OFFICIAL STATEMENT DATED OCTOBER 28, 2026

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

THE BONDS HAVE NOT BEEN DESIGNATED "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS.

NEW ISSUE - Book-Entry-Only See "MUNICIPAL BOND RATING AND MUNICIPAL BOND INSURANCE" herein.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 478

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

$13,500,000
Contract Revenue Bonds
Series 2026

$2,100,000
Contract Revenue Road Bonds
Series 2026A

The $13,500,000 Contract Revenue Bonds, Series 2026 (the "Series 2026 Contract Revenue Bonds") and the $2,100,000 Contract Revenue Road Bonds, Series 2026A (the "Series 2026A Contract Revenue Road Bonds"), are collectively referred to as (the "Bonds"), are special obligations of Harris County Municipal Utility District No. 478 (the "Master District") payable solely from and to the extent of payments required to be made to the Paying Agent/Registrar (as herein defined) by all municipal utility districts within the Master District's Service Area (defined herein) that have executed the Master District Contract (the "MUD Participants") from proceeds of an unlimited annual ad valorem tax, levied by each MUD Participant or from other revenues available to such MUD Participant (the "Contract Payments"). Payment of Contract Payments by MUD Participants and use of such proceeds by the Master District to pay debt service on the Outstanding Bonds and the Bonds is governed by the Contract for Financing, Operation, and Maintenance of Regional Water, Sanitary Sewer, Storm Sewer, Park, Road and Other Jubilee Facilities as amended, (the "Master District Contract") as described more fully herein under "MASTER DISTRICT CONTRACT." The Bonds are obligations of the Master District and are not obligations of the State of Texas ("Texas"), Harris County, Texas ("Harris County"), the City of Houston, Texas ("City of Houston"), any of the MUD Participants (except the Master District), or any political subdivision or entity other than the Master District.

Dated: November 1, 2026 **Due: December 1, as shown on the Inside Cover**

Principal of the Bonds will be payable at stated maturity or redemption upon presentation of the Bonds at the principal payment office of the paying agent/registrar, initially BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar", "Paying Agent" or "Registrar"). Interest on the Bonds will accrue from November 1, 2026, and is payable on June 1, 2027 (seven months of interest) and on each December 1 and June 1 thereafter (each an "Interest Payment Date") until the earlier of maturity or redemption. The Bonds will be issued only in fully registered form. Interest will be calculated on the basis of a 360-day year of twelve 30-day months. The Bonds are subject to redemption prior to maturity as shown on the inside cover.

The Bonds will be initially registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), which will act as securities depository for the Bonds. Beneficial owners of the Bonds will not receive physical certificates representing the Bonds, but will receive a credit balance on the books of the nominees of such beneficial owners. So long as Cede & Co. is the registered owner of the Bonds, the principal of and interest on the Bonds will be paid by the Paying Agent directly to DTC, which will, in turn, remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein. See "BOOK-ENTRY-ONLY SYSTEM."

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

The Bonds, when issued, will constitute valid and legally binding obligations of the Master District. The Bonds are obligations solely of the Master District and are not obligations of Texas, Harris County, the City of Houston or any political subdivision or entity other than the Master District. The Bonds are subject to special investment risks described herein. See "RISK FACTORS."

The Bonds are offered, when, as and if issued by the Master District and accepted by the Underwriter, subject, among other things, to the approval of the Bonds by the Attorney General of Texas and the approval of certain legal matters by Allen Boone Humphries Robinson LLP, Houston, Texas ("Bond Counsel"). Certain legal matters will be passed upon for the Master District by Orrick, Herrington & Sutcliffe LLP, Houston, Texas ("Disclosure Counsel"). Delivery of the Bonds in Book-Entry-Only form through the facilities of DTC is expected on or about November 24, 2026, in Houston, Texas.

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

$13,500,000 Contract Revenue Bonds, Series 2026

Due Dec. 1	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP Number 41431K (b)	Due Dec. 1	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP Number 41431K (b)
2028	$ 265,000	7.500%	4.400%	DD7	2031	$ 310,000 (d)	7.500%	4.700%	DG0
2029	280,000	7.500%	4.500%	DE5	2032	325,000 (d)	7.375%	4.800%	DH8
2030	295,000	7.500%	4.600%	DF2					

$1,930,000 Term Bonds due December 1, 2037 (c) (d), 41431K DN5 (b), 5.000% Interest Rate, 5.000% Yield (a)
$1,425,000 Term Bonds due December 1, 2040 (c) (d), 41431K DR6 (b), 5.125% Interest Rate, 5.150% Yield (a)
$1,090,000 Term Bonds due December 1, 2042 (c) (d), 41431K DT2 (b), 5.250% Interest Rate, 5.300% Yield (a)
$1,210,000 Term Bonds due December 1, 2044 (c) (d), 41431K DV7 (b), 5.375% Interest Rate, 5.450% Yield (a)
$1,345,000 Term Bonds due December 1, 2046 (c) (d), 41431K DX3 (b), 5.375% Interest Rate, 5.600% Yield (a)
$1,500,000 Term Bonds due December 1, 2048 (c) (d), 41431K DZ8 (b), 5.375% Interest Rate, 5.750% Yield (a)
$1,665,000 Term Bonds due December 1, 2050 (c) (d), 41431K EB0 (b), 5.500% Interest Rate, 5.850% Yield (a)
$1,860,000 Term Bonds due December 1, 2052 (c) (d), 41431K ED6 (b), 5.500% Interest Rate, 5.950% Yield (a)

$2,100,000 Contract Revenue Road Bonds, Series 2026A

Due Dec. 1	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP Number 41431K (b)	Due Dec. 1	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP Number 41431K (b)
2028	$ 40,000	4.600%	4.200%	EE4	2034	$ 55,000 (c)	4.800%	4.800%	EL8
2029	45,000	4.600%	4.300%	EF1	2035	60,000 (c)	4.900%	4.900%	EM6
2030	45,000	4.600%	4.400%	EG9	2036	65,000 (c)	5.000%	5.000%	EN4
2031	50,000	4.600%	4.500%	EH7	2037	65,000 (c)	5.100%	5.100%	EP9
2032	50,000	4.600%	4.600%	EJ3	2038	70,000 (c)	5.200%	5.200%	EQ7
2033	55,000 (c)	4.700%	4.700%	EK0	2039	75,000 (c)	5.300%	5.300%	ER5

$165,000 Term Bonds due December 1, 2041 (c) (d), 41431K ET1 (b), 5.400% Interest Rate, 5.400% Yield (a)
$270,000 Term Bonds due December 1, 2044 (c) (d), 41431K EW4 (b), 5.500% Interest Rate, 5.500% Yield (a)
$320,000 Term Bonds due December 1, 2047 (c) (d), 41431K EZ7 (b), 5.500% Interest Rate, 5.600% Yield (a)
$670,000 Term Bonds due December 1, 2052 (c) (d), 41431K FE3 (b), 5.600% Interest Rate, 5.700% Yield (a)

(a) Initial reoffering yield represents the initial offering yield to the public which has been established by the Initial Purchasers for offers to the public and which may be subsequently changed by the Initial Purchasers and is the sole responsibility of the Initial Purchasers. The initial reoffering yields indicated above represent the lower of the yields resulting when priced at maturity or to the first call date. Accrued interest from November 1, 2026, is to be added to the prices.

(b) CUSIP numbers have been assigned to the Bonds by CUSIP Global Services and are included solely for the convenience of the purchasers of the Bonds. Neither the Master District nor the Initial Purchasers shall be responsible for the selection or correctness of the CUSIP numbers set forth herein.

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

(d) Subject to mandatory sinking fund redemption as described herein. See "THE BONDS - Redemption Provisions."

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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 representation must not be relied upon as having been authorized by the Master District.

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

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

References to website 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 websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, SEC Rule 15c2-12, as amended.

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

OFFICIAL STATEMENT SUMMARY

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

THE MASTER DISTRICT

Description……..Harris County Municipal Utility District No. 478 (the "Master District," or in its capacity as a MUD Participant (defined herein), "MUD 478") is a political subdivision of the State of Texas, created by the Texas Legislature by SB 1039, as passed by the 81st legislature, codified under Chapter 8334, Texas Special District Local Laws Code on June 19, 2009, and operates pursuant to Chapters 49 and 54 of the Texas Water Code, as amended, Article III, Section 52 and Article XVI, Section 59 of the Texas Constitution. MUD 478 will provide water, sanitary sewer, and drainage facilities to the approximate 8.54 acres of land within its boundaries. The Master District serves as the provider of regional water, sanitary sewer, drainage, park/recreational and road facilities for an approximately 1,254.44-acre service area (the "Service Area") comprised of MUD 478, Harris County Municipal Utility District No. 477 ("MUD 477") and Harris County Municipal Utility District No 478B ("MUD 478B") and collectively referred to as the "MUD Participants." See "THE MUD PARTICIPANTS" and "THE MASTER DISTRICT AND THE SERVICE AREA."

Location……The Service Area is located approximately 40 miles northwest of the central downtown business district of the City of Houston, Texas ("City of Houston") in Harris County, Texas ("Harris County"). The Service Area lies wholly within the extraterritorial jurisdiction of the City of Houston, and within the boundaries of Waller Independent School District. Access to the Service Area is provided via U.S. Route 290 West. See "THE MASTER DISTRICT AND THE SERVICE AREA."

Service Area.....The Service Area is currently comprised of approximately 1,254.44 acres, which consists of a portion of Jubilee, an approximately 1,622.20-acre master-planned community at full development, and Hockley Meadows, a 165.71-acre master-planned community.

The Master District will ultimately serve as a provider of regional water, wastewater, drainage, park/recreational and road facilities to the approximately 1,787.91-acre Service Area which includes the following municipal utility districts: MUD 478, MUD 477, MUD 478B, and Harris County Municipal Utility District No. 436 ("MUD 436"). MUD 478, MUD 477 and MUD 478B have executed the Contract for the Financing, Operation, and Maintenance of Regional Water, Sanitary Sewer, Storm Sewer, Park, Road and Other Jubilee Facilities, as amended (the "Master District Contract"). MUD 436 is planned to be within the Service Area but is undeveloped and has not executed the Master District Contract with the Master District but may do so in the future.

The Developers……290 WR Holdings LP, a Texas Limited Partnership, ("290 Holdings") is the primary developer of land in the Service Area. 290 Holdings was created for the purpose of developing land in Jubilee. 290 Holdings is responsible for constructing the improvements to serve Jubilee and the Service Area and deliver finished lots to the homebuilders within Jubilee. 290 Holdings is an affiliate of Johnson Development Corp. ("JDC"). JDC is a land developer of residential and commercial properties across the country, and, since its establishment in 1975, has been involved in more than 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: Cross Creek Ranch; Harvest Green; Jordan Ranch; Riverstone; Imperial; Fall Creek; Tuscan Lakes; Edgewater; Woodforest; Harmony; Grand Central Park; Sienna; Veranda; Willow Creek Farms; Trinity Falls; and Viridian.

In addition, Taylor Morrison Homes of Texas, Inc., a Texas corporation, and a subsidiary of Taylor Morrison Home Corporation ("Taylor Morrison") is also a developer of land within MUD 477 and the Service Area. Taylor Morrison and 290 Holdings are known as the "Developers". MUD 477 annexed 165.71 acres into their boundaries and the Master District expanded its Service Area to include this land. Taylor Morrison is marketing the acreage as Hockley Meadows. Taylor Morrison's stock is publicly traded on the New York Stock Exchange under the ticker symbol "TMHC". Taylor Morrison is also the homebuilder on such acreage. For more information, visit www.taylormorrison.com.

Status of Development in Jubilee……

Single-Family Residential: Development in the Service Area currently consists of residential development within MUD 477 and 478B. As of September 25, 2026, there were 440 completed and occupied homes, 93 completed and unoccupied homes (19 of which are model homes), 109 homes under construction (65 homes are under contract for purchase and 44 homes are not under contract for purchase), and 345 vacant developed lots available for home construction on approximately 290.0 acres.

Multi-Family Residential: In addition to the development described above, at ultimate build out 10.9 acres in MUD 477 will be used for multi-family purposes.

Commercial Property: Approximately 48 acres of commercial land in MUD 477 have been provided with trunk utilities and approximately 10 acres are being allocated for commercial land in MUD 478B. Approximately 1.7 acres in MUD 477 have vertical construction for a daycare site, and the remaining 56.3 acres do not have any vertical development to date.

Recreational Facilities: Approximately 4.6 acres of land in MUD 477 contain the Joy Hub Recreation Center which includes a pool, a working lounge, splash pad, and an event lawn. Approximately 8 acres of land in MUD 478B will be used for recreational facilities but currently does not have any vertical construction.

Tax-Exempt Property: Waller Independent School District owns approximately 16.1 acres of land in MUD 477 and approximately 143.3 acres of land in MUD 478B that are exempt from the payment of ad valorem taxes. No improvements have been constructed to date in MUD 477 but construction started in January 2026 in MUD 478B for the High School and Junior High joint complex site, which is expected to be completed in 2028.

Additionally, there are approximately 349.1 developable acres that have not been provided with water distribution, wastewater collection and storm drainage facilities and approximately 208.7 acres that are currently considered not developable. See "RISK FACTORS – Undeveloped Acreage and Vacant Lots."

Status of Development in Hockley Meadows..

Single-Family Residential: Development in the Service Area currently consists of residential development within MUD 477. As of September 25, 2026, there were 36 completed and occupied homes, 2 model homes, 29 homes under construction (22 of which are not under contract for purchase), and 122 vacant developed lots available for home construction on approximately 51.1 acres.

Recreational Facilities: Approximately 3.1 acres of land in MUD 477 contain the which includes a pool, a working lounge, splash pad, and an event lawn.

Additionally, there are approximately 72.4 developable acres that have not been provided with water distribution, wastewater collection and storm drainage facilities and approximately 39.1 acres that are currently considered not developable. See "RISK FACTORS – Undeveloped Acreage and Vacant Lots."

Homebuilders

In Service Area……Current homebuilders in the Service Area include Chesmar Homes, Coventry Homes, David Weekley Homes, Highland Homes, Newmark Homes, Perry Homes, Tri Pointe Homes, Westin Homes, Taylor Morrison Homes, J. Patrick Homes and Beazer Homes. New homes in Jubilee range in price from approximately $300,000 to more than $1,000,000. New homes in Hockley Meadows range in price from approximately $305,000 to $360,000. Homebuilding is currently occurring in MUD 477.

Master District Facilities……The Master District, in its capacity as the provider of regional water, sanitary sewer, and drainage facilities ("Master District System Facilities"), arterial, collector, and thoroughfare roads and improvements in aid thereof ("Master District Road Facilities") and regional park and recreational facilities ("Master District Park Facilities") (hereinafter collectively referred to as the "Master District Facilities") necessary to serve the Service Area, has contracted with the other MUD Participants to construct the Master District Facilities and to provide service from those Master District Facilities. See "RISK FACTORS – Maximum Impact on Contract Tax Rate" and "MASTER DISTRICT FACILITIES."

Outstanding Bonds….The Master District has previously issued $4,500,000 of Contract Revenue Road Bonds, Series 2025, $5,200,000 of Contract Revenue Bonds, Series 2025A, and $3,000,000 of Contract Revenue Road Bonds, Series 2025B. At the time of delivery of the Bonds, $12,700,000 principal amount of such previously issued debt will remain outstanding (the "Outstanding Bonds").

Payment Record……The Master District has never defaulted on the timely payment of principal or interest on its bonded indebtedness.

Short Term Debt…….The Master District issued a $7,225,000 Bond Anticipation Note, Series 2026 (the "BAN"), dated March 5, 2026. The BAN matures on March 4, 2027, and accrues interest at a rate of 4.15% per annum, calculated on the basis of actual days elapsed and a 365-day year. The Master District will use a portion of the proceeds from the sale of the Series 2026 Contract Revenue Bonds to redeem the BAN prior to its maturity. Proceeds from the BAN were used to reimburse 290 Holdings for a portion of the improvements and related costs shown under "USE AND DISTRIBUTION OF SERIES 2026 CONTRACT REVENUE BOND PROCEEDS."

THE BONDS

The Issuer……Harris County Municipal Utility District No. 478, a political subdivision of the State of Texas, is located in Harris County. See "THE MASTER DISTRICT AND THE SERVICE AREA."

The Issues……The $13,500,000 Contract Revenue Bonds, Series 2026 (the "Series 2026 Contract Revenue Bonds") and the $2,100,000 Contract Revenue Road Bonds, Series 2026A (the "Series 2026A Contract Revenue Road Bonds") and are collectively referred to herein as the "Bonds", are issued pursuant to the Water, Sewer and Drainage Bond Resolution and the Road Bond Resolution, respectively, and collectively referred to herein as the "Bond Resolutions" of the of the Board of Directors of the Master District (the "Board"). The Series 2026 Contract Revenue Bonds will be issued as fully registered bonds maturing serially on December 1 in each of the years 2028 through 2032, both inclusive, and as term bonds on December 1 in the years 2037, 2040, 2042, 2044, 2046, 2048, 2050 and 2052 (the "Contract Revenue Term Bonds") and the Series 2026A Contract Revenue Road Bonds will be issued as fully registered bonds maturing serially on December 1 in each of the years 2028 through 2039, both inclusive and as term bonds on December 1 in the years 2041, 2044, 2047 and 2052 (the "Contract Revenue Road Term Bonds" and together with the Contract Revenue Term Bonds, the "Term Bonds") in the principal amounts and accruing interest at the rates shown on the inside cover hereof. Interest on the Bonds accrues from November 1, 2026, and is payable on June 1, 2027 (seven months of interest), and on each December 1 and June 1 thereafter (each an "Interest Payment Date") until the earlier of maturity or prior redemption.

Redemption……The Bonds maturing on and after December 1, 2033, are subject to redemption, in whole or from time to time in part, at the option of the Master District, prior to their maturity dates, on December 1, 2032, or on any date thereafter. Upon redemption, the Bonds will be payable at a price of par plus accrued interest to the date of redemption. The Term Bonds are also subject to mandatory sinking fund redemption as described herein. See "THE BONDS – Redemption Provisions."

Book-Entry-Only System…….. The Depository Trust Company ("DTC") will initially act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered certificate will be issued for each maturity of the Bonds and will be deposited with DTC. See "BOOK-ENTRY-ONLY SYSTEM."

Authority for Issuance…… The Series 2026 Contract Revenue Bonds constitute the second series of contract revenue bonds issued by the Master District from the $2,298,110,000 principal amount of contract revenue bonds approved by voters of the Master District, and by the voters of each MUD Participant, for the purpose of constructing or acquiring the Master District System Facilities. The Series 2026A Contract Revenue Road Bonds constitute the third series of contract revenue road bonds issued by the Master District from the $1,062,770,000 principal amount of contract revenue bonds approved by voters of the Master District, and by the voters of each MUD Participant, for the purpose of constructing or acquiring the Master District Road Facilities. Any additional Contract Revenue Bonds issued by the Master District will be on parity with the Bonds. Additionally, the voters of the Master District, and by the voters of each MUD Participant, authorized the issuance of $1,453,900,000 principal amount of contract revenue park bonds for the purpose of constructing or acquiring the Master District Park Facilities.

The Series 2026 Contract Revenue Bonds are issued pursuant to the Master District Contract between the Master District and the current MUD Participants, the terms and conditions of the Water, Sewer and Drainage Bond Resolution adopted by the Board, Chapter 8334 of the Texas Special District Local Laws Code, Article XVI, Section 59 of the Texas Constitution, Chapter 49 and Chapter 54 of the Texas Water Code, as amended, the general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas, an order of the Texas Commission on Environmental Quality (the "TCEQ"), and an election held within the Master District and within each MUD Participant.

The Series 2026A Contract Revenue Road Bonds are issued pursuant to the Master District Contract between the Master District and the current MUD Participants, the terms and conditions of the Road Bond Resolution adopted by the Board, Chapter 8334 Texas Special District Local Laws Code, Article III, Section 52 and Article XVI, Section 59 of the Texas Constitution, Chapter 49 and Chapter 54 of the Texas Water Code, as amended, the general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas and an election held within the Master District and within each MUD Participant.

Source and Security of Payment……..Principal and interest on the Series 2026 Contract Revenue Bonds and the Series 2026A Contract Revenue Road Bonds are payable from and secured by an unconditional obligation of each MUD Participant to make certain Water, Sewer and Drainage Contract Payments and Road Contract Payments, respectively, (as herein defined) pursuant to the Master District Contract. By execution of the Master District Contract, each MUD Participant has agreed to pay a pro rata share of annual debt service on the Bonds, based upon the certified appraised value of each current MUD Participant as a percentage of the total certified appraised value of all MUD Participants. Each MUD Participant is obligated to make such annual payments from the proceeds of an annual unlimited ad valorem tax levied by such MUD Participant for such purpose on property within its boundaries, from revenues, if any, derived from the operation of its water distribution and wastewater collection system, or from any other lawful available source of its income. No MUD Participant is liable for the payments owed by any other MUD

Participant; however, failure of any MUD Participant to make its Water, Sewer and Drainage Contract Payment or Road Contract Payment, as required by the Master District Contract, could result in an increase in the Water, Sewer and Drainage Contract Payment and the Road Contract Payment amount paid by each of the other MUD Participants during the time that such MUD Participant's payment is delinquent. The Bonds are obligations of the Master District and are not obligations of the State of Texas, Harris County, the City of Houston, any of the MUD Participants (except the Master District), or any political subdivision or entity other than the Master District. See "THE BONDS - Source and Security of Payment," "THE BONDS – Unconditional Obligation to Pay" and "MASTER DISTRICT CONTRACT."

Use of Proceeds……..Proceeds from the sale of the Series 2026 Contract Revenue Bonds will be used to reimburse 290 Holdings for the costs associated with the construction of the Master District System Facilities shown under "USE AND DISTRIBUTION OF SERIES 2026 CONTRACT REVENUE BOND PROCEEDS," including to capitalize twelve (12) months of interest, to pay interest on funds advanced by the Developers on behalf of the Master District, to pay developer interest and to pay certain other costs and fees related to the issuance of the Bonds. See "USE AND DISTRIBUTION OF SERIES 2026 CONTRACT REVENUE BOND PROCEEDS."

Proceeds from the sale of the Series 2026A Contract Revenue Road Bonds will be used to reimburse the Developers for the costs associated with the construction of the Master District Road Facilities shown under "USE AND DISTRIBUTION OF SERIES 2026A CONTRACT REVENUE ROAD BOND PROCEEDS," including to capitalize twelve (12) months of interest, to pay developer interest, and to pay certain other costs and fees related to the issuance of the Bonds. See "USE AND DISTRIBUTION OF SERIES 2026A CONTRACT REVENUE ROAD BOND PROCEEDS."

Not Qualified Tax-Exempt Obligations…The Bonds have <u>not</u> been designated "qualified tax-exempt obligations" for financial institutions.

Municipal Bond Rating & Municipal Bond Insurance……..The Master District has not applied for an underlying rating nor is it expected that the Master District would have received an investment grade rating had such an application been made.

An application was made for municipal bond insurance, but the Master District did not qualify. See "MUNICIPAL BOND RATING AND MUNICIPAL BOND INSURANCE."

