm booster pumps. According to the Engineer, Water Plant No. 2 is capable of serving approximately 500 equivalent single-family connections.

Wastewater

The District has acquired a wastewater treatment plant from FBCMUD No. 142 ("WWTP No. 1"). WWTP No. 1 is located south of Fulshear-Gaston Road, the lease for which has been assigned to the District. The District has notified the lessor of WWTP No. 1 of its intent to exercise the purchase option on WWTP No. 1 with a portion of the proceeds of the Bonds.

The District has constructed and owns an expansion to WWTP No. 1 that increased the capacity of WWTP No. 1 from an average daily flow of 200,000 gpd to an average daily flow of 600,000 gpd. WWTP No. 1 is now capable of serving 2,000 ESFCs and is expected to be sufficient to serve the northern portion of the District at ultimate build out.

For Candela South, the District is leasing a 0.20 MGD package plant ("WWTP No. 2"). WWTP No. 2 is capable of serving 667 ESFCs.

Drainage

For the land within the District's boundary located east of FM 359, curb and gutter streets with underground storm sewers were constructed with Sections 1-4 and the drainage channel project. All undeveloped land drains naturally to boundary swales that flow to the Candela Drainage Channel. Stormwater is conveyed through the storm sewers into the drainage channel to the Regional Detention Pond located outside of the District's boundaries. From the Regional Detention Pond, it flows to the Westheimer Lakes Channel, then to Andrus Creek.

Regulation

According to the Engineer, the water and sanitary sewer facilities to be acquired and or constructed by the District will be designed and constructed in accordance with accepted engineering practices and recommendations and requirements of the City, the Texas Department of Health, and the TCEQ. Construction and operation of the facilities are subject to inspection and regulation by the City, TCEQ, the EPA, and other governmental agencies. According to the Engineer, District improvements being financed with the proceeds of the Bonds have been approved by all required regulatory agencies and have been constructed in compliance with applicable standards and specifications.

THE ROAD SYSTEM

Roads to serve land within the District have been funded with proceeds of bonds issued by the District for the Road System. See "INVESTMENT CONSIDERATIONS – Future Debt" and "THE BONDS – Issuance of Additional Debt." Construction of the District's roads is subject to certain regulations by the City and the County. To date, construction of the road system in the District includes, but is not limited to, the following: a portion of Candela Heights Drive, a realignment of FM 359, and the internal roads that serve Candela Sections 1-15 and 18, and Candela South Sections 1-4.

LEGAL MATTERS

Legal Opinions

The District will furnish to the Initial Purchaser a transcript of certain certified proceedings incident to the issuance and authorization of the Bonds, including a certified copy of the approving legal opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State of Texas, to the effect that the Attorney General has examined a transcript of proceedings authorizing the issuance of the Bonds, and that based upon such examination, the Bonds are valid and binding obligations of the District payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within the District. The District will also furnish the approving legal opinion of Bond Counsel, Schwartz, Page & Harding, L.L.P., to the effect that, based upon an examination of such transcript, the Bonds are valid and binding obligations of the District under the Constitution and laws of Texas, except to the extent that enforcement of the rights and remedies of the Registered Owners of the Bonds may be limited by laws relating to bankruptcy, reorganization, or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District, and to the effect that interest on the Bonds is excludable from gross income for federal income tax purposes under the statutes, regulations, published rulings and court decisions existing on the date of such opinion, assuming compliance by the District with

certain covenants relating to the use and investment of the proceeds of the Bonds. See "LEGAL MATTERS – Tax Exemption." The legal opinion of Bond Counsel will further state that the Bonds are payable, both as to principal and interest, from the levy of ad valorem taxes, without legal limitation as to rate or amount, upon all taxable property within the District. Bond Counsel's opinion will also address the matters described below.

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

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

Legal Review

In its capacity as Bond Counsel, Schwartz, Page & Harding, L.L.P., has reviewed the information appearing in this Official Statement under the captioned sections "THE BONDS" (except for information under the subsection "Book-Entry-Only System"), "THE DISTRICT – General," and "– Management of the District – Bond Counsel and General Counsel," "TAXING PROCEDURES," and "LEGAL MATTERS" solely to determine whether such information fairly summarizes the law and documents referred to therein. Such firm has not independently verified factual information contained in this Official Statement, nor has such firm conducted an investigation of the affairs of the District for the purpose of passing upon the accuracy or completeness of this Official Statement. No person is entitled to rely upon such firm's limited participation as an assumption of responsibility for, or an expression of opinion of any kind with regard to, the accuracy or completeness of any of the other information contained herein.

Tax Exemption

On the date of initial delivery of the Bonds, Bond Counsel will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof ("Existing Law"), (1) interest on the Bonds for federal income tax purposes will be excludable from the "gross income" of the holders thereof, and (2) the Bonds will not be treated as "specified private activity bonds" the interest on which would be included as an alternative minimum tax preference item under Section 57(a)(5) of the Internal Revenue Code of 1986, as amended (the "Code"). Except as stated above, Bond Counsel will express no opinion as to any federal, state, or local tax consequences resulting from the ownership of, receipt of interest on or disposition of the Bonds.

In rendering its opinion, Bond Counsel will rely upon, and assume continuing compliance with, (a) certain information and representations of the District, including information and representations contained in the District's federal tax certificate issued in connection with the Bonds, and (b) covenants of the District contained in the Bond Order relating to certain matters, including arbitrage and the use of the proceeds of the Bonds and the property financed or refinanced therewith. Failure by the District to observe the aforementioned representations or covenants could cause the interest on the Bonds to become taxable retroactively to the date of issuance.

Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the reliance on the aforementioned information, representations, and covenants. Bond Counsel's opinion is not a guarantee of a result. Existing Law, upon which Bond Counsel has based its opinion, is subject to change by Congress, administrative interpretation by the Department of the Treasury and to subsequent judicial interpretation. There can be no assurance that Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of ownership of the Bonds.

NOT Qualified Tax-Exempt Obligations

Section 265(a) of the Code provides, in pertinent part, that interest paid or incurred by a taxpayer, including a "financial institution," on indebtedness incurred or continued to purchase or carry tax-exempt obligations is not deductible in determining the taxpayer's taxable income. Section 265(b) of the Code provides an exception to the disallowance of such deduction for any interest expense paid or incurred on indebtedness of a taxpayer that is a "financial institution" allocable to tax-exempt obligations, other than "private activity bonds," that are designated by a "qualified small issuer" as "qualified tax-exempt obligations." A "qualified small issuer" is any governmental issuer (together with any "on-behalf of" and "subordinate" issuers) who issues no more than $10,000,000 of tax-exempt obligations during the calendar year. Section 265(b)(5) of the Code defines the term "financial institution" as any "bank" described in Section 585(a)(2) of the Code, or any person accepting deposits from the public in the ordinary course of such person's trade or business that is subject to federal or state supervision as a financial institution. Notwithstanding the exception to the disallowance of the deduction of interest on indebtedness related to "qualified tax-exempt obligations" provided by Section 265(b) of the Code, Section 291 of the Code provides that the allowable deduction to a "bank," as defined in Section 585(a)(2) of the Code, for interest on indebtedness incurred or continued to purchase "qualified tax-exempt obligations" shall be reduced by twenty percent (20%) as a "financial institution preference item."

The District has NOT designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b) of the Code.

Collateral Federal Income Tax Consequences

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

Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences. The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, including financial institutions, life insurance and property and casualty insurance companies, owners of interests in a FASIT, 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, certain S corporations with accumulated earnings and profits and excess passive investment income, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit, and individuals allowed an earned income credit. THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIFIC PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP, AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE BONDS.

Interest on the Bonds may be includable in certain corporation's "adjusted financial statement income" determined under Section 56A of the Code to calculate the alternative minimum tax imposed by Section 55 of the Code.

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

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Bonds, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation is equal to, or exceeds, one (1) year from the date of issue. Such treatment applies to "market discount bonds" to the extent such gain does not exceed the accrued market discount of such bonds; although for this purpose, a de minimis amount of market discount is ignored. A "market discount bond" is one (1) which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the "revised issue price" (i.e., the issue price plus accrued original issue discount). The "accrued market discount" is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

State, Local, and Foreign Taxes

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

Tax Accounting Treatment of Original Issue Discount Bonds and Premium Bonds

The initial public offering price to be paid for one (1) or more maturities of the Bonds is less than the principal amount thereof or one (1) or more periods for the payment of interest on the Bonds may not be equal to the accrued period or be in excess of one (1) year (the "Original Issue Discount Bonds"). The difference between (i) the "stated redemption price at maturity" of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond constitutes original issue discount with respect to such Original Issue Discount Bond in the hands of any owner who has purchased such Original Issue Discount Bond in the initial public offering of the Bonds. The "stated redemption price at maturity" means the sum of all payments to be made on the Bonds less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one (1) year.