Bond Counsel……..Allen Boone Humphries Robinson LLP, Houston, Texas.

Disclosure Counsel….Orrick, Herrington & Sutcliffe LLP, Houston, Texas

Financial Advisor……Post Oak Municipal Advisors LLC, Houston, Texas.

Engineer……. LJA, Inc., Houston, Texas.

Paying Agent……..BOKF, NA, Dallas, Texas

THE MASTER DISTRICT CONTRACT

MUD Participants.....Currently the MUD Participants are MUD 478, MUD 477 and MUD 478B. Each MUD Participant is a municipal utility district organized and operating pursuant to Article XVI, Section 59 and Article III, Section 52 of the Constitution of Texas and Chapters 49 and 54, Texas Water Code, as amended. See "THE MUD PARTICIPANTS" and "APPENDIX A."

Debt Service Payments.....By execution of the Master District Contract, each of the MUD Participants has agreed to make annual Contract Payments in an amount equal to its annual pro rata share of debt service on the

Contract Revenue Bonds and the Contract Revenue Road Bonds, including the Bonds, plus all charges and expenses of paying agents, registrars and trustees, and all amounts required to establish and maintain funds, established under the Bond Resolutions based upon the gross certified assessed valuation of each MUD Participant as a percentage of the total gross certified assessed valuation of all MUD Participants. MUD Participants are obligated to pay Water, Sewer and Drainage Contract Payments to the Master District from the proceeds of an annual unlimited ad valorem tax levied for such purpose (the "Water, Sewer and Drainage Contract Tax") or from any other lawful available source of funds. MUD Participants are also obligated to pay their pro rata share from the proceeds of an annual unlimited ad valorem tax levied for such purpose (the "Road Contract Tax") or from any other lawful available source of funds. The Water, Sewer and Drainage Contract Tax and the Road Contract Tax are referred to herein collectively as the "Contract Tax." See "THE BONDS – Source and Security of Payment," "THE BONDS – Unconditional Obligation to Pay" and "MASTER DISTRICT CONTRACT."

Each MUD Participant is obligated severally, but not jointly, to make Contract Payments to the Master District. No MUD Participant is obligated, contingently or otherwise, to make any Contract Payments owed by any other MUD Participant; however, lack of payment, as required by the Master District Contract, by any MUD Participant could result in an increase in the Contract Payment amount paid by each of the other MUD Participants during the time that such MUD Participant's payment is delinquent.

Monthly Charges.....Each MUD Participant is further obligated to pay monthly charges for its share of the Master District's operation and maintenance expenses in connection with the Master District's provision of service from the Master District Facilities. The monthly charges will be used to pay the MUD Participant's share of Master District operation and maintenance expenses and to provide for an operation and maintenance reserve equivalent to three (3) months of operation and maintenance expenses. Each MUD Participant's share of operation and maintenance expenses and reserve requirements is based upon a unit cost of operation and maintenance expense and reserve requirements, calculated and expressed in terms of cost per equivalent single-family residential connection. The MUD Participant's monthly payment for operation and maintenance expenses is calculated by multiplying the number of equivalent single-family residential connections reserved to the MUD Participant on the first day of the previous month by the unit cost per equivalent single-family residential connection. The monthly cost per single family equivalent connection being charged by the Master District to the MUD Participants is presently $250.00. See "RISK FACTORS – Operational Expenses" and "MASTER DISTRICT CONTRACT."

RISK FACTORS

THE PURCHASE AND OWNERSHIP OF THE BONDS ARE SUBJECT TO SPECIAL RISK FACTORS AND ALL PROSPECTIVE PURCHASERS ARE URGED TO EXAMINE CAREFULLY THE ENTIRE OFFICIAL STATEMENT FOR A DISCUSSION OF RISK FACTORS, INCLUDING PARTICULARLY THE SECTION CAPTIONED "RISK FACTORS."

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SELECTED FINANCIAL INFORMATION

Contract Revenue Bonds of the Master District

Direct Debt (the Contract Revenue Bonds, including the Bonds)…	$ 18,700,000
Direct Debt (the Contract Revenue Road Bonds, including the Bonds)…	9,600,000
Estimated Overlapping Debt…	35,578,088
Total Direct and Overlapping Debt…	$ 63,878,088

Gross Assessed Valuations of the MUD Participants

MUD Participants	2026 Gross Certified Assessed Valuation		% of 2026 Gross Certified Assessed Valuation as of 1/1/2026	Estimated Gross Assessed Valuation as of 9/1/2026		% of Estimated Gross Assessed Valuation as of 9/1/2026
MUD 477	$ 203,758,251	(a)	92.699%	$ 296,988,438	(c)	95.143%
MUD 478B	$ 16,044,917	(b)	7.300%	$ 15,158,344	(d)	4.856%
MUD 478	$ 3,901		0.002%	$ 3,901	(d)	0.001%
Total	$ 219,807,068		100.00%	$ 312,150,683		100.00%

Service Area Ratios of Debt to:	
2026 Gross Certified Assessed Valuation……	12.87%
Estimated Gross Assessed Valuation as of September 1, 2026……	9.07%
Service Area Ratios of Debt and Estimated Overlapping Debt to:	
2026 Gross Certified Assessed Valuation……	29.06%
Estimated Gross Assessed Valuation as of September 1, 2026……	20.46%

(a) Includes $183,456,009 of certified value as provided by the Harris Central Appraisal District ("the Appraisal District"). The value also includes 85% of the uncertified value provided by the Appraisal District for MUD 477. See "TAXING PROCEDURES."

(b) Includes $15,965,486 of certified value as provided by the Appraisal District. The value also includes 85% of the uncertified value provided by the Appraisal District for MUD 478B. See "TAXING PROCEDURES."

(c) The Appraisal District has provided an Estimated Gross Assessed Valuation as of September 1, 2026, for informational purposes for MUD 477, which was calculated by updating the 2026 Gross Certified Assessed Valuation provided by the Appraisal District to add the estimated value of improvements constructed from January 1, 2026, to September 1, 2026. This estimate has no official status. Taxes are levied based on value as certified by the Appraisal District as of January 1 of each year, and, therefore, this estimate will not be the basis for any tax levy by MUD 477.

(d) The Appraisal District has provided an Estimated Gross Assessed Valuation as of July 1, 2026, for informational purposes for MUD 478B and the Master District, which was calculated by updating the 2026 Gross Certified Assessed Valuation provided by the Appraisal District to add the estimated value of improvements constructed from January 1, 2026, to July 1, 2026. These estimates have no official status. Taxes are levied based on value as certified by the Appraisal District as of January 1 of each year, and, therefore, these estimates will not be the basis for any tax levy by any of the MUD Participants. An estimate of value as of September 1, 2026, was not requested for MUD 478B and the Master District.

MUD Participants' Summary of 2026 Gross Certified Assessed Valuation

	MUD 477		MUD 478B		MUD 478	Totals
Land	$ 75,137,656		$ 18,938,614		$ 3,901	$ 94,080,171
Improvements	117,011,400		-		-	117,011,400
Personal Property	1,421,598		-		-	1,421,598
Exempt Property	(10,114,645)		(2,973,128)		-	(13,087,773)
Uncertified Value 85%	20,302,242		79,431		-	20,381,672
Total Gross Certified Assessed Valuation	$ 203,758,251	(a)	$ 16,044,917	(b)	$ 3,901	$ 219,807,068

(a) The 2026 Gross Certified Assessed Valuation shown herein includes $183,456,009 of certified value and 85% of the uncertified value of $23,884,990 in MUD 477. The uncertified value represents the Appraisal District's opinion of the value; however, such value is subject to review and downward adjustment prior to certification. No tax will be levied on said uncertified value until it is certified by the Appraisal District See "TAX PROCEDURES."

(b) The 2026 Gross Certified Assessed Valuation shown herein includes $15,965,486 of certified value and 85% of the uncertified value of $93,448 in MUD 478B. The uncertified value represents the Appraisal District's opinion of the value; however, such value is subject to review and downward adjustment prior to certification. No tax will be levied on said uncertified value until it is certified by the Appraisal District See "TAX PROCEDURES."

Selected Tax Data

MUD Participants	2023 Debt Service Tax Rate	2023 Maintenance & Operations Tax Rate	2023 Contract Tax Rate	2023 Total Participant Tax Rate	
MUD 477	$0.00	$1.50	$0.00	$1.50	(a)
MUD 478B	$0.00	$0.00	$0.00	$0.00	
MUD 478	$0.00	$0.00	$0.00	$0.00	

MUD Participants	2024 Debt Service Tax Rate	2024 Maintenance & Operations Tax Rate	2024 Contract Tax Rate	2024 Total Participant Tax Rate
MUD 477	$0.00	$1.50	$0.00	$1.50
MUD 478B	$0.00	$0.00	$0.00	$0.00
MUD 478	$0.00	$0.00	$0.00	$0.00

MUD Participants	2025 Debt Service Tax Rate	2025 Maintenance & Operations Tax Rate	2025 Contract Tax Rate	2025 Total Participant Tax Rate
MUD 477	$0.00	$1.05	$0.45	$1.50
MUD 478B	$0.00	$0.00	$0.00	$0.00
MUD 478	$0.00	$0.00	$0.00	$0.00

MUD Participants	Anticipated 2026 Debt Service Tax Rate	Anticipated 2026 Maintenance & Operations Tax Rate	Anticipated 2026 Contract Tax Rate	Anticipated 2026 Total Participant Tax Rate	
MUD 477	$0.1450	$0.5875	$0.7675	$1.5000	
MUD 478B	$0.0000	$0.7250	$0.7750	$1.5000	(b)
MUD 478	$0.0000	$0.0000	$0.0000	$0.0000	(c)

(a) MUD 477 levied its first maintenance and operations tax in 2023 in the amount of $1.50 per $100 of assessed valuation.
(b) MUD 478B is expected to levy its first tax rate in 2026 in the amount of $1.50 per $100 of assessed valuation.
(c) MUD 478 has not levied a tax to date. MUD 478 anticipates requesting funds from the Developers ("Developer Advances") to make the Contract Payments to the Master District.

Status of Development

MUD Participants	Acreage		Net Sales	Completed Lots	Occupied Completed Homes	Unoccupied Completed Homes (d)	Homes Under Construction	Vacant Developed Lots
MUD 477	609.70	(a)	545	1,176	476	95	138	467
MUD 478B	636.20	(b)	-	-	-	-	-	-
MUD 478	8.54		-	-	-	-	-	-
	1,254.44		545	1,176	476	95	138	467

Estimated Population: 1,666 (c)

(a) Includes approximately 165.71 acres in Hockley Meadows.
(b) Approximately 317 acres in MUD 478B are currently being developed as single-family residential lots.
(c) Based upon 3.5 persons per occupied single-family residence.
(d) Includes 21 model homes.

OFFICIAL STATEMENT

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 478
(A political subdivision of the State of Texas located within Harris County)

$13,500,000	**$2,100,000**
Contract Revenue Bonds	**Contract Revenue Road Bonds**
Series 2026	**Series 2026A**

This Official Statement provides certain information in connection with the issuance by Harris County Municipal Utility District No. 478 (the "Master District" or in its capacity as a MUD Participant "MUD 478") of the $13,500,000 Harris County Municipal Utility District No. 478 Contract Revenue Bonds, Series 2026 (the "Series 2026 Contract Revenue Bonds") and the $2,100,000 Harris County Municipal Utility District No. 478 Contract Revenue Road Bonds, Series 2026A (the "Series 2026A Contract Revenue Road Bonds," and together with the Series 2026 Contract Revenue Bonds, the "Bonds").

The Series 2026 Contract Revenue Bonds are issued pursuant to the Contract for Financing, Operation, and Maintenance of Regional Water, Sanitary Sewer, Storm Sewer, Park, Road and Other Jubilee Facilities, as amended (the "Master District Contract") between the Master District and the current MUD Participants (as defined below), a resolution authorizing the issuance of the Bonds (the "Water, Sewer and Drainage Bond Resolution") adopted by the Board of Directors of the Master District (the "Board"), Chapter 8334 of the Texas Special District Local Laws Code, Article XVI, Section 59 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended, the general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas, an order of the Texas Commission on Environmental Quality (the "TCEQ") and an election held within the Master District and within each MUD Participant.

The Series 2026A Contract Revenue Road Bonds are issued pursuant to the Master District Contract between the Master District and the current MUD Participants (as defined below), a resolution authorizing the issuance of the Bonds (the "Road Bond Resolution" and together with the Water Sewer and Drainage Bond Resolution, the "Bond Resolutions") adopted by the Board, Chapter 8334 of the Texas Special District Local Laws Code, Article III, Section 52 and Article XVI, Section 59 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended, the general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas and an election held within the Master District and within each MUD Participant.

This Official Statement includes descriptions, among others, of the Bonds, and the Bond Resolutions; certain other information about the Master District, the "MUD Participants" which currently consist of MUD 478, Harris County Municipal Utility District No. 477 ("MUD 477") and Harris County Municipal Utility District No. 478B ("MUD 478B"); the approximate 1,254.44 acre area that comprises the boundaries of the MUD Participants (the "Service Area") to be provided with regional water, sanitary sewer, and drainage facilities ("Master District System Facilities"), regional park and recreational facilities ("Master District Park Facilities"), and arterial, collector, and thoroughfare roads and improvements in aid thereof ("Master District Road Facilities") constructed by the Master District; the Master District Contract; 290 WR Holdings LP ("290 Holdings") and Taylor Morrison Homes of Texas ("Taylor Morrison") 290 Holdings and Taylor Morrison are collectively referred to herein as the "Developers". The Master District System Facilities, the Master District Park Facilities, and the Master District Road Facilities are collectively referred to herein as the "Master District Facilities." All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each document. Copies of documents referenced herein may be obtained from the Master District, c/o Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027.

RISK FACTORS

General

The Bonds are obligations solely of the Master District and are not obligations of the State of Texas ("Texas"), Harris County, Texas ("Harris County"), the City of Houston, Texas ("City of Houston"), any of the MUD Participants or any political subdivision or entity other than the Master District. The Bonds are payable solely from and to the extent of certain contract payments received by the Master District from the current MUD Participants pursuant to the Master District Contract, with each MUD Participant's annual Contract Payments being equal to its pro rata share of annual debt service on the Outstanding Contract Revenue Bonds, including the Series 2026 Contract Revenue Bonds, plus

all charges and expenses of paying agents, and registrars, and all amounts required to establish and maintain funds, established under the Water, Sewer and Drainage Bond Resolution based upon the gross certified assessed valuation of each MUD Participant as a percentage of the total gross certified assessed valuation of all MUD Participants (the "Water, Sewer and Drainage Contract Payments"). In addition to the Water, Sewer and Drainage Contract Payments, MUD Participants are required to make separate Road Contract Payments, described below, in connection with the Contract Revenue Road Bonds. The Contract Revenue Road Bonds are payable solely from and to the extent of certain contract payments received by the Master District from the MUD Participants pursuant to the Master District Contract, with each MUD Participant's annual contract payment being equal to its pro rata share of annual debt service on the Outstanding Contract Revenue Bonds including the Series 2026A Contract Revenue Road Bonds, plus all charges and expenses of paying agents, registrars and trustees, and all amounts required to establish and maintain funds, established under the Road Bond Resolution for Contract Revenue Road Bonds based upon the gross certified assessed valuation of each such MUD Participant as a percentage of the total gross certified assessed valuation of all MUD Participants (the "Road Contract Payments"). The Water, Sewer and Drainage Contract Payments and Road Contract Payments are referred to herein collectively as the "Contract Payments." The obligations of the MUD Participants to make Contract Payments are several, not joint, obligations pro-rated among the MUD Participants based upon the proportion of the certified appraised value of property within their respective boundaries to the total certified appraised value of property within all of the MUD Participants as described herein. No MUD Participant is obligated to pay the Contract Payments allocated to any other MUD Participant; however, lack of payment, as required by the Master District Contract, by any MUD Participant could result in an increase in the Contract Payments amount paid by each of the other MUD Participants during the time that such MUD Participant's payment is delinquent. The security for payment of the principal of and interest on the Bonds by the Master District, therefore, depends on the ability of each MUD Participant to collect annual unlimited ad valorem tax levied by such MUD Participant for such purpose on property within its boundaries, from revenues, if any, derived from the operation of its water distribution and wastewater collection system, or from any other lawful available source of its income to make its Contract Payments.

Dependence on Principal Taxpayers

The top 10 principal taxpayers within the Service Area represent $61,200,463, or 27.84%, of the 2026 Gross Certified Assessed Valuation of the MUD Participants, which is $219,807,068 and represents ownership in the MUD Participants' boundaries as of January 1, 2026. The Developers in the Service Area are responsible for approximately 13.29% of such value. See "THE MASTER DISTRICT AND THE SERVICE AREA – Status of Development," "THE DEVELOPERS," and "TAX DATA – Principal Taxpayers." The ability of any principal taxpayer to make full and timely payments of taxes levied against its property by the MUD Participants will directly affect the Master District's ability to meet its debt service obligations. If, for any reason, any one or more principal taxpayers do not pay taxes due or do not pay in a timely manner, the MUD Participants may need to levy additional taxes or use other available funds for debt service purposes. However, the Master District has not covenanted in the Bond Resolutions, nor is it required by Texas law, to maintain any particular balance in its Contract Revenue Water, Sewer and Drainage Debt Service Fund and the Contract Revenue Road Debt Service Fund (collectively, the "Contract Revenue Debt Service Funds") or any other funds to allow for any such delinquencies. Therefore, failure by one or more principal taxpayers to pay their taxes on a timely basis in amounts in excess of the MUD Participants' available funds could have a material adverse effect upon the Master District's ability to pay debt service on the Bonds on a current basis.

The Developers have informed the Master District that their current plan is to continue developing their property in the Service Area and/or marketing lots. However, neither the Developers nor any future developer is obligated to implement development plans on any particular schedule or at all. Thus, the furnishing of any information related to any proposed development should not be interpreted as a commitment. The Master District makes no representation about the probability of development continuing in a timely manner or about the ability of the Developers and other landowners to implement any plan of development. Furthermore, there is no restriction on any landowner's right to sell land. The Master District can make no prediction as to the effects that current or future economic conditions or governmental circumstances may have on any plans of the Developers, its affiliates or any other landowners. See "THE DEVELOPERS" and ""THE MASTER DISTRICT AND THE SERVICE AREA."—Status of Development."

Undeveloped Acreage and Vacant Lots

To date, there are approximately 421.5 undeveloped but developable acres within the Service Area that have not been provided with water, wastewater, drainage, road, and other facilities necessary for the construction of taxable improvement. In addition, there are approximately 345 vacant developed lots in Jubilee and approximately 122 vacant

developed lots in Hockley Meadows. The Master District makes no representation as to when or if development of the undeveloped but developable acreage will occur or that the lot sales and building program will be successful. See "THE MASTER DISTRICT AND THE SERVICE AREA – Status of Development."

Economic Factors and Interest Rates

A substantial percentage of the taxable value of the Service Area results from the current market value of property used for single-family development, developed lots which are owned by the Developers or homebuilders and undeveloped land. The market value of such properties is related to general economic conditions in the City of Houston, the State of Texas and the nation and those conditions can affect the demand for such properties and land. Demand for property of this type and the construction of structures thereon can be significantly affected by factors such as interest rates, credit availability (see "Credit Markets and Liquidity in the Financial Markets" below), construction costs and the prosperity and demographic characteristics of the urban center toward which the marketing of commercial property is directed. Decreased levels of construction activity would tend to restrict the growth of property values in the Service Area or could adversely impact such values.

Credit Markets and Liquidity in the Financial Markets

Interest rates and the availability of development funding have a direct impact on construction activity, particularly short-term interest rates at which landowners are able to obtain financing for development costs. Interest rate levels may affect the ability of a landowner with undeveloped property to undertake and complete construction activities within the Service Area. Because of the numerous and changing factors affecting the availability of funds, particularly liquidity in the national credit markets, the Master District is unable to assess the future availability of such funds for continued construction within the Service Area. In addition, since the Service Area is located approximately 40 miles northwest of the central downtown business district of the City of Houston, the success of development within the Service Area and growth of Service Area taxable property values are, to a great extent, a function of the City of Houston metropolitan and regional economies and national credit and financial markets. A downturn in the economic conditions of the City of Houston or decline in the nation's real estate and financial markets could adversely affect development in the Service Area and restrain the growth of or reduce the value of the Service Area's property tax base.

Competition

The demand for and construction of taxable improvements in the Service Area could be affected by competition from other developments near the Service Area. 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 of Houston that are for sale. Such existing developments could represent additional competition for new development proposed to be constructed within the Service Area. The competitive position of the Developers 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 Service Area and tax revenues to be received by the Master District. The Master District can give no assurance that building and marketing programs in the Service Area by the Developers will be implemented or, if implemented, will be successful.

Location and Access: The Service Area is located approximately 40 miles northwest of the central business district of the City of Houston. Many of the single-family developments with which the Master District competes are in a more developed state and have lower taxes. As a result, particularly during times of increased competition, the Developers within the Service Area 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 MASTER DISTRICT AND THE SERVICE AREA."

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 Service Area to estimate costs. Additionally, immigration policies may affect the State's workforce, and any labor shortages that could

occur may impact the rate of construction within the Service Area. 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 Service Area. The Master 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.

Potential Effects of Oil Price Fluctuations on the Houston Area

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

Cybersecurity

The Master 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 Master District's consultants are considered targets for cyber-attacks and other potential breaches of their systems. To the extent the Master 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 Master District's finances. Insurance to protect against such breaches is limited.

Landowner Obligation to the Master District

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

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 Master District will occur, construction of taxable improvements upon property within the Master District will occur, or that marketing or leasing of taxable improvements constructed upon property within the Master District will be successful. Circumstances surrounding development within the Master 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.

Operational Expenses

The Master District is reliant on each MUD Participant to pay the Master District's operating expenses. Each MUD Participant is obligated to pay monthly charges to the Master District for its share of the Master District's operation and maintenance expenses in connection with the Master District's provision of service from the Master District Facilities. The monthly charges to be paid by each MUD Participant to the Master District will be used to pay each MUD Participant's share of operation and maintenance expenses and to provide for an operation and maintenance reserve equivalent to three (3) months of operation and maintenance expenses. Each MUD Participant's share of operation and maintenance expenses and reserve requirements is based upon a "unit cost" of operation and maintenance expense and reserve requirements, calculated by the Master District and expressed in terms of "cost per equivalent single-family residential connection." Each MUD Participant's monthly payment to the Master District for operation and maintenance expenses will be calculated by multiplying the number of equivalent single-family residential connections reserved to each MUD Participant on the first day of the previous month by the unit cost per equivalent single-family residential connection. The monthly cost per single family equivalent connection being charged by the Master District to the MUD Participants is presently $250.00. The Master District Operating Account's only sources of revenue to pay operating expenses are monthly charges paid by the MUD Participants and investment income. See "MASTER DISTRICT FACILITIES."