Under Existing Law, such initial owner is entitled to exclude from gross income (as defined in Section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the period that such Original Issue Discount Bond continues to be owned by such owner. See "LEGAL MATTERS – Tax Exemption" for a discussion of certain collateral federal tax consequences.

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

Under Existing Law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six (6)-month period ending on the date before the semiannual anniversary dates of the date of the Bonds and ratably within each such six (6)-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount 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 (a) the sum of the issue price and amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Bond.

The federal income tax consequences of the purchase, ownership, redemption, sale, or other disposition of Original Issue Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. ALL OWNERS OF ORIGINAL ISSUE DISCOUNT BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE DETERMINATION FOR FEDERAL, STATE AND LOCAL INCOME TAX PURPOSES OF INTEREST ACCRUED UPON REDEMPTION, SALE, OR OTHER DISPOSITION OF SUCH ORIGINAL ISSUE DISCOUNT BONDS AND WITH RESPECT TO THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP, REDEMPTION, SALE, OR OTHER DISPOSITION OF SUCH ORIGINAL ISSUE DISCOUNT BONDS.

The initial public offering price to be paid for certain maturities of the Bonds is greater than the amount payable on such Bonds at maturity (the "Premium Bonds"). An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial purchaser of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial purchaser must be reduced each year by the amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is

amortizable each year by an initial purchaser is determined by using such purchaser's yield to maturity. PURCHASERS OF THE PREMIUM BONDS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS WITH RESPECT TO THE DETERMINATION OF AMORTIZABLE BOND PREMIUM WITH RESPECT TO THE PREMIUM BONDS FOR FEDERAL INCOME TAX PURPOSES AND WITH RESPECT TO THE STATE AND LOCAL TAX CONSEQUENCES OF OWNING PREMIUM BONDS.

NO MATERIAL ADVERSE CHANGE

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

NO-LITIGATION CERTIFICATE

With the delivery of the Bonds, the President or Vice President and Secretary or Assistant Secretary of the Board will, on behalf of the District, execute and deliver to the Initial Purchaser a certificate dated as of the date of delivery, to the effect that no litigation of any nature of which the District has notice is pending against or, to the knowledge of the District's certifying officers, threatened against the District, either in state or federal courts, contesting or attacking the Bonds; restraining or enjoining the authorization, execution, or delivery of the Bonds; affecting the provision made for the payment of or security for the Bonds; in any manner questioning the authority or proceedings for the authorization, execution, or delivery of the Bonds; or affecting the validity of the Bonds, the corporate existence or boundaries of the District or the title of the then present officers and directors of the Board.

CONTINUING DISCLOSURE OF INFORMATION

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

Annual Reports

The District will provide certain updated financial information and operating data to the MSRB through EMMA annually.

The information to be updated with respect to the District includes all quantitative financial information and operating data with respect to the District of the general type included in this Official Statement included under the headings "DISTRICT DEBT" (except under the subheading "Direct and Estimated Overlapping Debt Statement"), "TAX DATA," and "APPENDIX A." The District will update and provide this information within six (6) months after the end of each of its fiscal years ending in or after 2026. The District will provide the updated information to EMMA.

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

The District's current fiscal year end is June 30. Accordingly, it must provide updated information by December 31, in each year, unless it changes its fiscal year. If the District changes its fiscal year, it will notify EMMA.

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 Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other events affecting the tax- exempt status of the Bonds; (7) modifications to rights of beneficial owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the District or other obligated person within the meaning of CFR § 240.15c2-12 (the "Rule"); (13) the consummation of a merger, consolidation, or acquisition involving the District or other obligated person within the meaning of the Rule or the sale of all or substantially all of the assets of the District or other obligated person within the meaning of the Rule, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or obligated person, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the District or obligated person, any of which reflect financial difficulties. The term "financial obligation" when used in this paragraph shall have the meaning ascribed to it under federal securities laws including meaning a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term "financial obligation" does not include municipal securities for which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule. 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 Order makes any provision for debt service reserves or liquidity enhancement. In addition, the District will provide timely notice of any failure by the District to provide information, data, or financial statements in accordance with its agreement described above under "CONTINUING DISCLOSURE OF INFORMATION – Annual Reports."

Availability of Information from MSRB

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

Limitations and Amendments

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

During the last five (5) years, the District has complied in all material respects with its continuing disclosure undertakings in accordance with the Rule.

GENERAL CONSIDERATIONS

General

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

The financial statements of the District as of June 30, 2025, and for the year then ended, included in this offering document, have been audited by Forvis Mazars, LLP, independent auditors, as stated in their report appearing herein. See "APPENDIX A."

Updating of Official Statement

If, subsequent to the date of this Official Statement, to and including the date the Initial Purchaser is no longer required to provide an Official Statement to customers who request same pursuant to SEC Rule 15c2-12 of the Securities Exchange Act (the "Rule"), the District learns, or is notified by the Initial Purchaser, of any adverse event which causes this Official Statement to be materially misleading, and unless the Initial Purchaser elects to terminate its obligation to purchase the Bonds, the District will promptly prepare and supply to the Initial Purchaser an appropriate amendment or supplement to this Official Statement satisfactory to the Initial Purchaser; provided, however, that the obligation of the District to so amend or supplement this Official Statement will terminate upon the earlier of (i) 90 days after the "end of the underwriting period" as defined in the Rule or (ii) the date this Official Statement is filed with the MSRB, but in no case less than 25 days after the "end of the underwriting period."

Certification as to Official Statement

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

Concluding Statement

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

This Official Statement was approved by the Board of Directors of Fort Bend County Municipal Utility District No. 229 as of the date shown on the first page hereof.

/s/ Brian Edwards
President, Board of Directors
Fort Bend County Municipal Utility District No. 229

ATTEST:

/s/ Justin Patton
Secretary, Board of Directors
Fort Bend County Municipal Utility District No. 229

APPENDIX A

INDEPENDENT AUDITOR'S REPORT AND

FINANCIAL STATEMENTS OF THE DISTRICT

Fort Bend County Municipal Utility District No. 229

Fort Bend County, Texas

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

June 30, 2025

Fort Bend County Municipal Utility District No. 229
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June 30, 2025

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Independent Auditor's Report

Board of Directors
Fort Bend County Municipal Utility District No. 229
Fort Bend County, Texas

Opinions

We have audited the financial statements of the governmental activities and each major fund of Fort Bend County Municipal Utility District No. 229 (District), as of and for the year ended June 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 accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of June 30, 2025, and the respective changes in financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from

error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

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

Forvis Mazars, LLP

Houston, Texas
November 7, 2025

Overview of the Financial Statements

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

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities which engage in a single governmental program, such as the provision of water, sanitary sewer, and drainage services. Other activities, such as the provision of recreation facilities and solid waste collection, are minor activities and are not budgeted or accounted for as separate programs. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented on the left side of the statements, a column for adjustments is to the right of the fund financial statements and the government-wide financial statements are presented to the right side of the adjustments column. The following sections describe the measurement focus of the two types of statements and the significant differences in the information they provide.

Government-Wide Financial Statements

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

The difference between the District's assets, liabilities, and deferred inflows and outflows of resources is labeled as net position, and this difference is similar to the total stockholders' equity presented by a commercial enterprise.

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

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

Fund Financial Statements

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

Governmental Funds

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

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

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

Notes to Financial Statements

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

Financial Analysis of the District as a Whole

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

Summary of Net Position

	2025	2024
Current and other assets	$ 9,642,635	$ 5,081,041
Capital and lease assets	48,066,701	38,570,962
Total assets	$ 57,709,336	$ 43,652,003
Long-term liabilities	$ 84,730,299	$ 57,112,278
Other liabilities	1,317,203	790,589
Total liabilities	86,047,502	57,902,867
Net position		
Net investment in capital assets	(8,064,126)	(5,519,764)
Restricted	2,744,381	1,893,823
Unrestricted	(23,018,421)	(10,624,923)
Total net position	$ (28,338,166)	$ (14,250,864)

The total net position of the District decreased by $14,087,302, or about 99%. The majority of the decrease in net position is related to the conveyance of capital assets to another governmental entity for maintenance. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

At June 30, 2025, the net investment in capital assets was $((8,064,126). This amount was negative because not all expenditures from long-term debt were for the acquisition of capital assets. Within Fort Bend County, the county government assumes the maintenance and other incidents of ownership of most road facilities constructed by the District. Accordingly, these assets are not recorded in the financial statements of the District.

Summary of Changes in Net Position

	2025	2024
Revenues		
Property taxes	$ 4,519,309	$ 3,280,195
Charges for services	1,470,410	1,078,536
Other revenues	1,724,669	1,276,143
Total revenues	7,714,388	5,634,874
Expenses		
Services	3,141,785	2,088,701
Conveyance of capital assets	13,117,430	4,781,351
Depreciation and amortization	2,236,260	1,484,913
Debt service	3,306,215	2,156,948
Total expenses	21,801,690	10,511,913
Change in net position	(14,087,302)	(4,877,039)
Net position, beginning of year	(14,250,864)	(9,373,825)
Net position, end of year	$ (28,338,166)	$ (14,250,864)

Financial Analysis of the District's Funds

The District's combined fund balances as of the end of the fiscal year ended June 30, 2025 were $9,068,098, an increase of $4,247,037 from the prior year.

The general fund's fund balance increased by $708,808 primarily due to property taxes and service revenues exceeding service operations expenditures, as well as tap connection and inspection fees revenues exceeding the related tap connections expenditures.

The debt service fund's fund balance increased by $1,091,767 primarily due to property tax revenues and investment income exceeding principal and interest payments on the District's bonded indebtedness.

The capital projects fund's fund balance increased by $2,446,462 due to proceeds from the sales of bonds exceeding capital outlay expenditures and debt issuance costs.

General Fund Budgetary Highlights

There were several differences between the final budgetary amounts and actual amounts. The major differences between budget and actual were due to property tax revenues, sewer service revenues, tap connection and inspection fees revenues and the related expenditures, repairs and maintenance expenditures and lease payments expenditures being greater than anticipated. In addition, a budgeted transfer in was not received. The fund balance as of June 30, 2025 was expected to be $2,316,714, and the actual end-of-year fund balance was $2,187,379.

Capital and Lease Assets and Related Debt

Capital and Lease Assets

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

Capital and Lease Assets (Net of Accumulated Depreciation and Amortization)

	2025	2024
Land and improvements	$ 12,451,983	$ 11,272,338
Water facilities	9,056,844	6,768,244
Wastewater facilities	9,784,018	7,858,379
Drainage facilities	14,954,622	9,534,227
Lease asset – equipment	1,819,234	3,137,774
Total capital and lease assets	$ 48,066,701	$ 38,570,962

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

Land to serve wastewater treatment plant and Candela, Sections 9, 10, and 11	$ 1,179,645
Water plant No.1, Phase 1	846,484
Wastewater treatment plant expansion and lift station No. 1	34,745
Water, sewer, and drainage facilities to serve Candela, Section 14; Candela Heights Drive, Segment 1 and Candela, Section 5; Candela Park Drive and Candela Sections 1-4; Candela, Sections 6 and 7; and Candela commercial tract	8,727,627
Drainage facilities serving FM 359	943,498
Total additions to capital and lease assets	$ 11,731,999

The developer within the District has constructed facilities on behalf of the District under the terms of contracts with the District. The District has agreed to reimburse the cost of these facilities, plus interest, from the proceeds of future bond issues, subject to the approval of the Commission, as applicable, and the terms of the contracts with the developer. As of June 30, 2025, a liability for developer-constructed capital assets of $36,649,020 was recorded in the government-wide financial statements.

Debt

The changes in the debt position of the District during the fiscal year ended June 30, 2025 are summarized as follows:

Long-term debt payable, beginning of year	$ 57,112,278
Increases in long-term debt	38,562,157
Decreases in long-term debt	(10,944,136)
Long-term debt payable, end of year	$ 84,730,299

At June 30, 2025, the District had $63,130,000 of unlimited tax bonds authorized, but unissued, for the purposes of acquiring, constructing, and improving the water, sanitary sewer, and drainage systems within the District; $28,830,000 of unlimited tax bonds authorized, but unissued, for the purposes of constructing park and recreational facilities; and $51,260,000 of unlimited tax bonds authorized, but unissued, for the purpose of constructing roads.

The District's bonds carry an underlying rating of "Baa3" from Moody's Investors Service (Moody's). The Series 2022, Road Series 2022A, and Series 2023 bonds carry a "AA" rating from Standard & Poor's by virtue of bond insurance issued by Build America Mutual Assurance Company. The Road Series 2023A, Series 2024, and Road Series 2024A bonds carry a "AA" rating from Standard & Poor's by virtue of bond insurance issued by Assured Guaranty Inc. In addition, the Series 2024 and Road Series 2024A bonds carry an "A1" rating from Moody's by virtue of bond insurance issued by Assured Guaranty Inc.

Other Relevant Factors

Relationship to the City of Houston

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City of Houston (City), the District must conform to the City ordinance consenting to the creation of the District. In addition, the District may be annexed by the City without the District's consent, but conditioned upon a successful annexation election held within the District. If the District is annexed, the City must assume the District's assets and obligations (including the bond indebtedness) and abolish the District within 90 days.

Contingencies

The developer of the District is constructing facilities on behalf of the District within the boundaries of the District. The District has agreed to reimburse the developer for a portion of these costs, plus interest, from the proceeds from future bond sales, to the extent approved by the Commission, as applicable. The District's engineer has stated that current construction amounts are approximately $14,790,000. This amount has not been recorded in the financial statements since the facilities are not complete or operational.

Subsequent Event

On October 29, 2025, the District sold its $16,795,000 Unlimited Tax Bonds, Series 2025, at a net effective interest rate of approximately 4.642%. The bonds were sold to reimburse the developer for facilities constructed within the District.

Fort Bend County Municipal Utility District No. 229
Statement of Net Position and Governmental Funds Balance Sheet
June 30, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets						
Cash	$ 389,789	$ 62,549	$ 1,169	$ 453,507	$ -	$ 453,507
Certificates of deposit	-	435,000	-	435,000	-	435,000
Short-term investments	2,196,985	2,787,692	3,636,002	8,620,679	-	8,620,679
Receivables						
Property taxes	45,366	75,169	-	120,535	-	120,535
Service accounts	12,709	-	-	12,709	-	12,709
Accrued interest	-	205	-	205	-	205
Interfund receivables	41,898	-	-	41,898	(41,898)	-
Prepaid expenditures	153,070	-	-	153,070	(153,070)	-
Capital and lease assets (net of accumulated depreciation and amortization)						
Land and improvements	-	-	-	-	12,451,983	12,451,983
Infrastructure	-	-	-	-	33,795,484	33,795,484
Lease asset – equipment	-	-	-	-	1,819,234	1,819,234
Total Assets	$ 2,839,817	$ 3,360,615	$ 3,637,171	$ 9,837,603	$ 47,871,733	$ 57,709,336

Fort Bend County Municipal Utility District No. 229
Statement of Net Position and Governmental Funds Balance Sheet
June 30, 2025 (Continued)

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Liabilities						
Accounts payable	$ 312,348	$ -	$ -	$ 312,348	$ -	$ 312,348
Accrued interest payable	-	-	-	-	710,131	710,131
Customer deposits	243,812	-	-	243,812	-	243,812
Due to others	50,912	-	-	50,912	-	50,912
Interfund payables	-	41,898	-	41,898	(41,898)	-
Long-term liabilities						
Due within one year	-	-	-	-	1,983,292	1,983,292
Due after one year	-	-	-	-	82,747,007	82,747,007
Total Liabilities	607,072	41,898	0	648,970	85,398,532	86,047,502
Deferred Inflows of Resources						
Deferred property tax revenues	45,366	75,169	-	120,535	(120,535)	-
Fund Balances/Net Position						
Fund balances						
Nonspendable, prepaid expenditures	153,070	-	-	153,070	(153,070)	-
Restricted						
Unlimited tax bonds	-	2,231,586	-	2,231,586	(2,231,586)	-
Water, sewer, and drainage	-	-	2,935,380	2,935,380	(2,935,380)	-
Roads	-	1,011,962	701,791	1,713,753	(1,713,753)	-
Unassigned	2,034,309	-	-	2,034,309	(2,034,309)	-
Total fund balances	2,187,379	3,243,548	3,637,171	9,068,098	(9,068,098)	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 2,839,817	$ 3,360,615	$ 3,637,171	$ 9,837,603		
Net position						
Net investment in capital assets					(8,064,126)	(8,064,126)
Restricted for debt service					2,472,675	2,472,675
Restricted for capital projects					271,706	271,706
Unrestricted					(23,018,421)	(23,018,421)
Total net position					$ (28,338,166)	$ (28,338,166)