General Fund

The Master District's general fund balance as of September 25, 2026, is $423,845.92. Attaining and maintaining a positive General Fund balance will depend upon (1) continued development, (2) increased amounts of maintenance tax revenue from MUD Participants, and (3) funds from bond issues. In the event that funds are not made available by the Developers (defined herein), the Master District will be required to levy a maintenance tax at a rate sufficient (in combination with net revenues from the Master District's utility operations) to fund its operating expenses. Such a tax, when added to the Master District's debt service tax, may result in a total Master District tax in excess of similar developments and could adversely affect continued development of the Master District, as well as the willingness of taxpayers to pay taxes on their property.

No Reserve Fund

The Bonds will be issued pursuant to the Bond Resolutions wherein the Contract Payments will be pledged to payment of debt service on the Bonds and the Outstanding Bonds. The Bond Resolutions confirms the Contract Revenue Debt Service Funds but does not create designated reserve funds. Each MUD Participant's pro rata share of the Contract Payments is calculated by the Master District. The Master District's annual calculation of the debt service requirement to be paid by the MUD Participants shall include no more than the sum of next year's annual debt service requirements and, at the option of the Master District, up to 50% of the following year's annual debt service requirements to establish a replenishment amount in the debt service funds, which when paid by the MUD Participants, will be deposited into the respective debt service fund. Delay or failure of any MUD Participant to pay its pro rata share of the debt service requirements may adversely affect payment of the Bonds. There is no trust estate or trust indenture securing the payment of the Bonds and no trustee to enforce a mandamus action on behalf of the Registered Owners (herein defined). Any action in mandamus as a result of a payment or other default under the Bond Resolutions would have to be brought by the Registered Owners themselves against the Master District, and such an action would not necessarily operate to enforce rights against other MUD Participants. See "RISK FACTORS – Registered Owners' Remedies and Bankruptcy."

Maximum Impact on Contract Tax Rate

Assuming no further development, the value of the land and improvements currently within the MUD Participants' boundaries will be the major determinant of the ability or willingness of owners of property within the MUD Participants' boundaries to pay their taxes. The 2026 Gross Certified Assessed Valuation of the MUD Participants is $219,807,068 and the Estimated Gross Assessed Valuation as of September 1, 2026, is $312,150,683. After issuance of the Bonds, the combined maximum debt service requirement on the Bonds and the Outstanding Bonds will be $2,068,219 (2050), and the combined average annual debt service requirement will be $1,973,373 (2027-2052, inclusive). Assuming no increase or decrease from the 2026 Gross Certified Assessed Valuation and the Estimated Gross Assessed Valuation as of September 1, 2026, the issuance of no additional debt, and no other funds available for the payment of debt service, a Contract Tax rates of $1.00 and $0.70 per $100 of assessed valuation at a ninety-five percent (95%) collection rate would be necessary to pay the combined maximum debt service requirement of the Bonds and the Outstanding Bonds, respectively, and Contract Tax rates of $0.95 and $0.67 per $100 of assessed valuation at a ninety-five percent (95%) collection rate would be necessary to pay the combined average annual debt service requirements of the Bonds and the Outstanding Bonds, respectively. See "FINANCIAL INFORMATION CONCERNING THE MASTER DISTRICT AND THE MUD PARTICIPANTS (UNAUDITED) – Debt Service Requirements."

Debt Burden on Property within the Service Area

The Master District expects that each MUD Participant (including MUD 478) will derive funds to make its Contract Payments to the Master District from the collection of ad valorem taxes (without legal limit as to rate or amount) levied on taxable property within its boundaries. In addition to the annual levy of a tax to make its annual Contract Payments, each MUD Participant (including MUD 478) is authorized, and expected, to levy a tax on property within its boundaries (without legal limit as to rate or amount) to pay its Water, Sewer, and Drainage Contract Payments and Road Contract Payments, and annual principal and interest on bonds issued by the MUD Participant and to pay its operations and maintenance expenses. It is expected that if and when sufficient taxable value exists within each MUD Participant, each MUD Participant will issue bonds to finance the internal water, wastewater and storm drainage facilities within its boundaries, and to finance park construction charges due to the Master District, as permitted by the rules of the TCEQ. The TCEQ rules permit the issuance of bonds by a MUD Participant based, to

a certain extent, upon projections of growth in ad valorem taxable value within the boundaries of the MUD Participant. In the event those growth projections are not realized, the MUD Participant's tax rate to pay debt service on its bonds may increase in future years. The Master District has no control over such tax rate. For the 2026 tax year, MUD 477 anticipates levying a total tax rate of $1.50, $0.4625 for Water, Sewer and Drainage Contract Payments, $0.3050 for Road Contract Payments, $0.145 for Water, Sewer and Drainage Debt Service and $0.5875 for maintenance and operations. For the 2026 tax year, MUD 478B anticipates levying a total tax rate of $1.50, $0.465 for Water, Sewer and Drainage Contract Payments, $0.310 for Road Contract Payments and $0.725 for maintenance and operations. MUD 478 has not levied a tax rate as of now but may levy a tax in the future. See "FINANCIAL INFORMATION CONCERNING THE MASTER DISTRICT AND THE MUD PARTICIPANTS (UNAUDITED)," and "APPENDIX A" for information on each MUD Participant's debt and taxes.

The composite tax rate to which property in each MUD Participant is subject may be higher than the composite tax rate of property within other competing subdivisions. To the extent that such composite tax rate is not competitive, the growth of property tax values in each MUD Participant and the investment quality or security of the Bonds could be adversely affected. The Master District has no control over such composite tax rate. See "Competition" in this section and "FINANCIAL INFORMATION CONCERNING THE MASTER DISTRICT AND THE MUD PARTICIPANTS (UNAUDITED)."

The Master District can make no representation that the taxable property values in the MUD Participants' boundaries will maintain a value sufficient to justify continued payment of taxes by property owners. See "FINANCIAL INFORMATION CONCERNING THE MASTER DISTRICT AND THE MUD PARTICIPANTS (UNAUDITED)," "TAX DATA – Tax Adequacy for Debt Service," and "APPENDIX A."

Severe Weather

The greater City of Houston area, including the Service Area, is subject to occasional severe weather events, including tropical storms and hurricanes. If the Master 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 Service Area as a result of such a weather event, the investment security of the Bonds could be adversely affected. The greater City of Houston 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 days.

If a future weather event significantly damaged all or part of the improvements within the Service Area, the assessed value of property within the Service Area could be substantially reduced, which could result in a decrease in tax revenues and/or necessitate an increase in the MUD Participants' tax rates. Further, there can be no assurance that a casualty loss to taxable property within the Service Area 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 Service Area. Even if insurance proceeds are available and improvements are rebuilt, there could be a lengthy period in which assessed values within the Service Area could be adversely affected.

Specific Flood Type Risks

The Service Area is subject to the following flood risk:

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 of 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.

Future Debt

Pursuant to the Master District Contract and in connection with the development of the Service Area, the Master District may issue Contract Revenue Bonds in an amount necessary to provide the Master District Facilities and to refund outstanding debt. Any Outstanding Bonds and future Contract Revenue Bonds will be on a parity with the Bonds. The Master District anticipates that it will issue additional Contract Revenue Bonds. The Master District does not employ any formula with respect to appraised valuations, tax collections or otherwise to limit the amount of Contract Revenue Bonds which it may issue. The issuance of additional Contract Revenue Bonds to fund Master District System Facilities and Master District Park Facilities is subject to approval by the TCEQ pursuant to its rules regarding issuance and feasibility of bonds. No TCEQ approval is currently required for the issuance of Contract Revenue Bonds to Master District Road Facilities. See "Maximum Impact on District Tax Rate" above and "THE BONDS – Issuance of Additional Debt."

Pursuant to the Master District Contract, the Master District may issue Contract Revenue Bonds in a principal amount not to exceed $2,298,110,000 for Master District System Facilities and refunding of such bonds; $1,062,770,000 Master District Road Facilities and refunding of such bonds; and $1,453,900,000 Master District Park Facilities and refunding of such bonds. Pursuant to the Master District Contract, approval by each MUD Participant and approval by the voters at an election held by each MUD Participant is required prior to any amendment to the Master District Contract that would increase such $2,298,110,000 authorized amount; such $1,062,770,000 authorized amount, and/or such $1,453,900,000 authorized amount. After the issuance of the Bonds, the Master District will have $2,279,410,000 principal amount of Contract Revenue Bonds authorized but unissued for the purposes of Master District System Facilities, $1,053,170,000 principal amount of Contract Revenue Road Bonds authorized but unissued for the purposes of Master District Road Facilities, and $1,453,900,000 principal amount of Contract Revenue Park Bonds authorized but unissued for the purposes of Master District Park Facilities. The Bonds, and all additional Contract Revenue Bonds issued by the Master District, will be payable from the Contract Tax.

The Master District, in its capacity as a MUD Participant, has the right to issue unlimited tax bonds for the purpose of financing internal water, wastewater, drainage, road, and park and recreational facilities within its boundaries, tax anticipation notes and bond anticipation notes, and to borrow for any valid corporate purpose. MUD 478 is authorized to issue $312,000,000 for water, sewer and drainage facilities, $220,000,000 for road facilities, and $272,000,000 for parks and recreational facilities, of which no principal amount has been issued and no principal amount is outstanding. MUD 477 is authorized to issue $189,865,000 for water, sewer and drainage facilities, $168,140,000 for road facilities, and $209,060,000 for parks and recreational facilities, of which $3,000,000 in principal amount has been issued for road facilities and currently has $3,000,000 principal amount outstanding. It is anticipated that MUD 477 will issue $3,750,000 of unlimited tax road bonds contemporaneously with this issuance. MUD 478B is authorized to issue $242,250,000 for water, sewer and drainage facilities, $310,500,000 for road facilities, and $693,750,000 for parks and recreational facilities, of which no principal amount has been issued and no principal amount is outstanding.

Tax Collection Limitations

The Master District's ability to make debt service payments may be adversely affected by each MUD Participant's inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by a MUD Participant constitutes a lien in favor of such MUD Participant on a parity with the liens of all other local taxing authorities on the property against which taxes are levied, and such lien may be enforced by foreclosure. A MUD Participant's ability to collect ad valorem taxes through such foreclosure may be impaired by (a) cumbersome, time-consuming and expensive collection procedures, (b) a bankruptcy court's stay of tax collection procedures against a taxpayer, (c) market conditions affecting the marketability of taxable property within the MUD Participant's boundaries and limiting the proceeds from a foreclosure sale of such property, or (d) the taxpayer's right to redeem the property within six (6) months for commercial property and two (2) years for residential property and all other property after the purchaser's deed issued at the foreclosure is filed in the county records. While the MUD Participant has a lien on taxable property within the MUD Participant's boundaries 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 MUD Participant from a tax foreclosure sale. Finally, any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the MUD Participant's boundaries

pursuant to Federal Bankruptcy Code could stay any attempt by such MUD Participant to collect delinquent ad valorem taxes assessed 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. See "TAXING PROCEDURES – MUD Participant's Rights in the Event of Tax Delinquencies."

Registered Owners' Remedies and Bankruptcy

There is no trust estate or trust indenture securing the payment of the Bonds and no trustee to enforce a mandamus action on behalf of Registered Owners. There is no reserve fund securing the payment of the Bonds. See "RISK FACTORS – No Reserve Fund."

In the event of default in the payment of principal of or interest on the Bonds, the registered owners of the Bonds (the "Registered Owners" and each a "Registered Owner") have a right to seek a writ of mandamus requiring the Master District to levy adequate taxes each year to make such payments. Except for the mandamus, the Bond Resolutions do not specifically provide for remedies to protect and enforce such interests of the Registered Owners. There is no provision for 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. Although the Registered Owners could obtain a judgment against the Master District, such a judgment could not be enforced by a direct levy and execution against the Master District's property. Further, the Registered Owners themselves cannot foreclose on property within the Service Area or sell property within the Service Area in order to pay the principal of and interest on the Bonds. Since there is no trust indenture or trustee, the Registered Owners would have to initiate and finance the legal process to enforce their remedies. The enforceability of the rights and remedies of the Registered Owners further 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 Master District. In this regard, should the Master District file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the Master District to seek judicial foreclosure of its tax lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See "THE BONDS – Registered Owners' Remedies."

Continuing Compliance with Certain Covenants

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

Marketability of the Bonds

The Master District has no understanding (other than the initial reoffering yields) with winning bidder of the Series 2026 Contract Revenue Bonds or the winning bidder of the Series 2026A Contract Revenue Road Bonds (collectively the "Initial Purchasers") regarding the reoffering yields or prices of the Bonds and has no control over trading of the Bonds in the secondary market. Moreover, there is no assurance that a secondary market will be made in the Bonds. If there is a secondary market, the difference between the bid and asked price of the Bonds may be greater than the difference between the bid and asked price of bonds of comparable maturity and quality issued by more traditional issuers as such bonds are generally bought, sold or traded in the secondary market.

Environmental Regulations

Wastewater treatment, water supply, storm sewer facilities and construction activities within the Master 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 Service Area. Further, changes in regulations occur frequently, and any changes that result in more stringent and costly requirements could materially impact the Master District.

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

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

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

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

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

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

Pursuant to the federal Safe Drinking Water Act ("SDWA") and the EPA's National Primary Drinking Water Regulations ("NPDWRs"), which are implemented by the TCEQ's Water Supply Division, a municipal utility district's provision of water for human consumption is subject to extensive regulation as a public water system. Municipal utility districts must generally provide treated water that meets the primary and secondary drinking water quality standards adopted by the TCEQ, the applicable disinfectant residual and inactivation standards, and the other regulatory action levels established under the agency's rules. The EPA has established NPDWRs for more than ninety (90) contaminants and has identified and listed other contaminants which may require national drinking water

regulation in the future. Further, the EPA has established a NPDWR for six (6) Per- and Polyflouroalkyl Substances ("PFAS"), which requires public water systems to perform certain monitoring and remediation measures. Public water systems may be subject to additional PFAS regulation in the future, which could increase the cost of constructing, operating, and maintaining water production and distribution facilities.

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

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

Operations of utility districts, including the Master 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 Master District must obtain a permit from the United States Army Corps of Engineers ("USACE") if operations of the Master 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 Master District, could potentially be subject to additional restrictions and requirements, including additional permitting requirements, in the future.

Changes in Tax Legislation

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

The 90th Texas Legislature

The regular sessions 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 Master District cannot predict the likelihood of legislative property tax reform at the legislative level or the impacts therefrom, if implemented.

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 Resolutions. The Bond Resolutions 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 Master District.

The Bonds will be dated and accrue interest from November 1, 2026, which interest is payable on June 1, 2027 (seven months of interest) and on each December 1 and June 1 thereafter (each an "Interest Payment Date"), until the earlier of maturity or prior redemption. The Bonds mature on December 1 in the amounts and years and bear interest at the rates shown on the cover page of this Official Statement. Interest calculations are based on a 360-day year comprised of twelve 30-day months.

The Bonds will be issued in fully registered form in denominations of $5,000 or integral multiples thereof.

Method of Payment of Principal and Interest

In the Bond Resolutions, the Board has appointed BOKF, NA, Dallas, Texas as the initial Paying Agent/Registrar (the "Paying Agent/Registrar," or "Registrar") for the Bonds. The principal of the Bonds shall be payable, without exchange or collection charges, in any coin or currency of the United States of America which, on the date of payment, is legal tender for the payment of debts due the United States of America, upon their presentation and surrender as they respectively become due and payable, at the principal payment office of the Paying Agent/Registrar in Houston, Texas. Interest on each Bond shall be payable by check or draft payable on each Interest Payment Date, mailed by the Paying Agent/Registrar on or before each Interest Payment Date to the Registered Owners as shown on the Register on the fifteenth (15th) day (whether or not a business day) of the month prior to each interest payment date (defined herein as the "Record Date"), to the address of such Registered Owner as shown on the Paying Agent/Registrar's records (the "Register") or by such other customary banking arrangements as may be agreed to by the Paying Agent/Registrar and the Registered Owners at the risk and expense of the Registered Owners.

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

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.

Source and Security of Payment

The Bonds are payable solely from payments the MUD Participants make to the Master District for the purpose of paying the debt service on the Bonds pursuant to the requirements of the Master District Contract. The Master District Contract provides that all MUD Participants shall pay a pro rata share of the annual debt service on any Contract Revenue Bonds issued by the Master District, including the Bonds, and the Outstanding Bonds based upon each MUD Participant's gross certified assessed valuation of each such MUD Participant as a percentage of the total gross certified assessed valuation of all MUD Participants. The debt service requirements shall be calculated to include the charges and expenses of paying agents, and registrars utilized in connection with the Bonds, the principal, interest and redemption requirements of the Bonds and all amounts required to establish and maintain funds established under the Bond Resolutions. Each MUD Participant is obligated to pay its pro rata share of the annual debt service on the Contract Revenue Bonds from the proceeds of an annual ad valorem tax levied for such purpose by such MUD Participant on property within its boundaries, which is not limited as to rate or amount (the "Contract Tax"), revenues, if any, derived from the operation of its water distribution and wastewater collection system or from any other legally available funds of such MUD Participant. Each MUD Participant's pro rata share of debt service requirements will be calculated annually by the Master District; however, the levy of a Contract Tax for the purpose of paying debt service on the Bonds and the Outstanding Bonds is the sole responsibility of each MUD Participant. The Bonds are obligations of the Master District and are not obligations of the State of Texas, Harris County, the City of Houston, any of the MUD Participants except MUD 478, or any political subdivision or entity other than the Master District.

Contract Payments by the MUD Participants

Principal and interest on the Series 2026 Contract Revenue Bonds and the Series 2026A Contract Revenue Road Bonds are payable from and secured by each current MUD Participant's unconditional obligation to make certain payments pursuant to the requirements of the Master District Contract. By execution of the Master District Contract, each MUD Participant has agreed to make a Contract Payment in an amount equal to its pro rata share of the annual debt service on the Contract Revenue Bonds plus all charges and expenses of paying agents, and registrars and all amounts required to establish and maintain funds, established under the Bond Resolutions based upon its certified appraised value as a percentage of the total certified appraised value of all MUD Participants. Each MUD Participant is obligated to make such payments from the proceeds of the Contract Tax levied by such MUD Participant on property within its boundaries for such purpose, or from any other lawful available source of funds. "See Source and Security of Payment" above. No MUD Participant is liable for the payments due by any other MUD Participant. See "MASTER DISTRICT CONTRACT."

The Master District shall calculate on or before October 1 of each year, or as soon thereafter as practical, the amount of Contract Payments due from each MUD Participant in the following calendar year. The Contract Payments shall be billed to each MUD Participant by the Master District on or before September 1 of the year prior to the year in which such Contract Payments become due, or as soon thereafter as practical. Such Contract Payments shall be due and payable from each MUD Participant to the Master District semiannually by the dates specified by the Master District. The Master District specified April 1 and October 1 of each year as the dates by which the MUD Participants' Contract Payments are due to the Master District.

Funds

The Contract Revenue Water, Sewer and Drainage Debt Service Fund is confirmed in the Water, Sewer and Drainage Bond Resolution, of which the proceeds from the Contract Payments collected for and on account of the Contract Revenue Bonds shall be deposited into the Contract Revenue Water, Sewer and Drainage Debt Service Fund (which includes each MUD Participant's pro rate share of the respective debt service requirements). Twelve months of capitalized interest will be deposited into the Contract Revenue Water, Sewer and Drainage Debt Service Fund upon closing of the Bonds. The Water, Sewer and Drainage Bond Resolution does not provide for a reserve fund. The Master District's annual calculation of the debt service requirement to be paid by the MUD Participants shall include no more than the sum of next year's annual debt service requirements and, at the option of the Master District, an amount up to 50% of the following year's annual debt service requirements, which when paid by the MUD Participants, will be deposited into the respective debt service fund.

The Contract Revenue Road Debt Service Fund is confirmed in the Road Bond Resolution, of which the proceeds from the Contract Payments collected for and on account of the Contract Revenue Road Bonds shall be deposited into the Contract Revenue Road Debt Service Fund (which includes each Participant's pro rate share of the respective debt service requirements). Twelve months of capitalized interest will be deposited into the Contract Revenue Road Debt Service Fund upon closing of the Bonds. The Road Bond Resolution does not provide for a reserve fund. The Master District's annual calculation of the debt service requirement to be paid by the MUD Participants shall include no more than the sum of next year's annual debt service requirements and, at the option of the Master District, an amount up to 50% of the following year's annual debt service requirements, which when paid by the MUD Participants, will be deposited into the respective debt service fund.

There is no trust estate or trust indenture securing the payment of the Bonds and no trustee to enforce a mandamus action on behalf of Registered Owners. There is no reserve fund securing the payment of the Bonds. See "RISK FACTORS – Registered Owners' Remedies and Bankruptcy" and "– No Reserve Fund."

The Master District further covenants that if at any time the fund balance in either the Contract Revenue Water, Sewer and Drainage Debt Service Fund or the Contract Revenue Road Debt Service Fund falls below 25% of the following year's debt service requirement for the respective bonds, it will levy the maximum amount allowed under the Bond Resolutions authorizing each issuance (100% of the next year's debt service requirement plus 50% of the following year's debt service requirement) until such time that the debt service fund balance in the respective fund exceeds 50% of the next year's debt service requirement.

Unconditional Obligation to Pay

All charges imposed by the Master District to pay debt service on the Bonds will be made by the MUD Participants without set-off, counterclaim, abatement, suspension or diminution. No MUD Participant will have any right to terminate the Master District Contract nor be entitled to the abatement of any such payment or any reduction thereof nor will the obligations of the MUD Participants be otherwise affected for any reason, including without limitation acts or conditions of the Master District that might be considered failure of consideration, eviction or constructive eviction, destruction or damage to the Master District Facilities, failure of the Master District to perform and observe any agreement, whether expressed or implied, or any duty, liability or obligation arising out of or connected with the Master District Contract. All sums required to be paid by the MUD Participants to the Master District for such purposes will continue to be payable in all events and the obligations of the MUD Participants will continue unaffected, unless the requirement to pay is reduced or terminated pursuant to an express provision of the Master District Contract. If any MUD Participant disputes the amount to be paid to the Master District, the MUD Participant shall nonetheless promptly make payments as billed by the Master District, and if it is subsequently determined by agreement, arbitration, regulatory decision, or court decision that such disputed payment should have been less, the Master District will then make proper adjustments to all MUD Participants so that the MUD Participant will receive credit for its overpayments. If the date for payment of the principal of or interest on any Bond is not a business day, then the date for such payment shall be the next succeeding business day, as defined in the Bond Resolutions.

Authority for Issuance

Pursuant to individual elections, the voters of each MUD Participant approved the Master District Contract. The Master District Contract authorizes the Master District to issue the Bonds for acquiring and constructing Master District System Facilities and the refunding of such bonds and for acquiring and constructing Master District Road Facilities and the refunding of such bonds. The Master District Contract also authorizes the Master District to issue other Contract Revenue Bonds for other purposes. See "Issuance of Additional Debt" below and "MASTER DISTRICT CONTRACT."

The Series 2026 Contract Revenue Bonds are issued by the Master District pursuant to the terms and provisions of the Master District Contract, the terms and conditions of the Water, Sewer and Drainage Bond Resolution adopted by the Board, Chapter 8334 Texas Special District Local Laws Code, Article XVI, Section 59 of the Texas Constitution, Chapter 49 and Chapter 54 of the Texas Water Code, as amended, the general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas, an order of the TCEQ, and an election held within the Master District and within each MUD Participant.

The Series 2026A Contract Revenue Road Bonds are issued by the Master District pursuant to the terms and provisions of the Master District Contract, the terms and conditions of the Road Bond Resolution adopted by the Board, Chapter 8334 Texas Special District Local Laws Code, Article III, Section 52 and Article XVI, Section 59 of the Texas Constitution, Chapter 49 and Chapter 54 of the Texas Water Code, as amended, the general laws of the State of Texas relating to the issuance of bonds by political subdivisions of the State of Texas and an election held within the Master District and within each MUD Participant..

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

Short Term Debt

The Master District issued $7,225,000 Bond Anticipation Note, Series 2026 (the "BAN"), dated March 5, 2026. The BAN matures on March 4, 2027, and accrues interest at a rate of 4.15% per annum, calculated on the basis of actual days elapsed and a 365-day year. The Master District will use a portion of the proceeds from the sale of the Series 2026 Contract Revenue Bonds to redeem the BAN prior to its maturity. Proceeds from the BAN were used to reimburse 290 Holdings for a portion of the improvements and related costs shown under "USE AND DISTRIBUTION OF SERIES 2026 CONTRACT REVENUE BOND PROCEEDS."

Redemption Provisions

Mandatory Redemption: The Series 2026 Contract Revenue Bonds maturing on December 1 in the years 2037, 2040, 2042, 2044, 2046, 2048, 2050 and 2052 (the " Contract Revenue Term Bonds") shall be redeemed at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption (the "Mandatory Redemption Date"), on December 1 in each of the years and in the principal amounts set forth in the following schedule:

$1,930,000 Contract Revenue Term Bonds Due December 1, 2037

Mandatory Redemption Date	Principal Amount
2033	$ 345,000
2034	365,000
2035	385,000
2036	405,000
2037 (maturity)	430,000

$1,425,000 Contract Revenue Term Bonds Due December 1, 2040

Mandatory Redemption Date	Principal Amount
2038	$ 450,000
2039	475,000
2040 (maturity)	500,000

$1,090,000 Contract Revenue Term Bonds Due December 1, 2042

Mandatory Redemption Date	Principal Amount
2041	$ 530,000
2042 (maturity)	560,000

$1,210,000 Contract Revenue Term Bonds Due December 1, 2044

Mandatory Redemption Date	Principal Amount
2043	$ 590,000
2044 (maturity)	620,000

$1,345,000 Contract Revenue Term Bonds Due December 1, 2046

Mandatory Redemption Date	Principal Amount
2045	$ 655,000
2046 (maturity)	690,000

$1,500,000 Contract Revenue Term Bonds Due December 1, 2048

Mandatory Redemption Date	Principal Amount
2047	$ 730,000
2048 (maturity)	770,000

$1,665,000 Contract Revenue Term Bonds Due December 1, 2050

Mandatory Redemption Date	Principal Amount
2049	$ 810,000
2050 (maturity)	855,000

$1,860,000 Contract Revenue Term Bonds Due December 1, 2052

Mandatory Redemption Date	Principal Amount
2051	$ 905,000
2052 (maturity)	955,000

Mandatory Redemption: The Series 2026A Contract Revenue Road Bonds maturing on December 1 in the years 2041, 2044, 2047 and 2052 (the "Contract Revenue Road Term Bonds" and together with the Contract Revenue Term Bonds, the "Term Bonds") shall be redeemed at a price equal to the principal amount thereof, plus accrued interest to the date fixed for the Mandatory Redemption Date, on December 1 in each of the years and in the principal amounts set forth in the following schedule:

$165,000 Contract Revenue Road Term Bonds Due December 1, 2041

Mandatory Redemption Date	Principal Amount
2040	$ 80,000
2041 (maturity)	85,000

$270,000 Contract Revenue Road Term Bonds Due December 1, 2044

Mandatory Redemption Date	Principal Amount
2042	$ 85,000
2043	90,000
2044 (maturity)	95,000

$320,000 Contract Revenue Road Term Bonds Due December 1, 2047

Mandatory Redemption Date	Principal Amount
2045	$ 100,000
2046	105,000
2047 (maturity)	115,000

$670,000 Contract Revenue Road Term Bonds Due December 1, 2052

Mandatory Redemption Date	Principal Amount
2048	$ 120,000
2049	125,000
2050	135,000
2051	140,000
2052 (maturity)	150,000

On or before 30 days prior to each Mandatory Redemption Date set forth above, the Paying Agent/Registrar shall (i) determine the principal amount of such Term Bonds that must be mandatorily redeemed on such Mandatory Redemption Date, after taking into account deliveries for cancellation and optional redemptions as more fully provided for below, (ii) select, by lot or other customary random method, the Term Bond or portions of the Term Bond of such maturity to be mandatorily redeemed on such Mandatory Redemption Date, and (iii) give notice of such redemption as provided in the Bond Resolutions. The principal amount of any Term Bond to be mandatorily redeemed on such Mandatory Redemption Date shall be reduced by the principal amount of such Term Bond which, by the 45th day prior to such Mandatory Redemption Date, either has been purchased in the open market and delivered or tendered for cancellation by or on behalf of the Master District to the Paying Agent/Registrar or optionally redeemed and which, in either case, has not previously been made the basis for a reduction under this sentence.

Optional Redemption: The Master District reserves the right, at its option, to redeem the Bonds maturing on and after December 1, 2033, prior to their scheduled maturities, in whole or from time to time in part, in integral multiples of $5,000, on December 1, 2032, or on any date thereafter, at a price of par plus accrued interest on the principal amounts called for redemption to the date fixed for redemption. If fewer than all of the Bonds are redeemed at any time, the particular series maturities and amounts of Bonds to be redeemed shall be selected by the Master District. If less than all the Bonds of any series, maturity are redeemed at any time, the particular Bonds within a maturity to be redeemed shall be selected by the Paying Agent/Registrar by lot or other customary method of selection (or by DTC in accordance with its procedures while the Bonds are in Book-Entry-Only form).

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

Registration and Transfer

So long as any Bonds remain outstanding, the Paying Agent/Registrar shall keep the register at its principal payment office and, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with the terms of the Bond Resolutions. While the Bonds are in the Book-Entry-Only System, the Bonds will be registered in the name of Cede & Co. and will not be transferred. See "BOOK-ENTRY-ONLY SYSTEM."

In the event the Book-Entry-Only System should be discontinued, Bonds shall be transferable only upon the presentation and surrender of such Bond at the principal payment office of the Paying Agent/Registrar, duly endorsed for transfer, or accompanied by an assignment duly executed by the Registered Owner or his authorized representative in form satisfactory to the Paying Agent/Registrar. Upon due presentation of any Bond in proper form for transfer, the Paying Agent/Registrar has been directed by the Master District to authenticate and deliver in exchange therefore, within three (3) business days after such presentation, a new Bond or Bonds, registered in the name of the transferee or transferees, in authorized denominations and of the same maturity and aggregate principal amount and paying interest at the same rate as the Bond or Bonds so presented. All Bonds shall be exchangeable upon presentation and surrender thereof at the principal payment office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in any authorized denomination in an aggregate amount equal to the unpaid principal amount of the Bond or Bonds presented for exchange. The Paying Agent/Registrar is authorized to authenticate and deliver exchange Bonds. Each Bond delivered shall be entitled to the benefits and security of the Bond Resolutions to the same extent as the Bond or Bonds in lieu of which such Bond is delivered. Neither the Master District nor the Paying Agent/Registrar shall be required to transfer or to exchange any Bond during the period beginning on the 15th calendar day of the month next preceding an Interest Payment Date and ending on the next succeeding Interest

Payment Date or to transfer or exchange any Bond called for redemption during the thirty (30) day period prior to the date fixed for redemption of such Bond. The Master District or the Paying Agent/Registrar may require the Registered Owner of any Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Bond. Any fee or charge of the Paying Agent/Registrar for such transfer or exchange shall be paid by the Master District. The provisions of this paragraph are subject to the Book-Entry-Only System.

Replacement of Paying Agent/Registrar

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

Lost, Stolen or Destroyed Bonds

In the event the Book-Entry-Only System is discontinued, upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. If any Bond is lost, stolen or destroyed, the Master District, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall, upon receipt of certain documentation from the Registered Owner and an indemnity bond, execute and the Paying Agent/Registrar shall authenticate and deliver a replacement Bond of like maturity, interest rate and principal amount bearing a number not contemporaneously outstanding. Registered Owners of lost, stolen or destroyed bonds will be required to pay the Master District's costs to replace such bond. In addition, the Master District or the Paying Agent/Registrar may require the Registered Owner to pay a sum sufficient to cover any tax or other governmental charge that may be imposed.

Issuance of Additional Debt

The voters of the MUD Participants have approved the Master District Contract, which contract authorizes the Master District to issue Contract Revenue Bonds in an amount not to exceed $2,298,110,000 in principal amount for the purpose of constructing and acquiring all Master District System Facilities and refunding of such bonds; $1,062,770,000 in principal amount for the purpose of constructing and acquiring all Master District Road Facilities and refunding of such bonds; and in an amount not to exceed $1,453,900,000 in principal amount for the purpose of constructing and acquiring all Master District Park Facilities and refunding of such bonds. Pursuant to the Master District Contract, approval by each MUD Participant and approval by the voters at an election held by each MUD Participant is required prior to any amendment to the Master District Contract that would increase such $2,298,110,000 authorized amount, $1,062,770,000 authorized amount and/or such $1,453,900,000 authorized amount. By execution of the Master District Contract between the Master District and each MUD Participant, each MUD Participant (including MUD 478) is obligated to pay a pro rata share of debt service on the Contract Revenue Bonds issued by the Master District to finance the Master District Facilities. The Bonds, the Outstanding Bonds and all additional Contract Revenue Bonds issued by the Master District, will be payable from the Contract Tax. After the issuance of the Bonds, the Master District will have $2,279,410,000 principal amount of Contract Revenue Bonds authorized but unissued for Master District System Facilities and refunding of such bonds; $1,053,170,000 principal amount of Contract Revenue Bonds authorized but unissued for the Master District Road Facilities and refunding of such bonds; and $1,453,900,000 principal amount of Contract Revenue Bonds authorized but unissued for the purpose of Master District Park Facilities and refunding of such bonds. The Master District Contract and the Bond Resolutions impose no limitation on the amount of Contract Revenue Bonds the Master District may issue payable from the Contract Tax. See "RISK FACTORS – Future Debt."

MUD 478 and each other MUD Participant may issue unlimited tax bonds for water, wastewater, drainage, road, and park and recreational purposes, with the approval of the TCEQ, necessary to provide and maintain improvements and facilities to serve land within their respective boundaries consistent with the purposes for which MUD 478 or such other MUD Participant was created. TCEQ approval is not currently required for the Master District or any MUD Participant to issue bonds for road facilities. See "THE MUD PARTICIPANTS."

Annexation

Under existing Texas law, since the Master District lies wholly within the extraterritorial jurisdiction of the City of Houston, the Master District must conform to a City of Houston consent ordinance. Generally, the Master District may be annexed by the City of Houston without the Master District's consent, and the City of Houston cannot annex territory within the Master District unless it annexes the entire Master District; however, under legislation effective December 1, 2017, the City of Houston may not annex the Master District unless (i) such annexation has been approved by a majority of those voting in an election held for that purpose within the area to be annexed, and (ii) if the registered voters in the area to be annexed do not own more than 50 percent of the land in the area, a petition has been signed by more than 50 percent of the landowners consenting to the annexation. If the Master District is annexed, the City of Houston will assume the Master District's assets and obligations (including the Outstanding Bonds and the Bonds) and dissolve the Master District. Annexation of territory by the City of Houston is a policy-making matter within the discretion of the Mayor and City Council of the City of Houston, and therefore, the Master District makes no representation that the City of Houston will ever annex the Master District and assume its debt. Moreover, no representation is made concerning the ability of the City of Houston to make debt service payments should annexation occur.

Consolidation

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

Registered Owners' Remedies

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

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

Legal Investment and Eligibility to Secure Public Funds in Texas

The following is quoted from Section 49.186 of the Texas Water Code, and is applicable to the Master 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 Master District (including the Bonds) are eligible as collateral for public funds.

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

Defeasance

The Bond Resolutions provide that the Master District may discharge its obligations to the Registered Owners of any or all of the Bonds to pay principal, interest, and redemption price thereon in any manner permitted by law. Under current Texas law, such discharge may be accomplished either (i) by depositing with the Comptroller of Public Accounts of the State of Texas a sum of money equal to the principal of, premium, if any, and all interest to accrue on the Bonds to maturity or redemption or (ii) by depositing with any place of payment (paying agent) of the Bonds or other obligations of the Master District payable from revenues or from ad valorem taxes or both, amounts sufficient to provide for the payment and/or redemption of the Bonds; provided that such deposits may be invested and reinvested only in (a) direct obligations of the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the Master 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 Master 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 that mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment and/or redemption of the Bonds.

Upon such deposit as described above, such bonds shall no longer be regarded as outstanding or unpaid. After firm banking and financial arrangements for the discharge and final payment or redemption of the Bonds have been made as described above, all rights of the Master 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 Master District: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption; (ii) gives notice of the reservation of that right to the owners of the Bonds immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

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

BOOK-ENTRY-ONLY SYSTEM

The information in this section concerning DTC and DTC's Book-Entry-Only System has been obtained from sources that the Master District believes to be reliable, but the Master District takes no responsibility for the accuracy or completeness thereof. The Master District cannot and does not give any assurances that DTC, DTC Direct Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) prepayment or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will do so on a timely basis or that DTC, DTC Direct Participants or DTC Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to

DTC are on file with the Securities and Exchange Commission and the current "Procedure" of DTC to be followed in dealing with DTC Direct Participants are on file with DTC.

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

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

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the Book-Entry-Only 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. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

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

All 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 Master District or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the Master District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Master 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 Master 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 Master District may decide to discontinue use of the system of Book-Entry-Only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's Book-Entry-Only System has been obtained from sources that the Master District believes to be reliable, but neither the Master District nor the Initial Purchasers take any responsibility for the accuracy thereof.

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USE AND DISTRIBUTION OF SERIES 2026 CONTRACT REVENUE BOND PROCEEDS

The estimated use and distribution of Series 2026 Contract Revenue Bond proceeds is shown below. Of proceeds to be received from sale of the Bonds, $9,543,410 is estimated for construction costs, $3,109,878 is estimated for non-construction costs, and $846,712 is estimated for issuance cost and fees. Non-construction costs are based upon either contract amounts or estimates of various costs by the Engineer and the Financial Advisor (hereinafter defined). The actual amounts to be reimbursed by the Master District and the non-construction costs will be finalized after the sale of the Bonds and completion of agreed-upon procedures by the Master District's auditor.

I. CONSTRUCTION COSTS

District Contribution Items		
1) Water Plant No. 1 Phase 1	$	1,459,163
2) WWTP No. 1 Phase 1		2,015,238
3) Lift Station No.1 Phase 1		1,182,124
4) Water Plant No. 1 Phase 2		2,393,400
5) Geotechnical, Survey, Design/CPS, Project representative and Lab Fees (Items 1-4)		922,336
6) Storm Water Pollution Prevention Plan SWPPP (Items 1-4)		18,212
7) Lift Station No. 1 - Land Cost		20,054
8) Detention Pond Phase 1 - Land Costs		1,532,883
Total District Items	**$**	**9,543,410**
Total Construction Cost	**$**	**9,543,410**

II. NON-CONSTRUCTION COSTS

• Developer Interest	$	955,003
• Capitalized Interest (12 months)		742,500
• Bond Anticipation Note Interest (12 months @ 5.50%) (a)		397,375
• Developer Advances		610,000
• Bond Discount (b)		404,746
• Contingency (b)		254
Total Non-Construction Costs	**$**	**3,109,878**

III. ISSUANCE COST AND FEES

• Legal Fees	$	310,000
• Financial Agent Fees		213,750
• Bond Application Report Cost		65,000
• Bond Issuance Expenses		58,481
• Bond Anticipation Note Issue Expenses		156,231
• Attorney General Fees (0.10% or $9,500 max)		9,500
• TCEQ Bond Issuance Fee (0.25%)		33,750
Total Issuance Cost and Fees	**$**	**846,712**
TOTAL BOND ISSUE	**$**	**13,500,000**

(a) See "THE BONDS – Short Term Debt."
(b) Contingency represents the difference between actual and estimated amounts of Bond Discount.

USE AND DISTRIBUTION OF SERIES 2026A CONTRACT REVENUE ROAD BOND PROCEEDS

The estimated use and distribution of Series 2026A Contract Revenue Road Bond proceeds is shown below. Of proceeds to be received from sale of the Bonds, $1,659,282 is estimated for construction costs, $268,270 is estimated for non-construction costs, and $172,448 is estimated for issuance cost and fees. Non-construction costs are based upon either contract amounts or estimates of various costs by the Engineer and the Financial Advisor (hereinafter defined). The actual amounts to be reimbursed by the Master District and the non-construction costs will be finalized after the sale of the Bonds and completion of agreed-upon procedures by the Master District's auditor.

I.	**CONSTRUCTION COSTS**		
	Developer Contribution Items		
	1) Cheerful Trail and Jubilee Recreation Center.	$	39,037
	2) Jubilee Section 12.		40,542
	3) Jubilee Section 10.		1,129,537
	4) Jubilee Section 13.		27,886
	5) Geotechnical, Survey, Design/CPS, Project Representative and Lab Fees.		220,526
	6) SWPPP.		32,332
	Total Developer Contribution Items	**$**	**1,489,860**
	District Contribution Items		
	1) Jubilee Section 12 - Land.	$	5,256
	2) Jubilee Section 13 - Land.		4,150
	3) Hockley Meadows Drive - Land.		190,016
	Total District Items	**$**	**199,422**
	Less Surplus Bond Funds	**$**	**(30,000)** (a)
	Total Construction Cost	**$**	**1,659,282**
II.	**NON-CONSTRUCTION COSTS**		
	• Developer Interest	$	89,770
	• Capitalized Interest (12 months)		115,500
	• Bond Discount		63,000
	Total Non-Construction Costs	**$**	**268,270**
III.	**ISSUANCE COST AND FEES**		
	• Legal Fees	$	63,000
	• Financial Agent Fees		42,000
	• Bond Application Report Cost		27,500
	• Bond Issuance Expenses		37,847
	• Attorney General Fees (0.10% or $9,500 max)		2,100
	Total Issuance Cost and Fees	**$**	**172,448**
	TOTAL BOND ISSUE	**$**	**2,100,000**

(a) The Master District will contribute $30,000 of surplus Road Capital Projects funds towards the issuance of the Bonds. See "FINANCIAL STATEMENT (Unaudited) — Cash and Investment Balances."

THE MUD PARTICIPANTS

Creation, Authority and Description

The MUD Participants (including MUD 478) that have approved the Master District Contract were created by the Texas legislature and were confirmed at elections held on May 1, 2021 for MUD 477, November 4, 2025 for MUD 478B and on November 7, 2023 for MUD 478, as municipal utility districts. Each MUD Participant has the power to construct, operate and finance water, sanitary sewer, drainage, park/recreational facilities and arterial, collector and thoroughfare road facilities pursuant to Chapter 49 and 54 of the Texas Water Code. Each MUD Participant may issue bonds, with the authorization of its board of directors and (if payable from taxes) its voters, to acquire and maintain water, sanitary sewer, and drainage, and park/recreational facilities, and arterial, collector and thoroughfare road facilities, to serve the land within its boundaries. Issuance of bonds for water, sanitary sewer and drainage and park and recreational facilities requires the approval of the TCEQ; issuance of road bonds does not require approval of the TCEQ. Each MUD Participant may also establish, operate, and maintain a fire department or contract for firefighting services, if the TCEQ and its voters approve a plan for that purpose.

Authorized Bonds

Voters in MUD 478, and voters in the other active MUD Participants have each approved the authorization of unlimited tax bonds for purposes of providing water distribution, wastewater collection and storm drainage facilities, parks/recreation facilities and road facilities to serve land within their boundaries. MUD 478 and MUD 478B have not issued bonds to date. MUD 477 has issued $3,000,000 of unlimited tax road bonds to date. It is anticipated that MUD 477 will issue $3,750,000 of unlimited tax road bonds contemporaneously with this issuance. See "APPENDIX A" for a description of the voter authorized bonds for each MUD Participant.

MASTER DISTRICT CONTRACT

Each MUD Participant has executed the Contract for Financing, Operation, and Maintenance of Regional Water, Sanitary Sewer, Storm Sewer, Park, Road and Other Jubilee Facilities (the "Master District Contract") and each MUD Participant obtained the approval of the Master District Contract from the voters of the MUD Participant at an election held within its boundaries. The Master District Contract dictates and defines what comprises Master District Facilities, the financing and construction of the Master District Facilities, and the operation and maintenance of the Master District Facilities that serves all of the MUD Participants land (the "Service Area").

The Master District System Facilities are defined, described, and displayed under the Master District Contract to mean the (i) Master District Water System, including the water plant, mains and trunk facilities to serve the Service Area, save and except internal facilities that only serve one municipal utility district in the Service Area; (ii) Master District Sanitary Sewage Collection System, including a permanent wastewater treatment plant, trunk or main sanitary sewer lines, manholes, intercepting sewers, lift stations to serve the Service Area, save and except internal facilities that only serve one municipal utility district in the Service Area; and (iii) Master District Storm Sewer System, including all or any part of the drainage facilities for the collection of storm water such as manholes, drainage trunk lines, detention and retention ponds, outfall drainage channels and ditches, save and except internal facilities that only serve one municipal utility district in the Service Area. The Master District Contract authorizes the Master District to issue Contract Revenue Bonds to acquire, construct, and maintain the Master District System Facilities in an aggregate amount not to exceed $2,298,110,000.

The Master District Road Facilities are defined, described, and displayed under the Master District Contract to mean the major thoroughfares and roadway related facilities in and of such thoroughfares that serve the Service Area. The Master District Contract authorizes the Master District to issue Contract Revenue Road Bonds to acquire, construct and maintain the Master District Road Facilities in an aggregate amount not to exceed $1,062,770,000.

The Master District Park Facilities are defined, described, and displayed under the Master District Contract to mean the park, recreational and landscaping facilities to design, acquire, construct, lease, equip, modernize, repair, improve or complete Master District Park Facilities or any enlargements, expansions, repairs, upgrades or modifications thereto in the Service Area.

The Master District Contract provides two options for the MUD Participants to finance the Master District Park Facilities. First, the Master District may issue Contract Revenue Park Bonds and the aggregate amount of the Contract

Revenue Park Bonds may not exceed $1,453,900,000. Alternatively, the Master District may levy a Park Construction Charge, as defined under the Master District Contract, and the MUD Participants could issue park bonds and remit the Park Construction Charge to the Master District. The Master District Contract provides that the Master District will compute the Park Construction Charge on the basis of the then estimated total capital costs of providing the Master District Park Facilities for all of the Service Area minus the Park Construction Charges which have previously paid to the Master District (at this time the amount is $0), and dividing the result by the number of estimated total connections to be constructed within the Service Area minus the number of connections for which Park Construction Charges have been previously paid to the Master District. Upon approval of the Master District Park Facilities by the TCEQ, the Master District will reimburse the developer for the Master District Park Facilities or use the Park Construction Charge to construct new Master District Park Facilities.