Fort Bend County Municipal Utility District No. 229
Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues						
Property taxes	$ 1,607,308	$ 2,857,200	$ -	$ 4,464,508	$ 54,801	$ 4,519,309
Water service	388,430	-	-	388,430	-	388,430
Sewer service	505,004	-	-	505,004	-	505,004
Regional water fee	576,976	-	-	576,976	-	576,976
Penalty and interest	33,195	33,003	-	66,198	-	66,198
Tap connection and inspection fees	1,348,547	-	-	1,348,547	-	1,348,547
Investment income	85,842	101,818	122,045	309,705	-	309,705
Other income	-	219	-	219	-	219
Total Revenues	4,545,302	2,992,240	122,045	7,659,587	54,801	7,714,388
Expenditures/Expenses						
Service operations						
Purchased services	70,666	-	-	70,666	-	70,666
Regional water fee	517,958	-	-	517,958	-	517,958
Professional fees	228,771	9,718	-	238,489	3,481	241,970
Contracted services	173,917	47,041	-	220,958	1,335	222,293
Solid waste	194,136	-	-	194,136	-	194,136
Repairs and maintenance	1,118,052	-	-	1,118,052	-	1,118,052
Other expenditures	107,758	7,635	161	115,554	-	115,554
Tap connections	661,156	-	-	661,156	-	661,156
Capital outlay	-	-	15,005,625	15,005,625	(15,005,625)	-
Conveyance of capital assets	-	-	-	-	13,117,430	13,117,430
Depreciation and amortization	-	-	-	-	2,236,260	2,236,260
Debt service						
Principal retirement	-	600,000	-	600,000	(600,000)	-
Interest and fees	-	1,520,545	-	1,520,545	590,864	2,111,409
Lease payments	679,080	-	-	679,080	(679,080)	-
Debt issuance costs	85,000	-	1,109,806	1,194,806	-	1,194,806
Total Expenditures/Expenses	3,836,494	2,184,939	16,115,592	22,137,025	(335,335)	21,801,690
Excess (Deficiency) of Revenues Over Expenditures	708,808	807,301	(15,993,547)	(14,477,438)	390,136	
Other Financing Sources (Uses)						
General obligation bonds issued	-	284,466	18,820,534	19,105,000	(19,105,000)	
Discount on debt issued	-	-	(380,525)	(380,525)	380,525	
Total Other Financing Sources	-	284,466	18,440,009	18,724,475	(18,724,475)	
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	708,808	1,091,767	2,446,462	4,247,037	(4,247,037)	
Change in Net Position					(14,087,302)	(14,087,302)
Fund Balances/Net Position						
Beginning of year	1,478,571	2,151,781	1,190,709	4,821,061	-	(14,250,864)
End of year	$ 2,187,379	$ 3,243,548	$ 3,637,171	$ 9,068,098	$ -	$ (28,338,166)

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

Fort Bend County Municipal Utility District No. 229 (District) was created pursuant to Section 52, Article III, and Section 59, Article XVI, of the Texas Constitution by an Act of the 86th Legislature of the State of Texas, effective May 23, 2019, codified as Chapter 8062, Texas Special District Local Laws Code (Act). The District operates in accordance with the Act and Chapters 49 and 54 of the Texas Water Code and is subject to the continuing supervision of the Texas Commission on Environmental Quality (Commission). The principal functions of the District are to finance, construct, own, and operate waterworks, wastewater, drainage, recreational, road, and other facilities and to provide such facilities and services to the customers of the District.

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

Reporting Entity

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

Government-Wide and Fund Financial Statements

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

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

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

The District presents the following major governmental funds:

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

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

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

Fund Balances – Governmental Funds

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

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

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

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

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

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

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

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

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

Interfund Transactions

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

Deferred Outflows and Inflows of Resources

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

Pension Costs

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

Use of Estimates

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

Investments and Investment Income

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

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

Property Taxes

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

In the governmental funds, property taxes are initially recorded as receivables and deferred inflows of resources at the time the tax levy is billed. Revenues recognized during the fiscal year ended June 30, 2025 include collections during the current period or within 60 days of year-end related to the 2024 and prior years' tax levies.

In the government-wide statement of net position, property taxes are considered earned in the budget year for which they are levied. For the District's fiscal year ended June 30, 2025, the 2024 tax levy is considered earned during the current fiscal year. In addition to property taxes levied, any delinquent taxes are recorded net of amounts considered uncollectible.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure, are reported in the government-wide financial statements. Capital assets are defined by the District as assets, with an individual cost of $5,000 or more and an estimated useful life of two years or more. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives is not capitalized.

Within Fort Bend County, the county government assumes the maintenance and other incidents of ownership of most road facilities constructed by the District. Accordingly, these assets are not recorded in the financial statements of the District.

Capital assets are depreciated using the straight-line method over their estimated useful lives, as follows:

Water production and distribution facilities	10–45 years
Wastewater collection and treatment facilities	10–45 years
Drainage facilities	10–45 years

Lease Assets

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Debt Issuance Costs

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

Long-Term Obligations

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

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

Net Position/Fund Balances

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

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

Reconciliation of Government-Wide and Fund Financial Statements

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

Capital and lease assets used in governmental activities are not financial resources and are not reported in the funds.	$ 48,066,701
Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.	120,535
Prepaid lease expenditures are not reported as assets in the statement of net position.	(153,070)
Accrued interest on long-term liabilities is not payable with current financial resources and is not reported in the funds.	(710,131)
Long-term debt obligations are not due and payable in the current period and are not reported in the funds.	(84,730,299)
Adjustment to fund balances to arrive at net position.	$ (37,406,264)

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

Change in fund balances.	$ 4,247,037
Governmental funds report capital outlays as expenditures. However, for government-wide financial statements, the cost of capitalized assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which depreciation and amortization expense, conveyance of capital assets, and noncapitalized costs exceeded capital outlay expenditures in the current period.	(352,881)
Governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	380,525
Governmental funds report proceeds from sales of bonds because they provide current financial resources to governmental funds. Principal payments on debt are recorded as expenditures. None of these transactions, however, have any effect on net position.	(18,505,000)
Governmental funds report lease payments as expenditures. For the statement of activities, these are reported as a reduction of lease liability and interest expense.	679,080

Revenues that do not provide current financial resources are not reported as revenues for the funds but are reported as revenues in the statement of activities.	$ 54,801
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(590,864)
Change in net position of governmental activities.	$ (14,087,302)

Note 2. Deposits, Investments, and Investment Income

Deposits

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

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

At June 30, 2025, none of the District's bank balances were exposed to custodial credit risk.

Investments

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

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

The District invests in Texas CLASS, an external investment pool that is not registered with the Securities and Exchange Commission. A Board of Trustees, elected by the participants, has oversight of Texas CLASS. The District's investments may be redeemed at any time. Texas CLASS attempts to minimize its exposure to market and credit risk through the use of various strategies and credit monitoring techniques and limits its investments in any issuer to the top two ratings issued by nationally recognized statistical rating organizations. The District's investments in Texas CLASS are reported at net asset value.

At June 30, 2025, the District had the following investments and maturities:

		Maturities in Years			
Type	Fair Value	Less Than 1	1–5	6–10	More Than 10
Texas CLASS	$ 8,620,679	$ 8,620,679	$ -	$ -	$ -

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

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2025, the District's investments in Texas CLASS were rated "AAAm" by Standard & Poor's.

Summary of Carrying Values

The carrying values of deposits and investments shown previously are included in the balance sheet at June 30, 2025 as follows:

Carrying value	
Deposits	$ 888,507
Investments	8,620,679
Total	$ 9,509,186

Included in the following statement of net position captions:

Cash	$ 453,507
Certificates of deposit	435,000
Short-term investments	8,620,679
Total	$ 9,509,186

Investment Income

Investment income of $309,705 for the year ended June 30, 2025 consisted of interest income.

Fair Value Measurements

The District has the following recurring fair value measurement as of June 30, 2025:

- Pooled investments of $8,620,679 are valued at fair value per share of the pool's underlying portfolio.

Note 3. Capital and Lease Assets

A summary of changes in capital and lease assets for the year ended June 30, 2025 is presented as follows:

Governmental Activities	Balances, Beginning of Year	Additions	Balances, End of Year
Capital assets, non-depreciable			
Land and improvements	$ 11,272,338	$ 1,179,645	$ 12,451,983
Capital and lease assets, depreciable and amortizable			
Water production and distribution facilities	7,191,723	2,568,888	9,760,611
Wastewater collection and treatment facilities	8,368,044	2,210,972	10,579,016
Drainage facilities	10,047,354	5,772,494	15,819,848
Lease asset – equipment	4,447,736	-	4,447,736
Total capital and lease assets, depreciable and amortizable	30,054,857	10,552,354	40,607,211
Less accumulated depreciation and amortization			
Water production and distribution facilities	(423,479)	(280,288)	(703,767)
Wastewater collection and treatment facilities	(509,665)	(285,333)	(794,998)
Drainage facilities	(513,127)	(352,099)	(865,226)
Lease asset – equipment	(1,309,962)	(1,318,540)	(2,628,502)
Total accumulated depreciation and amortization	(2,756,233)	(2,236,260)	(4,992,493)
Total governmental activities, net	$ 38,570,962	$ 9,495,739	$ 48,066,701

Note 4. Long-Term Liabilities

Changes in long-term liabilities for the year ended June 30, 2025 were as follows.