The Master District Facilities will be constructed in stages to meet the needs of a continually expanding population within the Service Area. In the event that the Master District fails to meet its obligations under the Master District Contract to provide Master District Facilities, each of the other MUD Participants have the right pursuant to the Master District Contract to design, acquire, construct, or expand such regional facilities needed to provide service to such MUD Participants, and convey such facilities to the Master District in consideration of payment by the Master District of the actual reasonable and necessary capital costs expended by such MUD Participant for such facilities.

By execution of the Master District Contract, each of the MUD Participants has agreed to make an annual Contract Payment in an amount equal to its annual pro rata share of debt service on the Bonds, plus all charges and expenses of paying agents and registrars based upon the gross certified assessed valuation of each MUD Participant as a percentage of the total gross certified assessed valuation of all MUD Participants. MUD Participants are obligated to pay their pro rata share from the proceeds of an annual unlimited ad valorem tax levied for such purpose or from any other lawful available source of funds.

Each MUD Participant is obligated severally, but not jointly, to make Contract Payments to the Master District. No MUD Participant is obligated, contingently or otherwise, to make any Contract Payments owed by any other MUD Participant; however, lack of payment, as required by the Master District Contract, by any MUD Participant could result in an increase in the Contract Payment amount paid by each of the other MUD Participants during the time that such MUD Participant's payment is delinquent.

The Master District Contract also requires each MUD Participant to make annual contract payments ("Water, Sewer and Drainage Contract Payment") in an amount equal to its pro rata share of annual debt service on the Master District's outstanding and future contract revenue bonds issued for the purpose of constructing or acquiring Master District System Facilities for the purpose of paying the debt service payments on such bonds ("Contract Revenue Bonds") plus all charges and expenses of paying agents and registrars and all amounts required to establish and maintain certain funds based upon the gross certified assessed valuation of each such Participant as a percentage of the total gross certified assessed valuation of all MUD Participants. Additionally, the Master District Contract requires each MUD Participant to make annual contract payments for Master District Road Facilities ("Road Contract Payments") in an amount equal to its pro rata share of annual debt service on the Master District's outstanding and future contract revenue bonds issued for the purpose of constructing or acquiring Master District Road Facilities for the purpose of paying the debt service payments on such bonds ("Contract Revenue Road Bonds") plus all charges and expenses of paying agents and registrars and all amounts required to establish and maintain certain funds based upon the gross certified assessed valuation of each such MUD Participant as a percentage of the total gross certified assessed valuation of all MUD Participants. MUD Participants are obligated to pay Water, Sewer and Drainage Contract Payments and Road Contract Payments to the Master District from the proceeds of an annual unlimited ad valorem tax levied for such purpose or from any other lawful available source of funds.

Water, Sewer and Drainage Contract Payments (all of which are derived from the Water, Sewer and Drainage Contract Tax or other legally available funds of a MUD Participant) are not pledged for and are not available to be used to make Road Contract Payments. Road Contract Payments (all of which are derived from the Road Contract Tax or other legally available funds of a MUD Participant) are not pledged for and are not available to be used to make Water, Sewer and Drainage Contract Payments.

The Master District Contract defines and obligates the MUD Participants to pay a Monthly Charge for each active connection and all of the operation and maintenance of the Master District Facilities and to provide for an operation and maintenance reserve in the Master District General Fund equivalent to three months of operation and maintenance expenses for the Master District Facilities. The Master District has leased a temporary wastewater treatment plant and

those monthly payments are included in the Monthly Charge. Each MUD Participant's share of operation and maintenance expenses and reserve requirements is calculated and expressed in terms of costs per equivalent single-family residential connection. The MUD Participant's monthly payment for operation and maintenance or Monthly Charge is calculated by multiplying the number of equivalent single-family residential connections reserved to the MUD Participant on the first day of the previous month by the Monthly Charge. The Master District may calculate the Monthly Charge at any time, but has previously established the Monthly Charge while adopting its annual budget. Currently, the Monthly Charge is $250 per single family equivalent connection.

THE MASTER DISTRICT AND THE SERVICE AREA

General

The Master District is a municipal utility district created by the Texas Legislature on June 19, 2009. The rights, powers, privileges, authority and functions of the Master District are established by Chapter 8334 of the Texas Special District Local Laws Code and the general laws of the State of Texas pertaining to utility districts, including Article XVI, Section 59 of the Texas Constitution, Article III, Section 52 of the Texas Constitution, and Chapters 49 and 54 of the Texas Water Code, as amended.

The Master District is empowered, among other things, to purchase and construct all works, improvements, facilities and plants necessary to be the provider of regional water, sanitary sewer, drainage, park/recreational and road facilities. The Master District will operate and maintain those Master District Facilities for operation (including park/recreational facilities, detention pond and drainage ditch facilities, and non-potable water facilities).

The TCEQ exercises continuing supervisory jurisdiction over the MUD Participants. In order to obtain the consent for creation of the MUD Participants from the City of Houston, within whose extraterritorial jurisdiction the MUD Participants lie, each MUD Participant is required to observe certain requirements of the City of Houston which (1) limit the purposes for which the MUD Participants may sell bonds for the acquisition, construction, and improvement of waterworks, wastewater, drainage, park and road facilities, (2) require approval by the City of Houston of MUD Participants' construction plans, and (3) permit connections only to single-family lots and commercial or multi-family/commercial platted reserves which have been approved by the Planning Commission of the City of Houston. Construction and operation of the Master District Facilities is subject to the regulatory jurisdiction of additional governmental agencies. See "MASTER DISTRICT FACILITIES – Regulation."

Description and Location

MUD 478 encompasses approximately 8.54 acres of land. The Master District Contract provides that the Master District has a Service Area of approximately 1254.44 acres, which is comprised of the land within MUD 478, MUD 477 and 478B. The Master District and its Service Area are located approximately 40 miles northwest of the central downtown business district of the City of Houston. The Master District and Service Area are located within Harris County. The Service Area lies wholly within the extraterritorial jurisdiction of the City of Houston, and within the boundaries of Waller Independent School District. Access to the Service Area is provided via U.S. Route 290 West. See "AERIAL PHOTOGRAPH."

Status of Development

JUBILEE

Single-Family Residential: Development in the Service Area currently consists of residential development within MUD 477 and MUD 478B. As of September 25, 2026, there were 440 completed and occupied homes, 93 completed and unoccupied homes (19 of which are model homes), 109 homes under construction (65 homes are under contract for purchase and 44 homes are not under contract for purchase), and 345 vacant developed lots available for home construction on approximately 290.0 acres.

Multi-Family Residential: In addition to the development described above, at ultimate build out 10.9 acres in MUD 477 will be used for multi-family purposes.

Commercial Property: Approximately 48 acres of commercial land in MUD 477 have been provided with trunk utilities and approximately 10 acres are being allocated for commercial land in MUD 478B. Approximately 1.7 acres

in MUD 477 have vertical construction for a daycare site, and the remaining 56.3 acres do not have any vertical development to date.

Recreational Facilities: Approximately 4.6 acres of land in MUD 477 contain the Joy Hub Recreation Center which includes a pool, a working lounge, splash pad, and an event lawn. Approximately 8 acres of land in MUD 478B will be used for recreational facilities but currently does not have any vertical construction.

Tax-Exempt Property: Waller Independent School District owns approximately 16.1 acres of land in MUD 477 and approximately 143.3 acres of land in MUD 478B that are exempt from the payment of ad valorem taxes. No improvements have been constructed to date in MUD 477 but construction started in January 2026 in MUD 478B for the High School and Junior High joint complex site, which is expected to be completed in 2028.

Additionally, there are approximately 349.1 developable acres that have not been provided with water distribution, wastewater collection and storm drainage facilities and approximately 208.7 acres that are currently considered not developable. See "RISK FACTORS – Undeveloped Acreage and Vacant Lots."

HOCKLEY MEADOWS

Single-Family Residential: Development in the Service Area currently consists of residential development within MUD 477. As of September 25, 2026, there were 36 completed and occupied homes, 2 model homes, 29 homes under construction (22 of which are not under contract for purchase), and 122 vacant developed lots available for home construction on approximately 51.1 acres.

Recreational Facilities: Approximately 3.1 acres of land in MUD 477 contain the Recreation Center which includes a pool, a working lounge, splash pad, and an event lawn.

Additionally, there are approximately 72.4 developable acres that have not been provided with water distribution, wastewater collection and storm drainage facilities and approximately 39.1 acres that are currently considered not developable. See "RISK FACTORS – Undeveloped Acreage and Vacant Lots."

Homebuilding

Current homebuilders in the Service Area include Chesmar Homes, Coventry Homes, David Weekley Homes, Highland Homes, Newmark Homes, Perry Homes, Tri Pointe Homes, Westin Homes, Taylor Morrison Homes, J. Patrick Homes and Beazer Homes. New homes in Jubilee range in price from approximately $300,000 to more than $1,000,000. New homes in Hockley Meadows range in price from approximately $305,000 to $360,000.

Land Use

The Service Area currently includes 1,176 single-family residential lots developed on approximately 341.1 acres, approximately 421.5 developable acres that have not been provided with water distribution, wastewater collection and storm drainage facilities, approximately 10.9 acres planned for multi-family use, approximately 58.0 acres of commercial development, approximately 15.7 acres for a recreational facility, approximately 159.4 acres for a school site, and approximately 247.8 undevelopable acres that are currently considered not developable (public rights-of-way, drainage ditches, detention ponds, open spaces, easements, parks, utility sites and plant sites). The following tables represent a detailed breakdown of the current acreage and development in the Service Area as of September 25, 2026. The table on the following page has been provided by the Engineer and represents the current land use within the Service Area.

Land Use

Single Family Residential	Approximate Acres	Lots
Jubilee Section 1	8.2	15
Jubilee Section 2	35.7	93
Jubilee Section 3	27.7	43
Jubilee Section 4	10.6	26
Jubilee Section 5	11.2	58
Jubilee Section 6	8.4	41
Jubilee Section 7	11.0	65
Jubilee Section 8	13.8	54
Jubilee Section 9	24.9	98
Jubilee Section 10	33.4	98
Jubilee Section 11	21.1	67
Jubilee Section 12	12.3	71
Jubilee Section 13	12.1	45
Jubilee Section 14	14.5	54
Jubilee Section 15	13.3	35
Jubilee Section 16	15.5	61
Jubilee Section 18	16.3	63
Hockley Meadows Section 1	17.0	89
Hockley Meadows Section 2	10.4	4
Hockley Meadows Section 3	23.7	96
Subtotal	**341.1**	**1,176**
Future Development (a)……	421.5	
Multi-Family……	10.9	
Commercial….....	58.0	
Recreational Facilities……	15.7	
School Site (Tax-Exempt)……	159.4	
Undevelopable (b) (c)……	247.8	
Total	**1,254.4**	

(a) Approximately 317 acres in MUD 478B are currently being developed for single-family residential lots.
(b) This includes public rights-of-way, drainage ditches, detention ponds, open spaces, easements, parks, utility sites and plant sites.
(c) All of the approximate 8.54 acres in MUD 478 will not be used for development.

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MANAGEMENT

Board of Directors

The Master District is governed by the Board of Directors (the "Board"), consisting of five directors, which has control over and management supervision of all affairs of the Master District, including responsibilities related to MUD 478 and as Master District. Directors are elected to four-year terms and elections may be held May in even numbered years only. None of the members of the Board resides in the Master District. Each of the members owns land within the MUD 478, subject to a note and deed of trust in favor of the Developers. Directors have staggered four-year terms. The current members of the Board along with their titles and terms are listed as follows:

Name	District Board Title	Term Expires
Vanessa Rodriguez	President	May 2028
Lawrence Dean	Vice President	May 2030
Julie Kveton	Secretary	May 2028
Mark Landreneau	Assistant Vice President	May 2030
Mike Yu	Assistant Secretary	May 2030

While the Master District does not employ any full-time employees, it has contracted for certain services as follows:

Tax Assessor/Collector

Land and improvements within the Service Area are appraised for ad valorem taxation purposes by the Appraisal District. The Master District's Tax Assessor/Collector is contracted with the Board of Directors of the Master District. Tax Tech Incorporated is currently serving in this capacity for the Master District.

Bookkeeper

The Master District has engaged Myrtle Cruz, Inc. to serve as the Master District's bookkeeper.

Engineer

The consulting engineer for the Master District in connection with the design and construction of the Master District's facilities is LJA, Inc. (the "Engineer").

Attorney

The Master District has engaged Allen Boone Humphries Robinson LLP as general counsel to the Master District and as bond counsel ("Bond Counsel") in connection with the issuance of the Master District's bonds. The legal fees to be paid to Bond Counsel for services rendered in connection with the issuance of the Bonds are based on a percentage of the Bonds actually issued, sold and delivered and, therefore, such fees are contingent upon the sale and delivery of the Bonds.

Disclosure Counsel

The Master District has engaged Orrick, Herrington & Sutcliffe LLP as disclosure counsel ("Disclosure Counsel") in connection with the issuance of the Bonds. The fees to be paid to Disclosure Counsel in connection with the issuance of the Bonds are contingent upon the sale and delivery of the Bonds

Financial Advisor

Post Oak Municipal Advisors LLC (the "Financial Advisor") serves as financial advisor to the Master District. The fee to be paid the Financial Advisor is contingent upon sale and delivery of the Bonds. An employee of the Financial Advisor is directly related to the President and Chief Executive Officer of JDC. There are no client relationships between the Financial Advisor and 290 Holdings or JDC.

Auditor

The Master District retains an independent auditor to audit the Master District's financial statements annually, which annual audit is filed with the TCEQ. A copy of the Master District's audit prepared by McCall Gibson Swedlund Barfoot Ellis PLLC for the fiscal year ended February 28, 2026, is included as "APPENDIX B" to this Official Statement.

THE DEVELOPERS

Role of a Developer

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

The Developers

290 WR Holdings LP, a Texas Limited Partnership, ("290 Holdings") is the primary developer of land in the Service Area. 290 Holdings was created for the purpose of developing land in Jubilee. 290 Holdings is responsible for constructing the improvements to serve Jubilee and the Service Area and deliver finished lots to the homebuilders within Jubilee. 290 Holdings is an affiliate of Johnson Development Corp. ("JDC"). JDC is a land developer of residential and commercial properties across the country, and, since its establishment in 1975, 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: Cross Creek Ranch; Harvest Green; Jordan Ranch; Riverstone; Imperial; Fall Creek; Tuscan Lakes; Edgewater; Woodforest; Harmony; Grand Central Park; Sienna; Veranda; Willow Creek Farms; Trinity Falls; and Viridian.

In addition, Taylor Morrison Homes of Texas, Inc., a Texas corporation, and a subsidiary of Taylor Morrison Home Corporation ("Taylor Morrison" and collectively with 290 Holdings, the "Developers"), annexed in 165.71 acres into the boundaries of MUD 477 and the Service Area. Taylor Morrison is marketing the acreage as Hockley Meadows. The stock of which is publicly traded on the New York Stock Exchange under the ticker symbol "TMHC". Taylor Morrison is also the homebuilder on such acreage. For more information, visit www.taylormorrison.com.

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 Service Area will occur, construction of taxable improvements upon property within the Service Area will occur, or that marketing or leasing of taxable improvements constructed upon property within the Service Area will be successful. Circumstances surrounding development within the Service Area 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.

Neither the Developers nor any of its affiliates, is obligated to pay principal of or interest on the Bonds. Prospective purchasers are encouraged to investigate Jubilee and Hockley Meadows in order to acquaint themselves with the nature of development that has occurred or is occurring within the boundaries of the Service Area. See "RISK FACTORS."

Developer Financing

In February of 2026, 290 Holdings assigned their portion of bond receivables from the MUD Participants to Woodforest National Bank.

MASTER DISTRICT FACILITIES

Regulation

According to the Engineer, the Master District Facilities have been designed in accordance with accepted engineering practices and the requirements of all governmental agencies having regulatory or supervisory jurisdiction over the construction and operation of such facilities including, among others, the TCEQ, the Texas Department of Health, Harris County, Harris County Flood Control District, and the City of Houston. According to the Engineer, the design of all such completed facilities has been approved by all required governmental agencies.

Operation of the Master District System Facilities are subject to regulation by, among others, the Environmental Protection Agency and the TCEQ. In many cases, regulations promulgated by these agencies have become effective only recently and are subject to further development and revisions.

Master District Facilities

Water Supply Facilities: The Master District is responsible for planning and providing major water supply and distribution facilities to the MUD Participants within its Service Area. The potable water supply facilities constructed by or on behalf of the Master District and being operated by the Master District. The water supply facilities currently consist of one water plant, 850,000 gallons of ground storage capacity, 4,900 gallons per minute ("gpm") of booster pump capacity, pressure tank capacity of 50,000 gallons, and all related appurtenances. The major components of the Master District's water supply facilities have the capacity to serve approximately 2,450 equivalent single-family connections ("ESFCs"). According to the Master District's Engineer, the Master District has a current reserved capacity of 1,291 ESFCs for the MUD Participants and 757 active connections are being served by the water supply facilities.

In order to fully provide water supply to the Service Area, additional water supply facilities will need to be constructed from time to time to meet the water demands of the Service Area. By reserving capacity to the MUD Participants, the Master District assumes the responsibility to expand facilities as needed to provide service for reserved connections as they become active.

Wastewater Treatment Facilities: The Master District is responsible for planning and providing major wastewater collection and treatment facilities to the MUD Participants within its Service Area. The Master District phase I and phase II wastewater treatment facilities have been completed and are operated by the Master District. The wastewater treatment facilities currently consist of one plant ("Wastewater Plant") with a total capacity of 300,000 gallons per day ("GPD"). The wastewater treatment capacity at the Wastewater Plant will serve 1,000 ESFCs. The Master District is currently designing a 300,000 GPD expansion to the Wastewater Plant. Upon the completion of the phase III wastewater treatment plant, the total capacity will be 600,000 GPD and will be capable of serving 2,000 ESFCs. According to the Master District's Engineer, the Master District has reserved capacity for 1,291 ESFCs for the MUD Participants and 757 ESFCs are being served by the wastewater treatment facilities.

The MUD Participants will receive wastewater treatment service from the wastewater treatment plant leased from AUC Group, L.P. ("AUC"). Under the Lease Agreements, all capacity in the wastewater treatment plant will be reserved to serve the development within the Service Area. The residents of MUD 478, MUD 477 and 478B will receive wastewater treatment service from the wastewater treatment plant that is leased from AUC. The Master District entered into a lease agreements with AUC for phase I and phase II of the Wastewater Plant and is responsible for the monthly lease payments of $27,035 for the phase I wastewater treat plant and $7,140 for the phase II wastewater treatment plant totaling $34,175 which are due on the first day of each month for the 60-month term of the lease. These leases will provide 300,000 GPD capacity for the Wastewater Plant. MUD 478, MUD 477 and MUD 478B will finance their share of the lease payments via the Water, Sewer and Drainage Contract payments to the Master District.

In order to fully provide wastewater treatment for the Service Area, the wastewater treatment facilities will need to be expanded from time to time to meet the wastewater treatment demands of the Service Area. By reserving capacity to the MUD Participants, the Master District assumes the responsibility to expand facilities as needed to provide service for reserved connections as they become active.

Major Water Distribution and Wastewater Collection: Major water distribution facilities consist of waterlines ranging in size from 8-inch to 16-inch. These water distribution facilities supply water from the Master District Water System

to the internal facilities constructed by or on behalf of each MUD Participant. The major wastewater collection facilities include sanitary sewer lines ranging in size from 8-inch to 27-inch. These collection lines collect waste from the internal facilities constructed by or on behalf of each MUD Participant and transport it to the wastewater treatment facilities.

Master District Drainage: The Master District also provides the Service Area with drainage facilities, which include drainage channel facilities, detention pond facilities, and conveyance storm sewer lines ("Storm-Water Drainage Facilities"). The Master District is responsible for operation and maintenance of the Storm-Water Drainage Facilities.

The Service Area drains to stream K157-00-00. The Harris County Flood Control District ("HCFCD") is responsible for maintenance of stream K157-00.00.

In 2021, MUD 477, on behalf of the Master District, initiated three condemnation suits to obtain the right to drain developed flows from the Jubilee and Hockley Meadows developments to stream K-157-00.00. MUD 477 has settled two of the three condemnation suits. The remaining condemnation suit is continuing contesting the value of the taking. MUD 477 has deposited the original court determined valuation with the court registry and has the right of possession.

Master District Road Facilities: The Master District, in its capacity as the provider of facilities for regional arterial, collector and thoroughfare roads and improvements in aid thereof ("Master District Road Facilities") necessary to serve the Service Area, will construct the Master District Road Facilities. The major arterial, collector and thoroughfare roads necessary to serve the Service Area include, but are not limited to, Jubilee Haven Boulevard, Betka Road, Baethe Road, Joyful Life Drive, Hockley Mdws Drive and Honeybee Holw Lane. The major thoroughfare and collectors consist of stabilized curb and gutter, 7-inch, 8 inch, or 10-inch concrete pavement and includes bridges.

All roadways are designed and constructed in accordance with Harris County and City of Houston standards, rules and regulations. To date, Harris County has accepted the Master District Road Facilities for operation and maintenance and is responsible for operation and maintenance thereof. In the event Harris County were to fail to accept the Master District Road Facilities, the Master District is expected to include the cost of maintenance of same in the Master District's operation and maintenance expenses to be shared by the MUD Participants in accordance with the Master District Contract, and such cost could be significant.

These roads lie within the public right-of-way. In addition to the roadway, public utilities such as underground water, sewer, and drainage facilities are located within the right-of-way. The right-of-way is also shared by street lights, sidewalks and franchise utilities (power, gas, telephone and cable).

In addition to the Master District Road Facilities, internal roadways have been or are being constructed by the MUD Participants.

Master District Park Facilities: The Master District has and will continue construct Master District Park Facilities. The Master District will be responsible for the cost of operation and maintenance of Master District Park Facilities, which costs are shared by all MUD Participants based on the number of equivalent single-family connections reserved by each MUD Participant.

Internal Water Distribution, Wastewater Collection, and Storm Drainage Facilities

Internal water distribution, wastewater collection and storm drainage facilities have been constructed or are being constructed by the MUD Participants.

Storm Water Drainage Facilities and Flood Plain

Undeveloped land in the Service Area drains to Stream K157-00-00 and K160-00-00. Internal stormwater collection lines will be constructed for drainage system improvements to serve each MUD Participant's development and, will be conveyed to Harris County for operation and maintenance. This storm sewer system will serve all the MUD Participants' drainage area and will convey flows to several storm water detention basins owned and maintained by the Master District. The detention basins will ultimately drain to stream K157-00-00.

"Flood Insurance Rate Map" or "FIRM" means an official map of a community on which the Federal Emergency Management Agency (FEMA) has delineated the appropriate areas of flood hazards. The 1% chance of probable

inundation, also known as the 100-year flood plain, is depicted on these maps. The "100-year flood plain" (or 1% chance of probable inundation) as shown on the FIRM is the estimated geographical area that would be flooded by a rain storm of such intensity to statistically have a one percent chance of occurring in any given year. Generally speaking, homes must be built above the 100-year flood plain in order to meet local regulatory requirements and to be eligible for federal flood insurance. An engineering or regulatory determination that an area is above the 100-year flood plain is not an assurance that homes built in such area will not be flooded, and a number of neighborhoods in the greater Houston area that are above the 100-year flood plain have flooded multiple times in the last several years. According to the Engineer, approximately 0.13 acres in the Service Area are located within the 100-year flood plain. See "RISK FACTORS – Severe Weather."

Atlas 14

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

FINANCIAL INFORMATION CONCERNING THE MASTER DISTRICT AND THE MUD PARTICIPANTS (UNAUDITED)

Contract Revenue Bonds of the Master District		
Direct Debt (the Contract Revenue Bonds, including the Bonds)	$ 18,700,000	
Direct Debt (the Contract Revenue Road Bonds, including the Bonds)	9,600,000	
Estimated Overlapping Debt	35,578,088	(a)
Total Direct and Overlapping Debt	$ 63,878,088	
Assessed Valuation of the MUD Participants		
2026 Gross Certified Assessed Valuation	$ 219,807,068	(b)
Estimated Gross Assessed Valuation as of September 1, 2026	$ 312,150,683	(c) (d)
Service Area Ratios of Debt to:		
2026 Gross Certified Assessed Valuation	12.87%	
Estimated Gross Assessed Valuation as of September 1, 2026	9.07%	
Service Area Ratios of Debt and Estimated Overlapping Debt to:		
2026 Gross Certified Assessed Valuation	29.06%	
Estimated Gross Assessed Valuation as of September 1, 2026	20.46%	
Master District Debt Service Funds Available as of September 25, 2026:		
Contract Revenue Water, Sewer, and Drainage Debt Service Fund Balance	$307,632	(e) (f)
Contract Revenue Road Debt Service Fund Balance	$469,080	(e) (f)
Debt Service Requirements (the Outstanding Bonds and the Bonds):		
Combined Average Annual Debt Service Requirements (2027-2052)	$1,973,373	(g)
Combined Maximum Annual Debt Service Requirements (2050)	$2,068,219	(g)
Master District Capital Projects Funds Available as of September 25, 2026:		
Water, Sewer, and Drainage Capital Projects Fund Balance	$9,204	
Road Capital Projects Fund Balance	$32,704	(h)
Master District General Fund Funds Available as of September 25, 2026:		
General Fund Balance	$423,846	(i)

(a) See "Estimated Overlapping Debt" herein. Includes $3,750,000 of unlimited tax road bonds for MUD 477 that are expected to sell contemporaneously with this issuance.

(b) Includes $183,456,009 and $15,965,486 of certified value as provided by the Appraisal District for MUD 477 and MUD 478B, respectively. The value also includes 85% of the uncertified value provided by the Appraisal District for MUD 477 and MUD 478B. See "TAXING PROCEDURES."

(c) The Appraisal District has provided an Estimated Gross Assessed Valuation as of September 1, 2026 for informational purposes for MUD 477, which was calculated by updating the 2026 Gross Certified Assessed Valuation provided by the Appraisal District to add the estimated

value of improvements constructed from January 1, 2026, to September 1, 2026. This estimate has no official status. Taxes are levied based on value as certified by the Appraisal District as of January 1 of each year, and, therefore, this estimate will not be the basis for any tax levy by MUD 477.

(d) The Appraisal District has provided an Estimated Gross Assessed Valuation as of July 1, 2026, for informational purposes for MUD 478B and the Master District, which was calculated by updating the 2026 Gross Certified Assessed Valuation provided by the Appraisal District to add the estimated value of improvements constructed from January 1, 2026, to July 1, 2026. These estimates have no official status. Taxes are levied based on value as certified by the Appraisal District as of January 1 of each year, and, therefore, these estimates will not be the basis for any tax levy by any of the MUD Participants. An estimate of value as of September 1, 2026, was not requested for MUD 478B and the Master District.

(e) Accrued interest and twelve (12) months of capitalized interest will be deposited to the Contract Revenue Water, Sewer and Drainage Debt Service Fund and the Contract Revenue Road Debt Service Fund. See "USE AND DISTRIBUTION OF SERIES 2026 CONTRACT REVENUE BOND PROCEEDS" and "USE AND DISTRIBUTION OF SERIES 2026A CONTRACT REVENUE ROAD BOND PROCEEDS." Neither Texas law nor the Bond Resolutions require the Master District to maintain any minimum balance in the Contract Revenue Debt Service Funds.

(f) All of the Master District's contract revenue bond debt is payable from contract taxes as follows: the Water, Sewer, and Drainage Contract Tax with respect to the Contract Revenue Bonds and the Road Contract Tax with respect to the Contract Revenue Road Bonds. The revenues from the Water, Sewer, Drainage Contract Tax will be allocated to Contract Revenue Bonds, including the Bonds and the outstanding Contract Revenue Bonds and the Road Contract Tax will be allocated to the Contract Revenue Road Bonds, including the Bonds and the outstanding Contract Revenue Road Bonds. (See "FINANCIAL INFORMATION CONCERNING THE MASTER DISTRICT AND THE MUD PARTICIPANTS (UNAUDITED)—Outstanding Bonds"). The Water, Sewer and Drainage Debt Service Fund is not pledged to the Contract Revenue Road Bonds or any Contract Revenue Road Bonds nor will funds deposited into the Road Debt Service Fund be pledged to the Contract Revenue Bonds or any Contract Revenue Bonds. See "USE AND DISTRIBUTION OF SERIES 2026 CONTRACT REVENUE BOND PROCEEDS" and "USE AND DISTRIBUTION OF SERIES 2026A CONTRACT REVENUE ROAD BOND PROCEEDS."

(g) Each MUD Participant is obligated to pay a pro rata share of annual debt service on the Contract Revenue Bonds by the dates specified by the Master District. See "THE BONDS – Contract Payments by the MUD Participants—Unconditional Obligation to Pay" and "MASTER DISTRICT CONTRACT." The Master District has specified April 1 and October 1 as the dates by which the MUD Participants are required to pay contract payments that are due for Contract Revenue Bonds.

(h) $30,000 in surplus funds of such balance will be applied to the projects financed by the Bonds at closing. See "USE AND DISTRIBUTION OF SERIES 2026A CONTRACT REVENUE ROAD BOND PROCEEDS."

(i) See "Risk Factors – General Funds."

MUD Participants' Gross Certified Assessed Value as a Percentage of all MUD Participants

MUD Participants	2026 Gross Certified Assessed Valuation	Estimated Gross Assessed Valuation as of 9/1/2026		% of Estimated Gross Assessed Valuation as of 9/1/2026
MUD 477	$ 203,758,251	$ 296,988,438	(a)	95.14%
MUD 478B	$ 16,044,917	$ 15,158,344	(b)	4.86%
MUD 478	$ 3,901	$ 3,901	(b)	0.00%
	$ 219,807,068	$ 312,150,683		100.00%

(a) The Appraisal District has provided an Estimated Gross Assessed Valuation as of September 1, 2026, for informational purposes for MUD 477, which was calculated by updating the 2026 Gross Certified Assessed Valuation provided by the Appraisal District to add the estimated value of improvements constructed from January 1, 2026, to September 1, 2026. This estimate has no official status. Taxes are levied based on value as certified by the Appraisal District as of January 1 of each year, and, therefore, this estimate will not be the basis for any tax levy by MUD 477.

(b) The Appraisal District has provided an Estimated Gross Assessed Valuation as of July 1, 2026, for informational purposes for MUD 478B and the Master District, which was calculated by updating the 2026 Gross Certified Assessed Valuation provided by the Appraisal District to add the estimated value of improvements constructed from January 1, 2026, to July 1, 2026. These estimates have no official status. Taxes are levied based on value as certified by the Appraisal District as of January 1 of each year, and, therefore, these estimates will not be the basis for any tax levy by any of the MUD Participants. An estimate of value as of September 1, 2026, was not requested for MUD 478B and the Master District.

Outstanding Bonds

Series	Principal Amount	Outstanding as of September 25, 2026
2025 Contract Revenue Road Bonds	$4,500,000	$4,500,000
2025A Contract Revenue Bonds	$5,200,000	$5,200,000
2025B Contract Revenue Road Bonds	$3,000,000	$3,000,000
		$12,700,000

Estimated Overlapping Debt Statement

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

Taxing Jurisdiction	Outstanding Bonds	As of	Overlapping Percent	Overlapping Amount
Harris County	$ 2,812,264,736	08/31/26	0.03%	$ 898,191
Harris County Department of Education	28,960,000	08/31/26	0.03%	9,245
Harris County Flood Control District	1,015,600,000	08/31/26	0.03%	331,252
Harris County Hospital Dstrict	1,644,825,000	08/31/26	0.03%	536,402
Harris County MUD 477	6,750,000 (a)	08/31/26	100.00%	6,750,000
Port of Houston Authority	386,074,397	08/31/26	0.03%	125,948
Waller-Harris ESD No. 200	0	08/31/26	1.15%	-
Waller ISD	1,079,320,000	08/31/26	2.49%	26,927,050
Total Estimated Overlapping Debt				$ 35,578,088
The Master District	$ 28,300,000 (b)	Current	100.00%	28,300,000
Total Direct and Estimated Overlapping Debt (a)				$ 63,878,088
Ratios of Total Direct and Estimated Overlapping Debt in the Service Area to:				
2026 Gross Certified Assessed Valuation				29.06%
Estimated Gross Assessed Valuation as of September 1, 2026				20.46%

(a) MUD 477 expects to issue $3,750,000 of unlimited tax road bonds contemporaneously with this issuance.
(b) Includes the Bonds and the Outstanding Bonds.

Overlapping Tax Rates for 2026

	2026 Tax Rate per $100 of Taxable Assessed Valuation
Harris County	$ 0.417500
Harris County Department of Education	0.004797
Harris County Flood Control District	0.052660
Harris County Hospital District	0.195280
Port of Houston Authority	0.006030
Waller-Harris ESD No. 200	0.100000
Waller ISD	1.052800
MUD Participant (a)	1.500000
Total Tax Rate	$ 3.329067

(a) Represents the highest total tax rate for any of the MUD Participants.

Debt Service Requirements

The following table sets forth the combined debt service on the Outstanding Bonds plus the debt service requirements for the Series 2026 Contract Revenue Bonds and Series 2026A Contract Revenue Road Bonds. This schedule does not reflect the fact that twelve (12) months of interest will be capitalized from the Series 2026 Contract Revenue Bonds and Series 2026A Contract Revenue Road Bond proceeds.

Calendar	Outstanding	Series 2026 Contract Revenue Bonds			Series 2026A Contract Revenue Road Bonds			Total Debt
Year	Debt Service	Principal	Interest	Total	Principal	Interest	Total	Service
2026	$ 881,995							$ 881,995
2027	895,200	$ -	$ 811,207	$ 811,207	$ -	$ 121,122	$ 121,122	1,827,529
2028	890,781	265,000	748,806	1,013,806	40,000	111,805	151,805	2,056,392
2029	885,450	280,000	728,931	1,008,931	45,000	109,965	154,965	2,049,346
2030	878,906	295,000	707,931	1,002,931	45,000	107,895	152,895	2,034,732
2031	871,306	310,000	685,806	995,806	50,000	105,825	155,825	2,022,937
2032	869,144	325,000	662,556	987,556	50,000	103,525	153,525	2,010,225
2033	878,169	345,000	638,588	983,588	55,000	101,225	156,225	2,017,981
2034	870,669	365,000	621,338	986,338	55,000	98,640	153,640	2,010,646
2035	872,706	385,000	603,088	988,088	60,000	96,000	156,000	2,016,794
2036	878,800	405,000	583,838	988,838	65,000	93,060	158,060	2,025,698
2037	878,731	430,000	563,588	993,588	65,000	89,810	154,810	2,027,129
2038	882,719	450,000	542,088	992,088	70,000	86,495	156,495	2,031,301
2039	885,544	475,000	519,025	994,025	75,000	82,855	157,855	2,037,424
2040	886,944	500,000	494,681	994,681	80,000	78,880	158,880	2,040,505
2041	887,150	530,000	469,056	999,056	85,000	74,560	159,560	2,045,766
2042	886,181	560,000	441,231	1,001,231	85,000	69,970	154,970	2,042,383
2043	894,038	590,000	411,831	1,001,831	90,000	65,295	155,295	2,051,164
2044	890,231	620,000	380,119	1,000,119	95,000	60,345	155,345	2,045,695
2045	900,250	655,000	346,794	1,001,794	100,000	55,120	155,120	2,057,164
2046	898,388	690,000	311,588	1,001,588	105,000	49,620	154,620	2,054,595
2047	895,100	730,000	274,500	1,004,500	115,000	43,845	158,845	2,058,445
2048	905,400	770,000	235,263	1,005,263	120,000	37,520	157,520	2,068,183
2049	903,569	810,000	193,875	1,003,875	125,000	30,800	155,800	2,063,244
2050	905,094	855,000	149,325	1,004,325	135,000	23,800	158,800	2,068,219
2051	214,738	905,000	102,300	1,007,300	140,000	16,240	156,240	1,378,278
2052		955,000	52,525	1,007,525	150,000	8,400	158,400	1,165,925
Total	$ 22,387,201	$13,500,000	$12,279,876	$24,772,351	$ 2,100,000	$ 1,922,617	$ 3,864,217	$52,189,694

Combined Average Annual Debt Service Requirements (2027-2052)..... $ 1,973,373

Combined Maximum Annual Debt Service Requirements (2050)..... $ 2,068,219

General Fund Statement

The following statement sets forth in condensed form the General Fund for the Master District, as shown in the Master District's audited financial statements as the General Fund for the fiscal years ended February 28 in years 2026 and 2025, audited financials statements for the fiscal year ended February 29, 2024, and an unaudited summary for the six-month period ended August 31, 2026, provided by the Bookkeeper. Such figures are included for informational purposes only. See "APPENDIX B" for further and complete information.

		Fiscal Year Ended February 28		
	3/1/2026 8/31/2026 (a)	2026	2025	2024 (b)
Revenues:				
Water Service	$ 177,051	$ 330,482	$ 132,722	$ -
Capacity Reservation Fees	936,250	1,677,000	375,750	-
Investment Revenues	2,890	2,002	476	-
Total Revenues	$ 1,116,191	$ 2,009,484	$ 508,948	$ -
Expenditures:				
Professional Fees	$ 294,511	$ 618,152	$ 173,133	$ 99,662
Contracted Services	40,137	67,327	24,566	14,275
Purchased Wastewater Service	-	-	31,500	3,500
Utilities	66,004	90,153	32,242	-
Water Authority Assessments	284,378	356,515	131,873	4,772
Repairs and Maintenance	215,110	250,602	101,014	5,819
Other	24,773	577,109	39,750	13,543
Lease Payments	205,050	331,560	-	-
Settlement Payments	500,000	3,000,000	3,000,000	-
Total Expenditures	$ 1,629,963	$ 5,291,418	$ 3,534,078	$ 141,571
Excess (Deficiency) of Revenues Over Expenditures	$ (513,773)	$ (3,281,934)	$ (3,025,130)	$ (141,571)
Other Financing Sources (Uses)				
Developer Advances	$ 500,000	$ 3,680,000	$ 3,200,000	$ 185,000
Total Other Financing Sources	$ 500,000	$ 3,680,000	$ 3,200,000	$ 185,000
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	$ (13,773)	$ 398,066	$ 174,870	$ 43,429
Beginning Fund Balance	$ 616,365	$ 218,299	$ 43,429	$ -
Ending Fund Balance	$ 602,592	$ 616,365	$ 218,299	$ 43,429

(a) Unaudited, Provided by the Master District's Bookkeeper.
(b) Fiscal year ended February 29, 2024.

TAX DATA

Contract Tax

The Master District, has the authority to issue Contract Revenue Bonds. Each MUD Participant's pro rata share of the annual debt service requirements on the Contract Revenue Bonds shall be determined annually by dividing each of such MUD Participant's certified appraised value by the total of all the MUD Participants' certified appraised value.

The Master District Contract obligates each MUD Participant to pay its pro rata share of debt service requirements on the Contract Revenue Bonds from the proceeds of an annual unlimited ad valorem tax levied by each MUD Participant, from revenues, if any, derived from the operation of its water distribution and wastewater collection system, or from any other legally available funds. The debt service requirement shall include principal, interest and redemption requirements on the Contract Revenue Bonds, charges and expenses of paying agents/registrars, and all amounts necessary to establish and maintain funds established under the resolution(s) pursuant to which the Contract Revenue Bonds are issued. Until the MUD Participants levy a Contract Tax, Contract Payments will be paid from operating funds advanced by the Developers.

Tax Roll Information

The MUD Participants assessed value as of January 1 of each year will be used by the Master District to establish the Water, Sewer, Drainage Contract Payments and Road Contract Payment and recommending the Water, Sewer and Drainage Contract Tax Rate and the Road Contract Tax Rate, collectively the Contract Tax Rate (the "Contract Tax Rate"). The following represents the 2026, 2025, 2024 and 2023 Gross Certified Assessed Valuation of the MUD Participants. Historical tax roll information concerning each MUD Participant is included in APPENDIX A herein.

MUD Participants	MUD Participant 2026 Gross Certified Assessed Valuation	MUD Participant 2025 Gross Certified Assessed Valuation	MUD Participant 2024 Gross Certified Assessed Valuation	MUD Participant 2023 Gross Certified Assessed Valuation
MUD 477	$ 203,758,251	$ 93,144,226	$ 20,788,622	$ 6,883,149
MUD 478B	16,044,917	-	-	-
MUD 478	3,901	4,204	35,076	-
	$ 219,807,068 (a)	$ 93,148,430	$ 20,823,698	$ 6,883,149

(a) Includes $183,456,009 and $15,965,486 of certified value as provided by the Appraisal District for MUD 477 and MUD 478B, respectively. The value also includes 85% of the uncertified value provided by the Appraisal District for MUD 477 and MUD 478B. See "TAXING PROCEDURES."

Principal Taxpayers

The following are the principal taxpayers within the Service Area as shown on each MUD Participant's gross certified appraisal rolls for the 2026 tax year.

Taxpayer	Type of Property	2026 Gross Certified Assessed Valuation	% of 2026 Gross Certified Assessed Valuation
290 Holdings LP (a)	Land & Impovements	$ 24,973,741	11.36%
Newmark Homes Houston LLC (b)	Land & Improvements	6,935,736	3.16%
Chesmar Homes LLC (b)	Land & Improvements	5,802,072	2.64%
Perry Homes LLC (b)	Land & Improvements	4,307,078	1.96%
Taylor Morrison of Texas Inc. (a) (b)	Land & Improvements	4,240,372	1.93%
J Patrick Homes LTD (b)	Land & Improvements	3,659,778	1.66%
Highland Homes Houston LLC (b)	Land & Improvements	3,400,228	1.55%
Tri Pointe Homes Texas Inc. (b)	Land & Improvements	3,164,384	1.44%
Weekley Homes LLC (b)	Land & Improvements	2,675,285	1.22%
Westin Homes LLC (b)	Land & Improvements	2,041,789	0.93%
Total for Principal Taxpayers		$ 61,200,463	27.84%

(a) See "THE DEVELOPERS."
(b) See "THE MASTER DISTRICT AND THE SERVICE AREA – Homebuilders."

Tax Adequacy for Debt Service

The Contract Tax (comprised of the Water, Sewer, and Drainage Contract Tax and the Road Contract Tax) rate calculations set forth below are presented to indicate the tax rates per $100 assessed valuation which would be required to meet the combined average annual and combined maximum annual debt service requirements if no growth in the MUD Participants' tax base occurred beyond the 2026 Gross Certified Assessed Valuation or the Estimated Gross Assessed Valuation as of September 1, 2026. The calculations contained in the following table merely represent the tax rates required to pay principal and interest on the Bonds and the Outstanding Bonds when due, assuming no further increase or any decrease in taxable values of the MUD Participants, collection of ninety-five percent (95%) of taxes levied, the sale of no additional Contract Revenue Bonds by the Master District, and no other funds available for the payment of debt service. See "FINANCIAL INFORMATION CONCERNING THE MASTER DISTRICT AND THE MUD PARTICIPANTS (UNAUDITED) – Debt Service Requirements."

Combined average annual debt service requirement (2027-2052)……	$1,973,373
$0.95 tax rate on the 2026 Gross Certified Assessed Valuation of $219,807,068 at a 95% collection rate produces……..	$1,983,759
$0.67 tax rate on the Estimated Gross Assessed Valuation as of September 1, 2026 of $312,150,683 at a 95% collection rate produces……..	$1,986,839
Combined maximum annual debt service requirement (2050)……	$2,068,219
$1.00 tax rate on the 2026 Gross Certified Assessed Valuation of $219,807,068 at a 95% collection rate produces……..	$2,088,167
$0.70 tax rate on the Estimated Gross Assessed Valuation as of September 1, 2026 of $312,150,683 at a 95% collection rate produces……..	$2,075,802

TAX PROCEDURES

Authority to Levy Taxes

Each MUD Participant, including MUD 478, is authorized to levy an annual ad valorem tax, without legal limitation as to rate or amount, on all taxable property within its boundaries in an amount sufficient to pay the principal of and interest on the outstanding bonds issued by such MUD Participant, to pay its pro rata share of debt service requirements on the contract revenue bonds and contact revenue road bonds issued by the Master District, and to pay the expenses of assessing and collecting such taxes. Under Texas law, the board of directors of each MUD Participant may also levy and collect an annual ad valorem tax for the operation and maintenance of such MUD Participant and its facilities. See "RISK FACTORS – Future Debt" and "TAX DATA – Contract Tax."

Property Tax Code and County-Wide Appraisal District

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

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

Property Subject to Taxation by the MUD Participants

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

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

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

Residential Homestead Exemptions: The Property Tax Code authorizes the governing body of each political subdivision in the State to exempt up to 20% of the appraised value of residential homesteads from ad valorem taxation. Each MUD Participant is authorized by statute to disregard previously granted residential homestead exemptions if granting the exemption would impair the Master District's obligation to pay tax-supported debt incurred prior to adoption of the exemption by the MUD Participant. The adoption of a homestead exemption may be considered each year, but must be adopted by July 1. The MUD Participant's do not grant a residential homestead exemption at this time.

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

A "Goods-in-Transit" Exemption is applicable to goods, wares, merchandise, other tangible personal property, and ores, other than oil, natural gas, petroleum products, aircraft, dealer's motor vehicle inventory, dealer's vessel and outboard motor inventory, dealer's heavy equipment inventory, or retail manufactured housing inventory, if such property is acquired in or imported into Texas only if such property is to be forwarded to another location in or outside of Texas and is stored under a contract of bailment by a public warehouse operator at one or more public warehouse facilities in Texas that are not in any way owned or controlled by the owner of such property for the account of the person who acquired or imported such property, and is transported to another location in the state or outside of the state not later than 175 days after the date the person acquired the property in or imported the property into Texas. A property owner who receives the Goods-in-Transit Exemption is not eligible to receive the Freeport Exemption for the same property. Local taxing units such as the MUD Participant's may, by official action and after public hearing, tax goods-in-transit property. A taxing unit must exercise its option to tax goods-in-transit property before January 1 of the first tax year in which it proposes to tax the property at the time and in the manner prescribed by applicable law. The MUD Participants have taken official action to allow taxation of all such goods-in-transit personal property for all prior and subsequent years.