Governmental Activities	Balances, Beginning of Year	Increases	Decreases	Balances, End of Year	Amounts Due in One Year
Bonds payable					
General obligation bonds	$ 27,465,000	$ 19,105,000	$ 600,000	$ 45,970,000	$ 970,000
Less discounts on bonds	805,010	380,525	26,567	1,158,968	-
	26,659,990	18,724,475	573,433	44,811,032	970,000
Lease liability	3,651,888	-	381,641	3,270,247	1,013,292
Due to developer	26,800,400	19,837,682	9,989,062	36,649,020	-
Total governmental activities long-term liabilities	$ 57,112,278	$ 38,562,157	$ 10,944,136	$ 84,730,299	$ 1,983,292

General Obligation Bonds

	Series 2022	Road Series 2022A
Amounts outstanding, June 30, 2025	$9,490,000	$7,820,000
Interest rates	3.50% to 6.00%	4.125% to 6.625%
Maturity dates, serially beginning/ending	September 1, 2025/2048	September 1, 2025/2048
Interest payment dates	March 1/September 1	March 1/September 1
Callable dates*	July 1, 2030	October 1, 2029

	Series 2023	Road Series 2023A
Amounts outstanding, June 30, 2025	$4,895,000	$4,660,000
Interest rates	4.00% to 6.50%	4.50% to 7.00%
Maturity dates, serially beginning/ending	September 1, 2025/2048	September 1, 2025/2048
Interest payment dates	March 1/September 1	March 1/September 1
Callable dates*	September 1, 2029	September 1, 2029

	Series 2024	Road Series 2024A
Amounts outstanding, June 30, 2025	$12,805,000	$6,300,000
Interest rates	4.00% to 6.50%	4.00% to 5.00%
Maturity dates, serially beginning/ending	September 1, 2025/2049	September 1, 2025/2049
Interest payment dates	March 1/September 1	March 1/September 1
Callable dates*	September 1, 2030	September 1, 2030

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

Annual Debt Service Requirements

The following schedule shows the annual debt service requirements to pay principal and interest on general obligation bonds outstanding at June 30, 2025.

Year	Principal	Interest	Total
2026	$ 970,000	$ 2,099,828	$ 3,069,828
2027	1,135,000	2,033,729	3,168,729
2028	1,185,000	1,961,078	3,146,078
2029	1,235,000	1,885,266	3,120,266
2030	1,290,000	1,806,165	3,096,165
2031–2035	7,360,000	7,829,303	15,189,303
2036–2040	9,150,000	5,965,118	15,115,118
2041–2045	11,370,000	3,782,557	15,152,557
2046–2050	12,275,000	1,173,040	13,448,040
Total	$ 45,970,000	$ 28,536,084	$ 74,506,084

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

Bonds voted	
Water, sewer, and drainage facilities	$ 90,645,000
Recreational facilities	28,830,000
Roads	70,315,000
Bonds sold	
Water, sewer, and drainage facilities	27,515,000
Road facilities	19,055,000
Refunding bonds voted	189,790,000
Refunding bond authorization used	-

Lease Liability

The following schedule shows the annual lease requirements to pay principal and interest on lease liability outstanding at June 30, 2025:

Year	Principal	Interest	Total
2026	$ 1,013,292	$ 222,844	$ 1,236,136
2027	302,140	176,540	478,680
2028	1,954,815	53,146	2,007,961
Total	$ 3,270,247	$ 452,530	$ 3,722,777

Due to Developer

The developer within the District has constructed facilities on behalf of the District. The District has agreed to reimburse the developer for these construction costs and interest to the extent approved by the Commission, as applicable, from the proceeds of future bond sales. The District's engineer estimates reimbursable costs for completed projects are $36,649,020. These amounts have been recorded in the financial statements as long-term liabilities.

Note 5. Significant Bond Order and Commission Requirements

A. The Bond Orders require that the District levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due. During the year ended June 30, 2025, the District levied an ad valorem debt service tax at the rate of $0.5050 per $100 of assessed valuation, which resulted in a tax levy of $1,694,630 on the taxable valuation of $335,570,330 for the 2024 tax year. The principal and interest requirements to be paid from the tax revenues and available resources are $1,683,120, of which $488,04 has been paid and $1,194,516 is due September 1, 2025,

B. The Road Bond Orders require that the District levy and collect an ad valorem road debt service tax sufficient to pay interest and principal on road bonds when due. During the year ended June 30, 2025, the District levied an ad valorem road debt service tax at the rate of $0.3600 per $100 of assessed valuation, which resulted in a tax levy of $1,208,053 on the taxable valuation of $335,570,330 for the 2024 tax year. The principal and interest requirements to be paid from the road debt service tax revenues and available resources are $1,204,793, of which $364,112 has been paid and $840,681 is due September 1, 2025.

C. In accordance with the Series 2024 Bond Order, a portion of the bond proceeds was deposited into the debt service fund and reserved for the payment of bond interest during the construction period. This bond interest reserve is reduced by interest payments during the current year.

Bond interest reserve, beginning of year	$	-
Additions – Interest appropriated from bond proceeds Series 2024		284,466
Deductions – Appropriation from bond interest paid Series 2024		148,555
Bond interest reserve, end of year	$	135,911

Note 6. Maintenance Taxes

At an election held May 2, 2020, voters authorized a maintenance tax not to exceed $1.50 per $100 of assessed valuation on all property within the District subject to taxation. During the year ended June 30, 2025, the District levied an ad valorem maintenance tax at the rate of $0.4850 per $100 of assessed valuation, which resulted in a tax levy of $1,627,516 on the taxable valuation of $335,570,330 for the 2024 tax year. The maintenance tax is being used by the general fund to pay expenditures of operating the District.

Note 7. Regional Water Authority

The District is within the boundaries of the North Fort Bend Water Authority (Authority), which was created by the Texas Legislature. The Authority was created to provide a regional entity to acquire surface water and build the necessary facilities to convert from groundwater to surface water in order to meet conversion requirements mandated by the Fort Bend Subsidence District, which regulates groundwater withdrawal. As of June 30, 2025, the Authority was billing the District $4.55 per 1,000 gallons of water pumped from its wells and $4.90 per 1,000 gallons of surface water delivered. These amounts are subject to future adjustments.

Note 8. Leases

On June 28, 2021, the District entered into an agreement to lease a 400,000 gallon-per-day (gpd) wastewater treatment facility. Monthly lease payments of $39,890 will remain in effect for 60 months and will begin on the first day of the month following substantial completion of the leased equipment, which occurred during the prior fiscal year. An installation fee of $225,250 is payable in installments. After the first 60 months, the District may extend the agreement on a month-to-month basis with monthly payments of $36,985. During the current year, the District paid $478,680 for lease expenditures under this lease.

On April 1, 2024, the District was assigned a lease previously held by Fort Bend County Municipal Utility District No. 142 for Phases 1 and 2 of a wastewater treatment plant. Monthly lease payments for Phase 1 are $8,800 per month (on a month-to-month basis). Monthly lease payments for Phase 2 are $7,900 per month (on a month-to-month basis). During the current year, the District recorded costs of $200,400 under this lease.

Note 9. Risk Management

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

Note 10. Contingencies

The developer of the District is constructing facilities on behalf of the District within the boundaries of the District. The District has agreed to reimburse the developer for a portion of these costs, plus interest, from the proceeds from future bond sales, to the extent approved by the Commission, as applicable. The District's engineer has stated that current construction amounts are approximately $14,790,000. This amount has not been recorded in the financial statements since the facilities are not complete or operational.

Note 11. Subsequent Event

On October 29, 2025, the District sold its $16,795,000 Unlimited Tax Bonds, Series 2025, at a net effective interest rate of approximately 4.642%. The bonds were sold to reimburse the developer for facilities constructed within the District.