Tax Abatement

Harris County may designate all or part of the area within the Master District as a reinvestment zone. Thereafter, Harris County, and the MUD Participants, under certain circumstances, may enter into tax abatement agreements with owners of property within the zone. Prior to entering into a tax abatement agreement, each entity must adopt guidelines and criteria for establishing tax abatement, which each entity will follow in granting tax abatement to owners of property. The tax abatement agreements may exempt from ad valorem taxation by each of the applicable taxing jurisdictions, including any MUD Participant participating in the abatement agreement, for a period of up to ten (10) years, all or any part of any increase in the assessed valuation of property covered by the agreement over its assessed valuation in the year in which the agreement is executed on the condition that the property owner make specified improvements or repairs to the property in conformity with the terms of the tax abatement. Each taxing jurisdiction has discretion to determine terms for its tax abatement agreements without regard to the terms approved by the other taxing jurisdictions.

Valuation of Property for Taxation

Generally, property in the Service Area must be appraised by the Appraisal District at market value as of January 1 of each year. Once an appraisal roll is prepared and finally approved by the Appraisal Review Board, it is used by the MUD Participants in establishing their tax rolls and tax rates. Generally, assessments under the Property Tax Code are to be based on one hundred percent (100%) of market value, as such is defined in the Property Tax Code. In determining market value, either the replacement cost or the income or the market data method of valuation may be used, whichever is appropriate. Nevertheless, certain land may be appraised at less than market value under the Property Tax Code. Increases in the appraised value of residence homesteads are limited by the Texas Constitution to 10 percent annually regardless of the market value of the property.

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

The Property Tax Code requires the Appraisal District to implement a plan for periodic reappraisal of property to update appraisal values. The plan must provide for appraisal of all real property in the Appraisal District at least once every three (3) years. It is not known what frequency of reappraisal will be utilized by the Appraisal District or whether reappraisals will be conducted on a zone or county-wide basis. Each MUD Participant, however, at its expense has the right to obtain from the Appraisal District a current estimate of appraised values within the MUD Participant or

an estimate of any new property or improvements within the MUD Participant. While such current estimate of appraised values may serve to indicate the rate and extent of growth of taxable values within the MUD Participant, it cannot be used for establishing a tax rate within the MUD Participant until such time as the Appraisal District chooses formally to include such values on its appraisal roll.

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

During the 2nd Special Session, convened on June 27, 2023, the Texas Legislature passed Senate Bill 2 ("SB 2"), which, among other things, includes provisions that prohibit an appraisal district from increasing the appraised value of real property during the 2024 tax year on non-homestead properties (the "Subjected Property") whose appraised values are not more than $5,000,000 (the "Maximum Property Value") to an amount not to exceed the lesser of: (1) the market value of the Subjected Property for the most recent tax year that the market value was determined by the appraisal office or (2) the sum of: (a) 20 percent of the appraised value of the Subjected Property for the preceding tax year; (b) the appraised value of the Subjected Property for the preceding tax year; and (c) the market value of all new improvements to the Subjected Property. After the 2024 tax year, through December 31, 2026, the Appraisal Cap may be increased or decreased by the product of the preceding state fiscal year's increase or decrease in consumer price index, as applicable, to the Maximum Property Value. SB 2 was signed into law by the Governor on July 22, 2023. The provisions described hereinabove took effect January 1, 2024, after the constitutional amendment proposed by H.J.R. 2, 88th Legislature, 2nd Called Session, 2023, was approved by voters at an election held on November 7, 2023.

MUD Participant and Taxpayer Remedies

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

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

Levy and Collection of Taxes

Each MUD Participant is responsible for the levy and collection of its taxes unless it elects to transfer such functions to another governmental entity. The rate of taxation is set by the Board, after the legally required notice has been given to owners of property within the MUD Participant, based upon: a) the valuation of property within the MUD Participant as of the preceding January 1, and b) the amount required to be raised for debt service, maintenance purposes and authorized contractual obligations. Taxes are due October 1, or when billed, whichever comes later, and become delinquent if not paid before February 1 of the year following the year in which imposed. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent. Personal property incurs an additional 20% penalty on or after April 1 of the year in which the taxes became delinquent and real property incurs such additional penalty on July 1 of the year in which the taxes become delinquent. For those

taxes billed at a later date and that become delinquent on or after June 1, they will also incur an additional penalty for collection costs of an amount established by the MUD Participant and a delinquent tax attorney. The delinquent tax accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code makes provisions for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes under certain circumstances which, at the option of the MUD Participants, may be rejected. The Property Tax Code makes provisions for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes under certain circumstances which, at the option of the MUD Participants may be rejected by taxing units. A MUD Participant's tax collector is required to enter into an installment payment agreement with any person who is delinquent on the payment of tax on a residence homestead for payment of tax, penalties and interest, if the person requests an installment agreement and has not entered into an installment agreement with the collector in the preceding 24 months. The installment agreement must provide for payments to be made in monthly installments and must extend for a period of at least 12 months and no more than 36 months. Additionally, the owner of a residential homestead property who is (i) sixty-five (65) years of age or older, (ii) disabled, or (iii) a disabled veteran, is entitled by law to pay current taxes on a residential homestead in installments without penalty or to defer the payment of taxes during the time of ownership. In the instance of tax deferral, a tax lien remains on the property and interest continue to accrue during the period of deferral.

Additional Penalties

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

Tax Payment Installments After Disaster

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

Rollback of Operation and Maintenance Tax Rate

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

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

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

tax rate is not approved at the election, the total tax rate for a Developed District is the current year's debt service and contract tax rate plus 1.035 times the previous year's operation and maintenance tax rate plus any unused increment rates. In addition, if any part of a Developed District lies within an area declared for disaster by the Governor of Texas or President of the United States, alternative procedures and rate limitations may apply for a temporary period. If a district qualifies as both a Special Taxing Unit and a Developed District, the district will be subject to the operation and maintenance tax threshold applicable to Special Taxing Units.

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

The MUD Participants: For the 2026 tax year, each of the MUD Participants have been determined to be a Developing District. For future years, a determination as to each MUD Participant's status as a Special Taxing Unit, Developed District or Developing District will be made by each MUD Participant on an annual basis. The Master District cannot give any assurances as to what the MUD Participants' classifications will be at any point in time or whether the MUD Participants future tax rates will result in a total tax rate that will reclassify the MUD Participant into a new classification and new rollback election calculation.

MUD Participant's Rights in the Event of Tax Delinquencies

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

At any time after taxes on property become delinquent, a MUD Participant may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both, subject to the limitations set forth under "Levy and Collection of Taxes." In filing a suit to foreclose a tax lien on real property, a MUD Participant 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, and by taxpayer redemption rights. A taxpayer may redeem commercial property within six months and all other types of property within two (2) years after the purchaser's deed issued at the foreclosure sale is filed in the county records. A MUD Participant's ability to foreclose its tax lien or collect penalties or interest on delinquent taxes may be limited on property owned by a financial institution which is under receivership by the Federal Deposit Insurance Corporation pursuant to the Federal Deposit Insurance Act, 12 U.S.C. 1825, as amended. See "RISK FACTORS – General" and "RISK FACTORS – Tax Collection Limitations and Foreclosure Remedies."

LEGAL MATTERS

Legal Proceedings

Delivery of the Bonds will be accompanied by the approving legal opinion of the Attorney General of Texas to the effect that the Bonds are valid and legally binding obligations of the Master District under the Constitution and laws of the State of Texas, payable from the Contract Payments, and, based upon their examination of a transcript of certified proceedings relating to the issuance and sale of the Bonds, the approving legal opinion of Bond Counsel to a like effect and to the effect that, under existing law, interest on the Bonds (i) is excludable from gross income for federal income tax purposes under section 103 of the Code (as defined herein), and (ii) is not an item of tax preference for purposes of the alternative minimum tax on individuals.

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

Allen Boone Humphries Robinson LLP also serves as general counsel to the Master District on matters other than the issuance of bonds. The legal fees paid to Bond Counsel for services rendered in connection with the issuance of the Bonds are based on a percentage of the bonds actually issued, sold, and delivered and, therefore, such fees are contingent upon the sale and delivery of the Bonds. The legal fees paid to Allen Boone Humphries Robinson LLP in its capacity as General Counsel are based on time charges actually incurred.

Orrick, Herrington & Sutcliffe LLP, Houston, Texas serves as Disclosure Counsel to the Master District. The fee to be paid Disclosure Counsel for services rendered in connection with the issuance of the Bonds is contingent on the issuance, sale and delivery of the Bonds.

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

No Material Adverse Change

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

No-Litigation Certificate

The Master District will furnish the Initial Purchasers a certificate, executed by both the President or Vice President and Secretary or Assistant Secretary of the Board, and dated as of the date of delivery of the Bonds, to the effect that no litigation of any nature is pending or to its knowledge threatened, either in state or federal courts, contesting or attacking the Bonds; restraining or enjoining the levy, assessment and collection of ad valorem taxes to pay the interest or the principal of the Bonds; in any manner questioning the authority or proceedings for the issuance, execution or delivery of the Bonds; or affecting the validity of the Bonds or the title of the present officers of the Master District.

TAX MATTERS

THE FOLLOWING DISCUSSION OF CERTAIN FEDERAL INCOME TAX CONSIDERATIONS IS FOR GENERAL INFORMATION ONLY AND IS NOT TAX ADVICE. EACH PROSPECTIVE PURCHASER OF THE BONDS SHOULD CONSULT ITS OWN TAX ADVISOR AS TO THE TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF THE BONDS.

Tax Exemption

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

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

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

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

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

Additional Federal Income Tax Considerations

Collateral Tax Consequences

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

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

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

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

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

Tax Accounting Treatment of Original Issue Premium

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

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

Tax Accounting Treatment of Original Issue Discount

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

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

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

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

by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (ii) the amounts payable as current interest during such accrual period on such Bond.

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

Tax Legislative Changes

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

Not Qualified Tax-Exempt Obligations

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

SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Series 2026 Contract Revenue Bonds, the Master District accepted the bid resulting in the lowest net interest cost, which bid was tendered by SAMCO Capital Markets (the "Series 2026 Contract Revenue Bond Initial Purchaser") bearing the interest rates shown on the inside cover page hereof, at a price of 97.00188% of the principal amount thereof plus accrued interest to the date of delivery which resulted in a net effective interest rate of 5.599039% as calculated pursuant to Chapter 1204 of the Texas Government Code.

After requesting competitive bids for the Series 2026A Contract Revenue Roads Bonds, the Master District accepted the bid resulting in the lowest net interest cost, which bid was tendered by The GMS Group, LLC (the "Series 2026A Contract Revenue Roads Bond Initial Purchaser") bearing the interest rates shown on the inside cover page hereof, at a price of 97.00% of the principal amount thereof plus accrued interest to the date of delivery which resulted in a net effective interest rate of 5.636154% as calculated pursuant to Chapter 1204 of the Texas Government Code.

The Series 2026 Contract Revenue Bond Initial Purchaser and the 2026A Contract Revenue Roads Bond Initial Purchaser shall be collectively referred to herein as the "Initial Purchasers".

Prices and Marketability

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

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

Securities Laws

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

MUNICIPAL BOND RATING AND MUNICIPAL BOND INSURANCE

The Master District has not applied for an underlying rating, nor is it expected that the Master District would have received an investment grade rating if application had been made.

An application was made for municipal bond insurance, but the Master District did not qualify.

PREPARATION OF OFFICIAL STATEMENT

Sources and Compilation of Information

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

Financial Advisor

Post Oak Municipal Advisors LLC is employed as the Financial Advisor to the Master District to render certain professional services, including advising the Master District on a plan of financing and preparing the Official Statement, including the Official Notice of Sale and the Official Bid Form for the sale of the Bonds. In its capacity as Financial Advisor, Post Oak Municipal Advisors LLC has compiled and edited this Official Statement. In addition to compiling and editing, the Financial Advisor has obtained the information set forth herein under the caption indicated from the following sources:

> "THE MASTER DISTRICT AND THE SERVICE AREA" – 290 WR Holdings LP, Taylor Morrison Homes of Texas (the "Developers"), LJA, Inc. ("Engineer"), and Records of the Master District ("Records"); "THE DEVELOPERS" – the Developers; "USE AND DISTRIBUTION OF BOND PROCEEDS," "MASTER DISTRICT FACILITIES," – Engineer; "SELECTED FINANCIAL INFORMATION" – Harris Central Appraisal District, Tax Tech Incorporated, ("Tax Assessor/Collector") and Post Oak Municipal Advisors ("Financial Advisor"); "ESTIMATED OVERLAPPING DEBT STATEMENT" – Municipal Advisory Council of Texas and Financial Advisor; "TAX DATA" – Tax Assessor/Collector; "MANAGEMENT" – Records; "FINANCIAL INFORMATION CONCERNING THE MASTER DISTRICT AND THE MUD PARTICIPANTS (UNAUDITED) – Financial Advisor, Myrtle Cruz, Inc. ("Bookkeeper") Harris Central Appraisal District and Tax Assessor/Collector; "RISK FACTORS" – the Engineer, Financial Advisor, and Allen Boone Humphries Robinson LLP; "THE BONDS," "MASTER

DISTRICT CONTRACT," "TAX PROCEDURES," "LEGAL MATTERS," and "TAX MATTERS" – Allen Boone Humphries Robinson LLP.

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

Consultants

In approving this Official Statement, the Master District has relied upon the following consultants.

Engineer: The information contained in this Official Statement relating to engineering matters and to the description of the Master District Facilities and in particular that information included in the sections entitled "THE MASTER DISTRICT AND THE SERVICE AREA – General, Description and Location, Land Use," "USE AND DISTRIBUTION OF BOND PROCEEDS," "MASTER DISTRICT FACILITIES" and "RISK FACTORS – Severe Weather" has been provided by LJA, Inc. and has been included herein in reliance upon the authority of said firm as experts in the field of civil engineering.

Appraisal District: The information contained in this Official Statement relating to the assessed valuations has been provided by the Harris Central Appraisal District and has been included herein in reliance upon the authority of such entity as experts in assessing the values of property in Harris County, including the Service Area.

Tax Assessor/Collector: The information contained in this Official Statement relating to the historical breakdown of the Assessed Valuation, principal taxpayers, and certain other historical data concerning tax rates and tax collections has been provided by Tax Tech Incorporated. and is included herein in reliance upon the authority of such entity as experts in assessing and collecting taxes.

Auditor: The financial statements of the Master District as of February 28, 2026, included in this Official Statement, have been audited by McCall Gibson Swedlund Barfoot Ellis PLLC, independent auditors, as stated in their report appearing herein. See "APPENDIX B" for a copy of the Master District's February 28, 2026, audited financial statements.

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

Updating the Official Statement

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

Certification of Official Statement

The Master District, acting through its Board of Directors in its official capacity, hereby certifies, as of the date hereof, that the information, statements, and descriptions or any addenda, supplement and amendment thereto pertaining to the Master District and its affairs contained herein, to the best of its knowledge and belief, contain no untrue statement of a material fact and do not omit to state any material fact necessary to make the statements herein, in light of the

circumstances under which they are made, not misleading. With respect to information included in this Official Statement other than that relating to the Master District, the Master District has no reason to believe that such information contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements herein, in the light of the circumstances under which they are made, not misleading; however, the Board has made no independent investigation as to the accuracy or completeness of the information derived from sources other than the Master District. In rendering such certificate, the official executing this certificate may state that he has relied in part on his examination of records of the Master District relating to matters within his own area of responsibility, and his discussions with, or certificates or correspondence signed by, certain other officials, employees, consultants and representatives of the Master District.

CONTINUING DISCLOSURE OF INFORMATION

In the Bond Resolutions, the Master District has made the following agreement for the benefit of the registered and beneficial owners of the Bonds. The Master District is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds subject to amendment to or repeal of same as set forth below. Under the agreement, the Master District will be obligated to provide certain financial information and operating data annually, and timely notice of certain specified events, to the Municipal Securities Rulemaking Board ("MSRB"), or any successor to its functions as a repository, through its Electronic Municipal Market Access ("EMMA") system.

Annual Reports

The Master District will provide certain updated financial information and operating data to the MSRB through its EMMA System. The information to be updated with respect to the Master District includes all quantitative financial information and operating data of the general type included in this OFFICIAL STATEMENT under the headings "FINANCIAL INFORMATION CONCERNING THE MASTER DISTRICT AND THE MUD PARTICIPANTS (UNAUDITED)," "TAX DATA," and "APPENDIX A" (Certain Financial Information Regarding the MUD Participants) and "APPENDIX B" (Financial Statements of MUD Participants). The Master District will update and provide this information within six months after the end of each fiscal year ending in or after 2027.

Any information concerning the Master District provided shall be prepared in accordance with generally accepted auditing standards or other such principles as the Master District may be required to employ from time to time pursuant to state law or regulation, and audited if the audit report is completed within the period during which it must be provided. If the audit report of the Master District is not complete within such period, then the Master District shall provide unaudited financial statements for the applicable entity and fiscal year to the MSRB within such six month period, and audited financial statements when the audit report becomes available.

The Master District's current fiscal year end is February 28. Accordingly, it must provide updated information by August 31 each year, unless the Master District changes its fiscal year. If the Master District changes its fiscal year, it will notify the MSRB of the change.

Event Notices

The Master District will provide timely notices of certain specified events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten business days after the occurrence of an event. The Master District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of Beneficial Owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the Master District or other obligated person; (13) consummation of a merger, consolidation, or acquisition involving the Master District or other obligated person or the sale of all or substantially all of the assets of the Master District or other obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of an 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 Master District or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Master District or other obligated person, any of which affect Beneficial Owners of the Bonds, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Master District or other obligated person, any of which reflect financial difficulties. The terms "obligated person" and "financial obligation" when used in this paragraph shall have the meanings ascribed to them under SEC Rule 15c2-12 (the "Rule"). The term "material" when used in this paragraph shall have the meaning ascribed to it under the federal securities laws. Neither the Bonds nor the Bond Resolutions make any provision for debt service reserves or liquidity enhancement. In addition, the Master District will provide timely notice of any failure by the Master District to provide financial information, operating data, or financial statements in accordance with its agreement described above under "Annual Reports." The MUD Participants are "obligated persons" within the meaning of the Rule.

Availability of Information from MSRB

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

Limitations and Amendments

The Master District has agreed to update information and to provide notices of specified events only as described above. The Master 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 Master 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 Master District disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although Registered or Beneficial Owners of Bonds may seek a writ of mandamus to compel the Master District to comply with its agreement.

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

Compliance with Prior Undertakings

Since the Series 2025 issuance, the Master District has complied in all material respects with all its prior continuing disclosure agreements made in accordance with the Rule.

MISCELLANEOUS

The information set forth herein has been obtained from the Master 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 Harris County Municipal Utility District No. 478, as of the date shown on the cover page.

/s/ Vanessa Rodriguez
President, Board of Directors
Harris County Municipal Utility District No. 478

ATTEST:

/s/ Julie Kveton
Secretary, Board of Directors
Harris County Municipal Utility District No. 478

AERIAL PHOTOGRAPH

(Approximate boundaries of the Service Area as of 2026)



PHOTOGRAPHS

The following photographs were taken in the Service Area in October 2026, solely to illustrate the type of improvements which have been constructed in the Service Area. The Master District cannot predict if any additional improvements will be constructed in the future.