Required Supplementary Information

Fort Bend County Municipal Utility District No. 229
Budgetary Comparison Schedule – General Fund
Year Ended June 30, 2025

	Original Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	$ 1,077,763	$ 1,607,308	$ 529,545
Water service	315,000	388,430	73,430
Sewer service	363,400	505,004	141,604
Regional water fee	498,500	576,976	78,476
Penalty and interest	25,000	33,195	8,195
Tap connection and inspection fees	965,900	1,348,547	382,647
Investment income	50,550	85,842	35,292
Total Revenues	3,296,113	4,545,302	1,249,189
Expenditures			
Service operations			
Purchased services	-	70,666	(70,666)
Regional water fee	498,500	517,958	(19,458)
Professional fees	147,000	228,771	(81,771)
Contracted services	168,800	173,917	(5,117)
Solid waste	161,265	194,136	(32,871)
Repairs and maintenance	610,700	1,118,052	(507,352)
Other expenditures	102,175	107,758	(5,583)
Tap connections	450,650	661,156	(210,506)
Lease payments	578,880	679,080	(100,200)
Capital outlay	50,000	-	50,000
Debt service, debt issuance costs		85,000	(85,000)
Total Expenditures	2,767,970	3,836,494	(1,068,524)
Excess of Revenues Over Expenditures	528,143	708,808	180,665
Other Financing Sources			
Interfund transfers in	310,000	-	(310,000)
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	838,143	708,808	(129,335)
Fund Balance, Beginning of Year	1,478,571	1,478,571	-
Fund Balance, End of Year	$ 2,316,714	$ 2,187,379	$ (129,335)

Budgets and Budgetary Accounting

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

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

Supplementary Information

Fort Bend County Municipal Utility District No. 229
Other Schedules Included Within This Report
June 30, 2025

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

[X] Notes Required by the Water District Accounting Manual
See “Notes to Financial Statements,” Pages 11–22

[X] Schedule of Services and Rates

[X] Schedule of General Fund Expenditures

[X] Schedule of Temporary Investments

[X] Analysis of Taxes Levied and Receivable

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

[X] Changes in Long-Term Bonded Debt

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

[X] Board Members, Key Personnel, and Consultants

Fort Bend County Municipal Utility District No. 229
Schedule of Services and Rates
Year Ended June 30, 2025

1. Services provided by the District

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

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

2. Retail service providers

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

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate Per 1,000 Gallons Over Minimum	Usage Levels		
Water:	$ 20.00	10,000	N	$ 2.00	10,001	to	15,000
				$ 3.00	15,001	to	20,000
				$ 4.00	20,001	to	25,000
				$ 5.00	25,001	to	No limit
Wastewater:	$ 39.65	0	Y				
Regional water fee:	$ 4.90	1,000	N	$ 4.90	1,001	to	No Limit

Does the District employ winter averaging for wastewater usage? Yes ___ No X

Total charges per 10,000 gallons usage (including fees): Water $ 69.00 Wastewater $ 39.65

b. Water and wastewater retail connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC*
Unmetered	-	-	x1.0	-
≤ 3/4"	1,235	1,228	x1.0	1,228
1"	36	36	x2.5	90
1 1/2"	-	-	x5.0	-
2"	11	11	x8.0	88
3"	-	-	x15.0	-
4"	1	1	x25.0	25
6"	1	1	x50.0	50
8"	1	1	x80.0	80
10"	-	-	x115.0	-
Total water	1,285	1,278		1,561
Total wastewater	1,267	1,260	x1.0	1,260

3. Total water consumption (in thousands) during the fiscal year

Gallons pumped into the system:	136,159
Gallons billed to customers:	124,271
Water accountability ratio (gallons billed/gallons pumped):	91.27%

*"ESFC" means equivalent single-family connections

Fort Bend County Municipal Utility District No. 229
Schedule of General Fund Expenditures
Year Ended June 30, 2025

Personnel (including benefits)		$ -
Professional Fees		
Auditing	$ 22,500	
Legal	84,628	
Engineering	121,643	
Financial advisor	-	228,771
Purchased Services for Resale		
Bulk water and wastewater service purchases		70,666
Regional Water Fee		517,958
Contracted Services		
Bookkeeping	62,288	
General manager	-	
Appraisal district	-	
Tax collector	-	
Security	-	
Other contracted services	111,629	173,917
Utilities		
Repairs and Maintenance		1,118,052
Administrative Expenditures		
Directors' fees	10,608	
Office supplies	5,686	
Insurance	28,876	
Other administrative expenditures	62,588	107,758
Capital Outlay		
Capitalized assets	-	
Expenditures not capitalized	-	-
Tap Connection Expenditures		661,156
Solid Waste Disposal		194,136
Fire Fighting		-
Parks and Recreation		-
Other Expenditures – Lease Payments		679,080
Other Expenditures – Debt Issuance Costs		85,000
Total Expenditures		$ 3,836,494

Fort Bend County Municipal Utility District No. 229
Schedule of Temporary Investments
June 30, 2025

	Interest Rate	Maturity Date	Face Amount	Accrued Interest Receivable
General Fund				
Texas CLASS	4.44%	Demand	$ 2,196,985	$ -
Debt Service Fund				
Certificates of Deposit				
No. 9009005638	4.15%	12/22/25	235,000	134
No. 6550140560	4.32%	12/27/25	200,000	71
Texas CLASS	4.44%	Demand	1,775,730	-
Texas CLASS	4.44%	Demand	1,011,962	-
			3,222,692	205
Capital Projects Fund				
Texas CLASS	4.44%	Demand	309,785	-
Texas CLASS	4.44%	Demand	304,398	-
Texas CLASS	4.44%	Demand	217,712	-
Texas CLASS	4.44%	Demand	409,112	-
Texas CLASS	4.44%	Demand	2,320,028	-
Texas CLASS	4.44%	Demand	74,967	-
			3,636,002	-
Totals			$ 9,055,679	$ 205

Fort Bend County Municipal Utility District No. 229
Analysis of Taxes Levied and Receivable
Year Ended June 30, 2025

	Maintenance Taxes	Road Debt Service Taxes	Debt Service Taxes
Receivable, Beginning of Year	$ 30,241	$ 16,438	$ 19,055
Additions and corrections to prior years' taxes	(5,083)	(2,695)	(3,111)
Adjusted Receivable, Beginning of Year	25,158	13,743	15,944
2024 Original Tax Levy	1,605,467	1,191,686	1,671,671
Additions and corrections	22,049	16,367	22,959
Adjusted tax levy	1,627,516	1,208,053	1,694,630
Total to be accounted for	1,652,674	1,221,796	1,710,574
Tax collections: Current year	(1,592,541)	(1,182,092)	(1,658,213)
Prior years	(14,767)	(7,837)	(9,059)
Receivable, End of Year	$ 45,366	$ 31,867	$ 43,302
Receivable, by Years			
2024	$ 34,975	$ 25,961	$ 36,417
2023	7,925	4,086	4,705
2022	2,466	1,820	2,180
Receivable, end of year	$ 45,366	$ 31,867	$ 43,302

Fort Bend County Municipal Utility District No. 229
Analysis of Taxes Levied and Receivable
Year Ended June 30, 2025 (Continued)

	2024	2023	2022	2021
Property Valuations				
Land	$ 92,058,697	$ 63,031,618	$ 39,629,162	$ 22,309,202
Improvements	288,095,150	200,295,239	75,790,489	702,940
Personal property	781,853	450,304	391,480	53,730
Exemptions	(45,365,370)	(20,777,923)	(3,878,826)	(140,237)
Total Property Valuations	$ 335,570,330	$ 242,999,238	$ 111,932,305	$ 22,925,635
Tax Rates per $100 Valuation				
Debt service tax rates	$ 0.5050	$ 0.3800	$ 0.4550	$ -
Road debt service tax rates	0.3600	0.3300	0.3800	-
Maintenance tax rates*	0.4850	0.6400	0.5150	1.3500
Total Tax Rates per $100 Valuation	$ 1.3500	$ 1.3500	$ 1.3500	$ 1.3500
Tax Levy	$ 4,530,199	$ 3,280,490	$ 1,511,086	$ 309,496
Percent of Taxes Collected to Taxes Levied**	98%	99%	100%	100%

*Maximum tax rate approved by voters: $1.50 on May 2, 2020

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

Fort Bend County Municipal Utility District No. 229
Schedule of Long-Term Debt Service Requirements by Years
June 30, 2025

Due During Fiscal Years Ending June 30	Series 2022 Principal Due September 1	Series 2022 Interest Due March 1, September 1	Total
2026	$ 225,000	$ 447,288	$ 672,288
2027	240,000	433,338	673,338
2028	250,000	418,638	668,638
2029	260,000	403,338	663,338
2030	270,000	387,438	657,438
2031	285,000	370,788	655,788
2032	295,000	353,388	648,388
2033	310,000	335,238	645,238
2034	325,000	316,391	641,391
2035	340,000	298,344	638,344
2036	355,000	280,969	635,969
2037	370,000	262,844	632,844
2038	385,000	243,968	628,968
2039	405,000	224,219	629,219
2040	420,000	203,593	623,593
2041	440,000	182,093	622,093
2042	460,000	159,593	619,593
2043	480,000	137,593	617,593
2044	500,000	116,156	616,156
2045	525,000	93,734	618,734
2046	550,000	72,625	622,625
2047	575,000	52,937	627,937
2048	600,000	32,374	632,374
2049	625,000	10,937	635,937
Totals	$ 9,490,000	$ 5,837,824	$ 15,327,824

Fort Bend County Municipal Utility District No. 229
Schedule of Long-Term Debt Service Requirements by Years
June 30, 2025 **(Continued)**

Due During Fiscal Years Ending June 30	Road Series 2022A		
	Principal Due September 1	Interest Due March 1, September 1	Total
2026	$ 185,000	$ 368,378	$ 553,378
2027	195,000	355,790	550,790
2028	205,000	342,540	547,540
2029	215,000	328,628	543,628
2030	225,000	314,053	539,053
2031	235,000	298,815	533,815
2032	245,000	282,916	527,916
2033	255,000	266,353	521,353
2034	265,000	252,440	517,440
2035	280,000	241,200	521,200
2036	290,000	229,444	519,444
2037	305,000	217,172	522,172
2038	320,000	204,282	524,282
2039	330,000	190,875	520,875
2040	345,000	176,953	521,953
2041	365,000	162,310	527,310
2042	380,000	146,707	526,707
2043	395,000	130,238	525,238
2044	415,000	112,766	527,766
2045	435,000	94,172	529,172
2046	450,000	74,812	524,812
2047	475,000	54,578	529,578
2048	495,000	33,360	528,360
2049	515,000	11,266	526,266
Totals	$ 7,820,000	$ 4,890,048	$ 12,710,048

Fort Bend County Municipal Utility District No. 229
Schedule of Long-Term Debt Service Requirements by Years
June 30, 2025 **(Continued)**

Due During Fiscal Years Ending June 30	Series 2023		
	Principal Due September 1	Interest Due March 1, September 1	Total
2026	$ 115,000	$ 222,325	$ 337,325
2027	120,000	214,688	334,688
2028	125,000	206,725	331,725
2029	130,000	198,437	328,437
2030	135,000	189,825	324,825
2031	145,000	180,725	325,725
2032	150,000	171,138	321,138
2033	155,000	161,225	316,225
2034	165,000	152,887	317,887
2035	170,000	146,188	316,188
2036	180,000	139,187	319,187
2037	190,000	131,788	321,788
2038	200,000	123,987	323,987
2039	210,000	115,788	325,788
2040	220,000	107,187	327,187
2041	230,000	98,188	328,188
2042	240,000	88,787	328,787
2043	250,000	78,987	328,987
2044	260,000	68,625	328,625
2045	275,000	57,591	332,591
2046	285,000	46,041	331,041
2047	300,000	33,787	333,787
2048	315,000	20,719	335,719
2049	330,000	7,012	337,012
Totals	$ 4,895,000	$ 2,961,837	$ 7,856,837

Fort Bend County Municipal Utility District No. 229
Schedule of Long-Term Debt Service Requirements by Years
June 30, 2025 **(Continued)**

Due During Fiscal Years Ending June 30	Road Series 2023A		
	Principal Due September 1	Interest Due March 1, September 1	Total
2026	$ 110,000	$ 232,762	$ 342,762
2027	115,000	224,888	339,888
2028	120,000	216,662	336,662
2029	125,000	208,088	333,088
2030	130,000	199,162	329,162
2031	135,000	189,888	324,888
2032	145,000	180,087	325,087
2033	150,000	169,763	319,763
2034	155,000	160,444	315,444
2035	165,000	152,662	317,662
2036	170,000	145,125	315,125
2037	180,000	137,250	317,250
2038	190,000	128,925	318,925
2039	200,000	120,150	320,150
2040	205,000	111,037	316,037
2041	215,000	101,588	316,588
2042	225,000	91,687	316,687
2043	240,000	81,225	321,225
2044	250,000	70,200	320,200
2045	260,000	58,725	318,725
2046	275,000	46,687	321,687
2047	285,000	34,088	319,088
2048	300,000	20,925	320,925
2049	315,000	7,088	322,088
Totals	$ 4,660,000	$ 3,089,106	$ 7,749,106

Fort Bend County Municipal Utility District No. 229
Schedule of Long-Term Debt Service Requirements by Years
June 30, 2025 **(Continued)**

Due During Fiscal Years Ending June 30	Series 2024		
	Principal Due September 1	Interest Due March 1, September 1	Total
2026	$ 230,000	$ 561,456	$ 791,456
2027	310,000	543,906	853,906
2028	325,000	523,269	848,269
2029	340,000	501,656	841,656
2030	355,000	479,069	834,069
2031	370,000	455,506	825,506
2032	385,000	435,781	820,781
2033	400,000	420,081	820,081
2034	415,000	403,781	818,781
2035	435,000	386,781	821,781
2036	455,000	368,982	823,982
2037	475,000	350,382	825,382
2038	490,000	331,081	821,081
2039	515,000	310,981	825,981
2040	535,000	289,981	824,981
2041	560,000	268,082	828,082
2042	580,000	245,281	825,281
2043	605,000	221,581	826,581
2044	630,000	196,881	826,881
2045	660,000	171,082	831,082
2046	685,000	143,753	828,753
2047	715,000	114,431	829,431
2048	745,000	83,407	828,407
2049	780,000	51,000	831,000
2050	810,000	17,212	827,212
Totals	$ 12,805,000	$ 7,875,403	$ 20,680,403

Fort Bend County Municipal Utility District No. 229
Schedule of Long-Term Debt Service Requirements by Years
June 30, 2025 **(Continued)**

Due During Fiscal Years Ending June 30	Road Series 2024A		
	Principal Due September 1	Interest Due March 1, September 1	Total
2026	$ 105,000	$ 267,619	$ 372,619
2027	155,000	261,119	416,119
2028	160,000	253,244	413,244
2029	165,000	245,119	410,119
2030	175,000	236,618	411,618
2031	180,000	227,743	407,743
2032	190,000	218,494	408,494
2033	195,000	208,868	403,868
2034	205,000	199,894	404,894
2035	215,000	191,494	406,494
2036	225,000	182,694	407,694
2037	230,000	173,593	403,593
2038	240,000	164,193	404,193
2039	250,000	154,394	404,394
2040	265,000	144,094	409,094
2041	275,000	133,294	408,294
2042	285,000	122,094	407,094
2043	300,000	110,394	410,394
2044	310,000	98,000	408,000
2045	325,000	84,903	409,903
2046	340,000	71,187	411,187
2047	350,000	56,738	406,738
2048	365,000	41,544	406,544
2049	380,000	25,712	405,712
2050	415,000	8,820	423,820
Totals	$ 6,300,000	$ 3,881,866	$ 10,181,866

Fort Bend County Municipal Utility District No. 229
Schedule of Long-Term Debt Service Requirements by Years
June 30, 2025 **(Continued)**

Due During Fiscal Years Ending June 30	Annual Requirements For All Series		
	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2026	$ 970,000	$ 2,099,828	$ 3,069,828
2027	1,135,000	2,033,729	3,168,729
2028	1,185,000	1,961,078	3,146,078
2029	1,235,000	1,885,266	3,120,266
2030	1,290,000	1,806,165	3,096,165
2031	1,350,000	1,723,465	3,073,465
2032	1,410,000	1,641,804	3,051,804
2033	1,465,000	1,561,528	3,026,528
2034	1,530,000	1,485,837	3,015,837
2035	1,605,000	1,416,669	3,021,669
2036	1,675,000	1,346,401	3,021,401
2037	1,750,000	1,273,029	3,023,029
2038	1,825,000	1,196,436	3,021,436
2039	1,910,000	1,116,407	3,026,407
2040	1,990,000	1,032,845	3,022,845
2041	2,085,000	945,555	3,030,555
2042	2,170,000	854,149	3,024,149
2043	2,270,000	760,018	3,030,018
2044	2,365,000	662,628	3,027,628
2045	2,480,000	560,207	3,040,207
2046	2,585,000	455,105	3,040,105
2047	2,700,000	346,559	3,046,559
2048	2,820,000	232,329	3,052,329
2049	2,945,000	113,015	3,058,015
2050	1,225,000	26,032	1,251,032
Totals	$ 45,970,000	$ 28,536,084	$ 74,506,084

Fort Bend County Municipal Utility District No. 229
Changes in Long-Term Bonded Debt
Year Ended June 30, 2025

	Bond			
	Series 2022	**Road Series 2022A**	**Series 2023**	**Road Series 2023A**
Interest rates	3.50% to 6.00%	4.125% to 6.625%	4.00% to 6.50%	4.50% to 7.00%
Dates interest payable	March 1/ September 1	March 1/ September 1	March 1/ September 1	March 1/ September 1
Maturity dates	September 1, 2025/2048	September 1, 2025/2048	September 1, 2025/2048	September 1, 2025/2048
Bonds outstanding, beginning of current year	$ 9,710,000	$ 8,000,000	$ 5,000,000	$ 4,755,000
Bonds sold during current year	-	-	-	-
Retirements, principal	220,000	180,000	105,000	95,000
Bonds outstanding, end of current year	$ 9,490,000	$ 7,820,000	$ 4,895,000	$ 4,660,000
Interest paid during current year	$ 460,638	$ 380,469	$ 229,475	$ 239,938

Paying agent's name and address

Series 2022 – Regions Bank, Houston, Texas
Series 2022A – Regions Bank, Houston, Texas
Series 2023 – Regions Bank, Houston, Texas
Series 2023A – Zions Bancorporation, N.A., Houston, Texas
Series 2024 – Zions Bancorporation, N.A., Houston, Texas
Series 2024A – Zions Bancorporation, N.A., Houston, Texas

Bond authority

	Water, Sewer, and Drainage Bonds	**Park and Recreational Bonds**	**Road Bonds**	**Refunding Bonds**
Amount authorized by voters	$ 90,645,000	$ 28,830,000	$ 70,315,000	$ 189,790,000
Amount issued	$ 27,515,000	$ -	$ 19,055,000	$ -
Remaining to be issued	$ 63,130,000	$ 28,830,000	$ 51,260,000	$ 189,790,000

Debt service fund cash and temporary investment balances as of June 30, 2025:	$ 3,285,241
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 2,980,243

Issues		
Series 2024	Road Series 2024A	Total
4.00% to 6.50%	4.00% to 5.00%	
March 1/ September 1	March 1/ September 1	
September 1, 2025/2049	September 1, 2025/2049	
$ -	$ -	$ 27,465,000
12,805,000	6,300,000	19,105,000
-	-	600,000
$ 12,805,000	$ 6,300,000	$ 45,970,000
$ 148,555	$ 58,553	$ 1,517,628

Fort Bend County Municipal Utility District No. 229
Comparative Schedule of Revenues and Expenditures – General Fund
Five Years Ended June 30,

	Amounts				
	2025	2024	2023	2022	2021
General Fund					
Revenues					
Property taxes	$ 1,607,308	$ 1,535,858	$ 567,885	$ 307,079	$ 120,501
Water service	388,430	292,189	210,261	114,990	20,648
Sewer service	505,004	332,938	249,443	146,692	15,951
Regional water fee	576,976	453,409	301,657	126,420	14,720
Penalty and interest	33,195	26,152	13,928	8,431	1,987
Tap connection and inspection fees	1,348,547	1,011,111	581,753	449,460	349,332
Investment income	85,842	52,027	24,258	859	-
Other income	-	16,175	-	74,162	354
Total Revenues	4,545,302	3,719,859	1,949,185	1,228,093	523,493
Expenditures					
Service operations					
Purchased services	70,666	34,489	31,768	19,001	18,368
Regional water fee	517,958	468,041	322,766	148,472	2,968
Professional fees	228,771	238,219	146,247	143,572	97,169
Contracted services	173,917	132,014	78,469	62,531	18,994
Solid waste	194,136	111,262	87,687	22,996	-
Repairs and maintenance	1,118,052	530,163	279,765	247,405	47,121
Other expenditures	107,758	90,933	114,957	34,893	26,414
Tap connections	661,156	433,878	268,561	174,000	154,075
Lease payments	679,080	528,780	430,760	71,750	71,750
Capital outlay	-	310,000	-	10,100	-
Debt service, debt issuance costs	85,000	-	51,137	75,187	-
Total Expenditures	3,836,494	2,877,779	1,812,117	1,009,907	436,859
Excess of Revenues Over Expenditures	708,808	842,080	137,068	218,186	86,634
Other Financing Sources					
Interfund transfers in	-	51,137	91,421	-	-
Developer advances received	-	-	-	-	82,415
Total Other Financing Sources	-	51,137	91,421	-	82,415
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	708,808	893,217	228,489	218,186	169,049
Fund Balance (Deficit), Beginning of Year	1,478,571	585,354	356,865	138,679	(30,370)
Fund Balance, End of Year	$ 2,187,379	$ 1,478,571	$ 585,354	$ 356,865	$ 138,679
Total Active Retail Water Connections	1,278	863	551	394	167
Total Active Retail Wastewater Connections	1,260	851	543	390	165

Percent of Fund Total Revenues				
2025	2024	2023	2022	2021
35.4 %	41.3 %	29.1 %	25.0 %	23.0 %
8.5	7.9	10.8	9.4	3.9
11.1	8.9	12.8	11.9	3.1
12.7	12.2	15.5	10.3	2.8
0.7	0.7	0.7	0.7	0.4
29.7	27.2	29.8	36.6	66.7
1.9	1.4	1.3	0.1	-
-	0.4	-	6.0	0.1
100.0	100.0	100.0	100.0	100.0
1.6	0.9	1.6	1.6	3.5
11.4	12.6	16.6	12.1	0.6
5.0	6.4	7.5	11.7	18.6
3.8	3.6	4.0	5.1	3.6
4.3	3.0	4.5	1.9	-
24.6	14.3	14.4	20.1	9.0
2.4	2.4	5.9	2.8	5.0
14.5	11.7	13.8	14.2	29.4
14.9	14.2	22.1	5.8	13.7
-	8.3	-	0.8	-
1.9	-	2.6	6.1	-
84.4	77.4	93.0	82.2	83.4
15.6 %	22.6 %	7.0 %	17.8 %	16.6 %

Fort Bend County Municipal Utility District No. 229
Comparative Schedule of Revenues and Expenditures – Debt Service Fund
Three Years Ended June 30,

	Amounts			Percent of Fund Total Revenues		
	2025	2024	2023	2025	2024	2023
Debt Service Fund						
Revenues						
Property taxes	$ 2,857,200	$ 1,706,838	$ 917,415	95.5 %	94.5 %	93.9 %
Penalty and interest	33,003	21,559	14,375	1.1	1.2	1.5
Investment income	101,818	77,637	44,033	3.4	4.3	4.5
Other income	219	371	846	0.0	0.0	0.1
Total Revenues	2,992,240	1,806,405	976,669	100.0	100.0	100.0
Expenditures						
Current						
Professional fees	9,718	3,778	508	0.3	0.2	0.0
Contracted services	47,041	25,260	10,609	1.6	1.4	1.1
Other expenditures	7,635	6,601	6,934	0.3	0.4	0.7
Debt service						
Principal retirement	600,000	-	-	20.0	-	-
Interest and fees	1,520,545	1,076,435	427,534	50.8	59.6	43.8
Total Expenditures	2,184,939	1,112,074	445,585	73.0	61.6	45.6
Excess of Revenues Over Expenditures	807,301	694,331	531,084	27.0 %	38.4 %	54.4 %
Other Financing Sources (Uses)						
General obligation bonds issued	284,466	-	942,600			
Interfund transfers out	-	-	(16,234)			
Total Other Financing Sources	284,466	-	926,366			
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	1,091,767	694,331	1,457,450			
Fund Balance, Beginning of Year	2,151,781	1,457,450	-			
Fund Balance, End of Year	$ 3,243,548	$ 2,151,781	$ 1,457,450			

Fort Bend County Municipal Utility District No. 229
Board Members, Key Personnel, and Consultants
Year Ended June 30, 2025

Complete District mailing address:	Fort Bend County Municipal Utility District No. 229 c/o Schwartz, Page & Harding, L.L.P. 1300 Post Oak Boulevard, Suite 2400 Houston, TX 77056	
District business telephone number:	713.623.4531	
Submission date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):		September 26, 2024
Limit on fees of office that a director may receive during a fiscal year:		$ 7,200

Board Members	Term of Office Elected & Expires	Fees*	Expense Reimbursements	Title at Year-End
Brian T. Edwards	Elected 05/24–05/28	$ 1,989	$ 208	President
Kris Kohler	Elected 05/24–05/28	1,989	-	Vice President
Justin Patton	Elected 05/24–05/28	2,873	-	Secretary
Robin Humphrey	Elected 05/22–05/26	2,210	-	Assistant Secretary
Gabriella Oxford	Elected 05/22–05/26	1,547	58	Assistant Secretary

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

Fort Bend County Municipal Utility District No. 229
Board Members, Key Personnel, and Consultants
Year Ended June 30, 2025 **(Continued)**

Consultants	Date Hired	Fees and Expense Reimbursements	Title
Fort Bend Central Appraisal District	Legislative Action	$ 33,692	Appraiser
Forvis Mazars, LLP	06/28/21	52,500	Auditor
Inframark, LLC	01/27/20	1,541,551	Operator
Municipal Accounts & Consulting, L.P.	01/27/20	75,377	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	01/25/21	9,718	Delinquent Tax Attorney
Quiddity Engineering, LLC	01/27/20	293,752	Engineer
Robert W. Baird & Co. Incorporated	01/27/20	386,219	Financial Advisor
Schwartz, Page & Harding, L.L.P.	01/27/20	490,666 99,576	Bond Counsel General Counsel
Utility Tax Services, LLC	01/27/20	13,349	Tax Assessor/ Collector
Investment Officers			
Mark Burton and Ghia Lewis	05/06/20	N/A	Bookkeepers

APPENDIX B

SPECIMEN MUNICIPAL BOND

INSURANCE POLICY

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

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

Effective Date: _____

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

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

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

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

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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

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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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