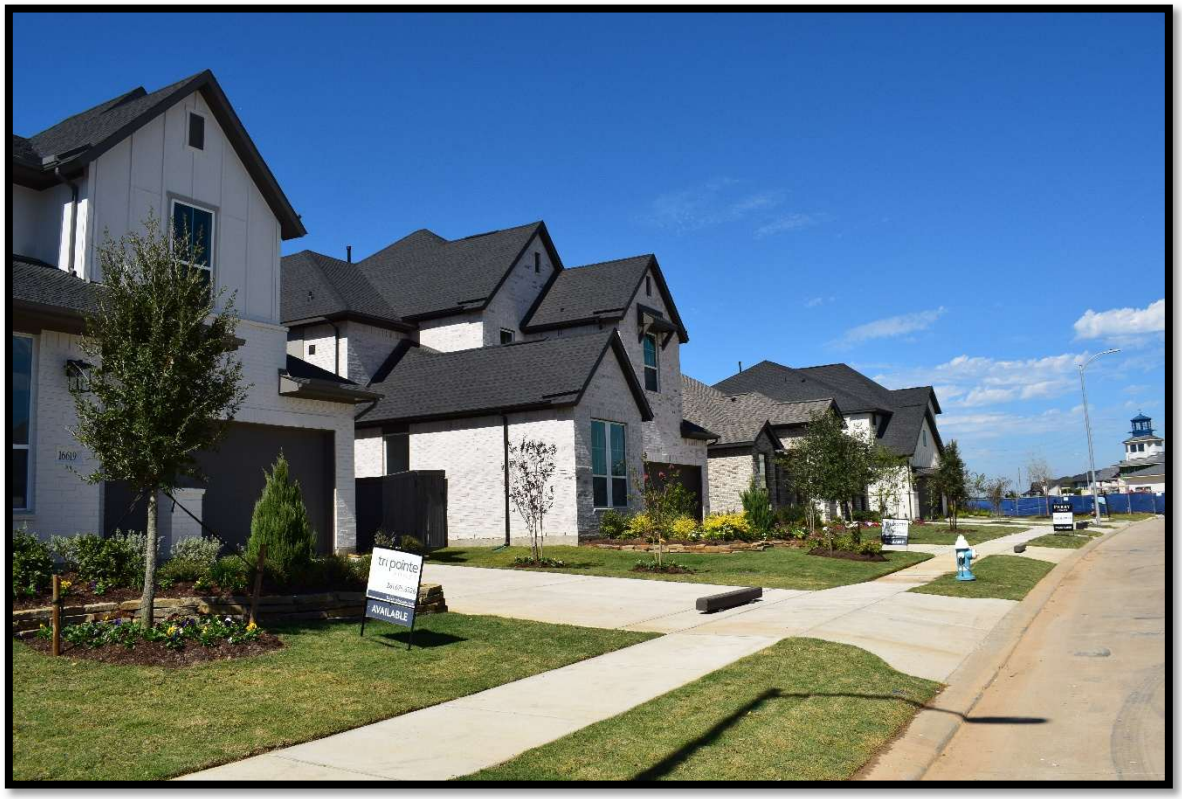


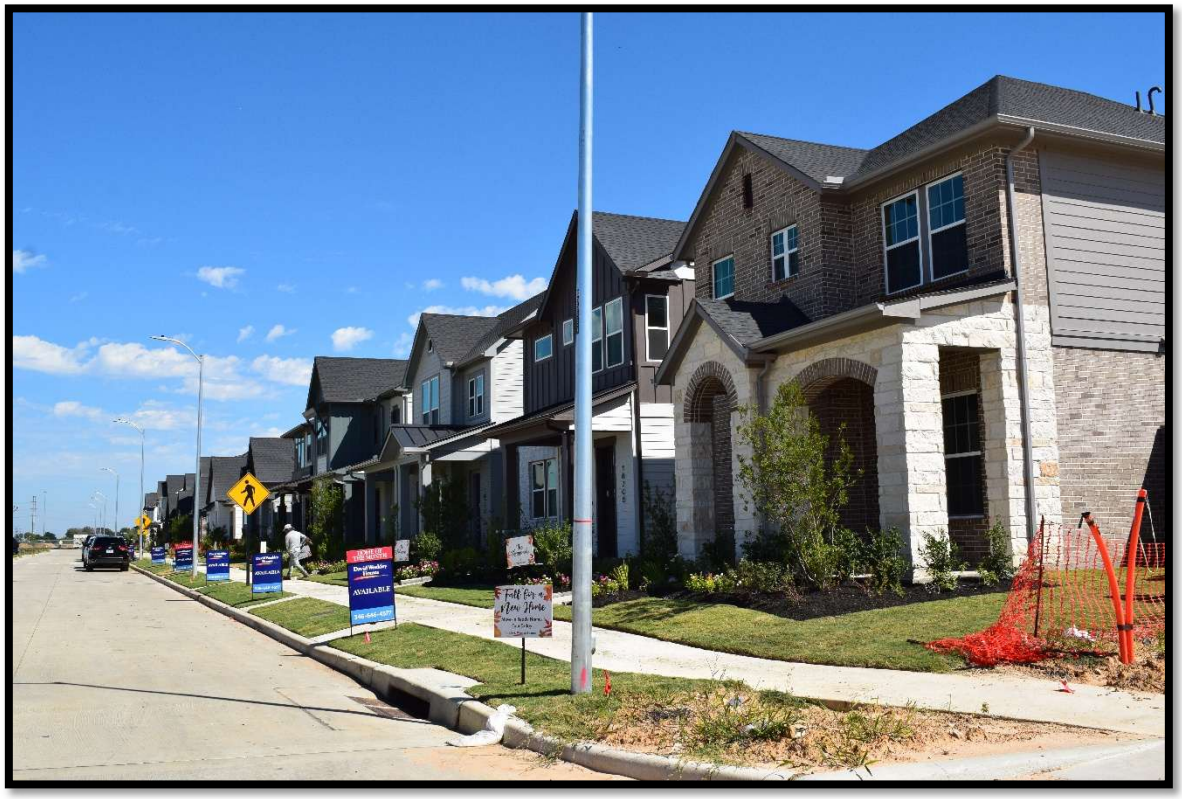


MUD 477

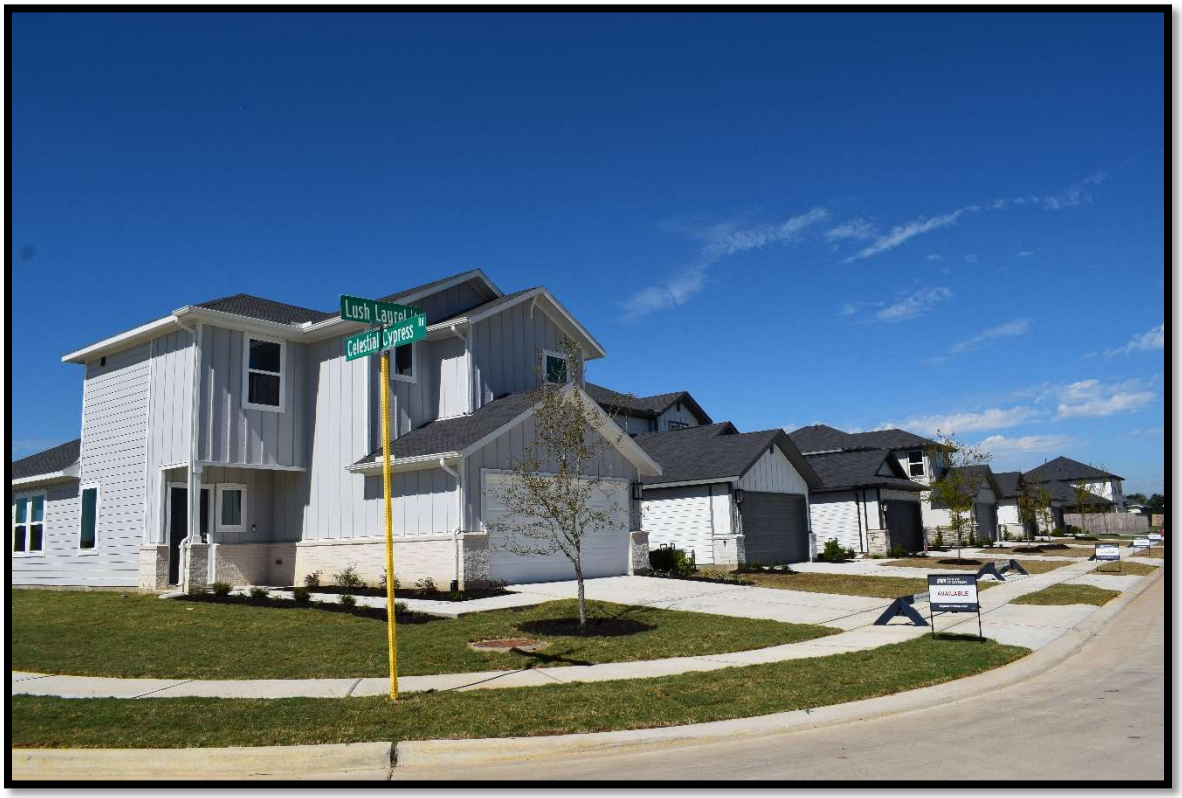

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MUD 478B



MUD 478



APPENDIX A

Certain Financial Information Regarding the MUD Participants

Selected information concerning the MUD Participants is included in this Appendix in addition to certain general information concerning the MUD Participants and their obligation under the Master District Contract contained in the body of the OFFICIAL STATEMENT. See "THE MUD PARTICIPANTS" and "MASTER DISTRICT CONTRACT" therein. Each MUD Participant is severally liable for its Contract Payments in an amount equal to its pro rata share of debt service requirements on the Outstanding Bonds and the Bonds. No MUD Participant is liable for more than its share of such debt service. Consequently, the ability of the Master District to make timely payment of principal of and interest on the Outstanding Bonds and the Bonds would be impaired if any MUD Participant became unable to make its Contract Payments in full when due, unless the funds otherwise available in the Contract Revenue Debt Service Funds exceed the amount of such MUD Participant's deficiency.

Certain Calculations

The information concerning the debt burden of the MUD Participants makes reference to the principal amount of each MUD Participant's pro rata share of debt service on the Bonds and the Outstanding Bonds, each MUD Participant's outstanding unlimited tax bonds, if any, and certain annual tax rate calculations. In each case, this information has been computed as follows:

Contract Debt: The principal amount of each MUD Participant's Master District Contract debt for the Bonds has been calculated for purposes of analysis by allocating the principal amount of the Bonds among the MUD Participants in proportion to their assessed valuation. The assessed valuations used for this calculation are based on the 2026 Gross Certified Assessed Valuation of $219,807,068. The MUD Participants' share of annual debt service requirements on the Bonds will be determined annually by reference to their relative gross certified assessed valuations established by the Appraisal District.

Tax Rate Calculations: Tax rate calculations assume that each MUD Participant's assessed valuation does not change from the 2026 Gross Certified Assessed Valuation of $219,807,068 or the Estimated Gross Assessed Valuation as of September 1, 2026, of $312,150,683 and that each MUD Participant collects ninety-five percent (95%) of the taxes it levies, that it issues no additional bonds, and that the Master District does not issue any additional Contract Revenue Bonds (including any additional Contract Revenue Bonds or Contract Revenue Road Bonds).

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 477

Voter Authorized Unlimited Tax Water, Sewer, and Drainage Facilities Bonds	$	189,865,000	
Voter Authorized Unlimited Tax Road Facilities Bonds	$	168,140,000	
Voter Authorized Unlimited Tax Parks and Recreational Bonds	$	209,060,000	
Total Principal Amount of Unlimited Tax Bonds Issued to Date	$	3,000,000	
Debt Service Tax Limitation		Unlimited	
Maintenance Tax for Water, Sanitary Sewer, Drainage, and Park/Recreational Facilities Limitation	$	1.50	
Maintenance Tax for Road Facilities Limitation	$	0.25	
Contract Tax Limitation		Unlimited	
Gross Outstanding Direct Debt	$	6,750,000	(a)
2026 Certified Taxable Assessed Valuation	$	203,758,251	(b)
Estimated Taxable Assessed Valuation as of September 1, 2026	$	296,988,438	(c)
2026 Certified Taxable Assessed Valuation as a Percentage of:			
2026 Certified Taxable Assessed Valuation of all MUD Particiapnts		92.70%	
Estimated Taxable Assessed Valuation as of September 1, 2026, of all MUD Particiapnts		95.14%	
Average Annual Debt Service:			
Direct Debt (2027-2052)	$	478,000	
Pro Rata Share of the Outstanding Contract Revenue Bonds and the Bonds (2027-2052)	$	1,829,291	
Pro Rata Share of the Outstanding Contract Revenue Bonds and the Bonds (2050)	$	1,877,519	
Maximum Annual Debt Service:			
Direct Debt (2048)	$	498,975	
Pro Rata Share of the Outstanding Contract Revenue Bonds and the Bonds (2027-2052)	$	1,917,211	
Pro Rata Share of the Outstanding Contract Revenue Bonds and the Bonds (2050)	$	1,967,758	
Tax Rate Required to Pay Direct Debt and Pro Rata Share of the Outstanding Contract Revenue Bonds and the Bonds Based on 2026 Certified Taxable Assessed Valuation at 95% Collections:			
Average Annual Debt Service:			
Direct Debt (2027-2052)	$	0.25	
The Contract Revenue Bonds (2027-2052)	$	0.95	
Total	$	1.20	
Maximum Annual Debt Service:			
Direct Debt (2048)	$	0.26	
The Contract Revenue Bonds (2050)	$	1.00	
Total	$	1.26	
Tax Rate Required to Pay Direct Debt and Pro Rata Share of the Outstanding Contract Revenue Bonds and the Bonds Based on the Estimated Taxable Assessed Valuation as of September 1, 2026 at 95% Collections:			
Average Annual Debt Service:			
Direct Debt (2027-2052)	$	0.17	
The Contract Revenue Bonds (2027-2052)	$	0.67	
Total	$	0.84	
Maximum Annual Debt Service:			
Direct Debt (2048)	$	0.18	
The Contract Revenue Bonds (2050)	$	0.70	
Total	$	0.88	

(a) It is anticipated that MUD 477 will issue $3,750,000 of unlimited tax road bonds contemporaneously with this issuance.

(b) Includes $183,456,009 of certified value as provided by the Appraisal District. The value also includes 85% of the uncertified value provided by the Appraisal District for MUD 477. See "TAXING PROCEDURES."

(c) The Appraisal District has provided an Estimated Gross Assessed Valuation as of September 1, 2026 for informational purposes for MUD 477 which was calculated by updating the 2026 Gross Certified Assessed Valuation provided by the Appraisal District to add the estimated value of improvements constructed from January 1, 2026, to September 1, 2026. This estimate has no official status. Taxes are levied based on value as certified by the Appraisal District as of January 1 of each year, and, therefore, these estimates will not be the basis for any tax levy by any of the MUD Participants.

Outstanding Bonds

Series	Principal Amount	Outstanding as of September 25, 2026
Unlimited Tax Road Bonds, Series 2025	$3,000,000	$3,000,000
		$3,000,000

Principal Taxpayers

Taxpayer	Type of Property	2026 Certified Gross Assessed Valuation	% of 2026 Certified Gross Assessed Valuation
290 Holdings LP (a)	Land & Improvements	$ 9,005,354	4.42%
Newmark Homes Houston LLC (b)	Land & Improvements	6,935,736	3.40%
Chesmar Homes LLC (b)	Land & Improvements	5,802,072	2.85%
Perry Homes LLC (b)	Land & Improvements	4,307,078	2.11%
Taylor Morrison of Texas Inc. (a) (b)	Land & Improvements	4,240,372	2.08%
J Patrick Homes LTD (b)	Land & Improvements	3,659,778	1.80%
Highland Homes Houston LLC (b)	Land & Improvements	3,400,228	1.67%
Tri Pointe Homes Texas Inc. (b)	Land & Improvements	3,164,384	1.55%
Weekley Homes LLC (b)	Land & Improvements	2,675,285	1.31%
Westin Homes LLC (b)	Land & Improvements	2,041,789	1.00%
Total for Principal Taxpayers		$ 45,232,076	22.20%

(c) See "THE DEVELOPERS."
(d) See "THE MASTER DISTRICT AND THE SERVICE AREA – Homebuilders."

Tax Rate Distribution

	Anticipated 2026	2025	2024	2023 (a)
Debt Service Tax Rate	$0.1450	$0.0000	$0.0000	$0.0000
Maintenance and Operations Tax Rate	$0.5875	$1.0500	$1.5000	$1.5000
Contract Tax Rate	$0.7675	$0.4500	$0.0000	$0.0000
Total Participant Tax Rate	$1.5000	$1.5000	$1.5000	$1.5000

(a) MUD 477 levied its initial maintenance and operations tax in 2023 in the amount of $1.50 per $100 of assessed valuation.

Tax Collections

Tax Year	Gross Certified Taxable Valuation	Tax Rate	Total Tax Levy	Total Collections As of August 31, 2026 Amount	Percent
2023	$6,883,149	$1.50	$103,247	$103,247	100.00%
2024	20,788,622	1.50	311,829	311,829	100.00%
2025	93,120,738	1.50	1,396,811	1,396,057	99.95%
2026	203,758,251	1.5	3,056,374	*(in process of collections)*	(a)

(a) Taxes for 2026 are due by January 31, 2027.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 478B

Voter Authorized Unlimited Tax Water, Sewer, and Drainage Facilities Bonds	$	242,250,000	
Voter Authorized Unlimited Tax Road Facilities Bonds	$	693,750,000	
Voter Authorized Unlimited Tax Parks and Recreational Bonds	$	310,500,000	
Total Principal Amount of Unlimited Tax Bonds Issued to Date	$	-	
Debt Service Tax Limitation		Unlimited	
Maintenance Tax for Water, Sanitary Sewer, Drainage, and Park/Recreational Facilities Limitation	$	1.50	
Maintenance Tax for Road Facilities Limitation	$	0.25	
Contract Tax Limitation		Unlimited	
Gross Outstanding Direct Debt	$	-	
2026 Certified Taxable Assessed Valuation	$	16,044,917	(a)
Estimated Taxable Assessed Valuation as of July 1, 2026	$	15,158,344	(b)
2026 Certified Taxable Assessed Valuation as a Percentage of:			
2026 Certified Taxable Assessed Valuation of all MUD Particiapnts		7.30%	
Estimated Taxable Assessed Valuation as of July 1, 2026, of all MUD Particiapnts		4.86%	
Average Annual Debt Service:			
Direct Debt	$	-	
Pro Rata Share of the Outstanding Contract Revenue Bonds and the Bonds (2027-2052)	$	144,047	
Pro Rata Share of the Outstanding Contract Revenue Bonds and the Bonds (2027-2052)	$	95,829	
Maximum Annual Debt Service:			
Direct Debt	$	-	
Pro Rata Share of the Outstanding Contract Revenue Bonds and the Bonds (2027-2052)	$	150,971	
Pro Rata Share of the Outstanding Contract Revenue Bonds and the Bonds (2027-2052)	$	100,435	

Tax Rate Required to Pay Direct Debt and Pro Rata Share of the Outstanding Contract Revenue Bonds and the Bonds Based on 2026 Certified Taxable Assessed Valuation at 95% Collections:

Average Annual Debt Service:		
Direct Debt	$	-
The Contract Revenue Bonds (2027-2052)	$	0.95
Total	$	0.95
Maximum Annual Debt Service:		
Direct Debt	$	-
The Contract Revenue Bonds (2050)	$	1.00
Total	$	1.00

Tax Rate Required to Pay Direct Debt and Pro Rata Share of the Outstanding Contract Revenue Bonds and the Bonds Based on the Estimated Taxable Assessed Valuation as of July 1, 2026 at 95% Collections:

Average Annual Debt Service:		
Direct Debt	$	-
The Contract Revenue Bonds (2027-2052)	$	0.67
Total	$	0.67
Maximum Annual Debt Service:		
Direct Debt	$	-
The Contract Revenue Bonds (2050)	$	0.70
Total	$	0.70

(a) Includes $15,965,486 of certified value as provided by the Appraisal District. The value also includes 85% of the uncertified value provided by the Appraisal District for MUD 478B. See "TAXING PROCEDURES."

(b) The Appraisal District has provided an Estimated Gross Assessed Valuation as of July 1, 2026, for informational purposes for MUD 478B which was calculated by updating the 2026 Gross Certified Assessed Valuation provided by the Appraisal District to add the estimated value of improvements constructed from January 1, 2026 to July 1, 2026. This estimate has no official status. Taxes are levied based on value as certified by the Appraisal District as of January 1 of each year, and, therefore, these estimates will not be the basis for any tax levy by any of the MUD Participants.

Principal Taxpayer

Taxpayer	Type of Property	2026 Certified Gross Assessed Valuation	% of 2026 Certified Taxable Assessed Valuation
290 Holdings LP (a)	Land & Improvements	$ 15,965,486	99.50%
Total for Principal Taxpayers		$ 15,965,486	99.50%

(a) See "THE DEVELOPERS."

Tax Rate Distribution

	Anticipated 2026 (a)
Debt Service Tax Rate	$0.000
Maintenance and Operations Tax Rate	$0.725
Contract Tax Rate	$0.775
Total Participant Tax Rate	$1.50

(a) MUD 478B will levy its initial tax rate in 2026 in the total amount of $1.50 per $100 of assessed valuation.

Tax Collections

MUD 478B has not collected taxes in previous years.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 478
(In its Capacity as a MUD Participant)

Voter Authorized Unlimited Tax Water, Sewer, and Drainage Facilities Bonds	$	312,000,000	
Voter Authorized Unlimited Tax Road Facilities Bonds	$	220,000,000	
Voter Authorized Unlimited Tax Parks and Recreational Bonds	$	272,000,000	
Total Principal Amount of Unlimited Tax Bonds Issued to Date	$	-	
Debt Service Tax Limitation		Unlimited	
Maintenance Tax for Water, Sanitary Sewer, Drainage, and Park/Recreational Facilities Limitation	$	1.50	
Maintenance Tax for Road Facilities Limitation	$	0.25	
Contract Tax Limitation		Unlimited	
Gross Outstanding Direct Debt	$	-	
2026 Certified Taxable Assessed Valuation	$	3,901	(a)
Estimated Taxable Assessed Valuation as of July 1, 2026.	$	3,901	(b)
2026 Certified Taxable Assessed Valuation as a Percentage of:			
2026 Certified Taxable Assessed Valuation of all MUD Particiapnts		0.002%	
Estimated Taxable Assessed Valuation as of July 1, 2026, of all MUD Particiapnts		0.001%	
Average Annual Debt Service:			
Direct Debt	$	-	
Pro Rata Share of the Outstanding Contract Revenue Bonds and the Bonds (2027-2052).	$	35	
Pro Rata Share of the Outstanding Contract Revenue Bonds and the Bonds (2027-2052).	$	25	
Maximum Annual Debt Service:			
Direct Debt	$	-	
Pro Rata Share of the Outstanding Contract Revenue Bonds and the Bonds (2027-2052).	$	37	
Pro Rata Share of the Outstanding Contract Revenue Bonds and the Bonds (2027-2052).	$	26	
Tax Rate Required to Pay Direct Debt and Pro Rata Share of the Outstanding Contract Revenue Bonds and the Bonds Based on 2026 Certified Taxable Assessed Valuation at 95% Collections:			
Average Annual Debt Service:			
Direct Debt	$	-	
The Contract Revenue Bonds (2027-2052)	$	0.95	
Total.	$	0.95	
Maximum Annual Debt Service:			
Direct Debt	$	-	
The Contract Revenue Bonds (2050).	$	1.00	
Total.	$	1.00	
Tax Rate Required to Pay Direct Debt and Pro Rata Share of the Outstanding Bonds and the Bonds Based on Estimated Taxable Assessed Valuation as of July 1, 2026 of $3,901 at 95% Collections:			
Average Annual Debt Service:			
Direct Debt	$	-	
The Contract Revenue Bonds (2027-2052)	$	0.67	
Total.	$	0.67	
Maximum Annual Debt Service:			
Direct Debt	$	-	
The Contract Revenue Bonds (2050).	$	0.70	
Total.	$	0.70	

(a) As certified by the Appraisal District.

(b) The Appraisal District has provided an Estimated Gross Assessed Valuation as of July 1, 2026, for informational purposes for MUD 478 which was calculated by updating the 2026 Gross Certified Assessed Valuation provided by the Appraisal District to add the estimated value of improvements constructed from January 1, 2026 to July 1, 2026. This estimate has no official status. Taxes are levied based on value as certified by the Appraisal District as of January 1 of each year, and, therefore, these estimates will not be the basis for any tax levy by any of the MUD Participants.

Principal Taxpayers

Taxpayer	Type of Property	2026 Gross Certified Assessed Valuation	% of 2026 Gross Certified Assessed Valuation
290 Holdings LP (a)	Land & Impovements	$ 2,901	74.37%
Indvidual	Land	250	6.41%
Indvidual	Land	250	6.41%
Indvidual	Land	250	6.41%
Indvidual	Land	250	6.41%
Total for Principal Taxpayers		$ 3,901	100.00%

(a) See "THE DEVELOPERS."

Tax Rate Distribution

	Anticipated 2026	2025	2024	2023
Debt Service Tax Rate	$0.00	$0.00	$0.00	$0.00
Maintenance and Operations Tax Rate	$0.00	$0.00	$0.00	$0.00
Contract Tax Rate	$0.00	$0.00	$0.00	$0.00
Total Participant Tax Rate	$0.00	$0.00	$0.00	$0.00

(a) MUD 478 does not expect to levy a tax rate in 2026. MUD 478 anticipates requesting Developer Advances to make the Contract Payments to the Master District.

Tax Collections

MUD 478 has not collected taxes in previous years.

APPENDIX B

Audited Financial Statement of Harris County MUD 477 for the year ended February 28, 2026
Annual Financial Report of Harris County MUD 478B for the year ended February 28, 2026
Audited Financial Statement of Harris County MUD 478 for the year ended February 28, 2026

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 477

HARRIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FEBRUARY 28, 2026

McCALL GIBSON SWEDLUND BARFOOT ELLIS PLLC
Certified Public Accountants

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McCall Gibson Swedlund Barfoot Ellis PLLC

Certified Public Accountants

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

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Harris County Municipal Utility District No. 477
Harris County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Harris County Municipal Utility District No. 477 (the "District") as of and for the year ended February 28, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of February 28, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Board of Directors
Harris County Municipal Utility District No. 477

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide an assurance, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McCall Gibson Swedlund Barfoot Ellis PLLC

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

June 26, 2026

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 477
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED FEBRUARY 28, 2026

Management's discussion and analysis of Harris County Municipal Utility District No. 477's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended February 28, 2026. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

FUND FINANCIAL STATEMENTS

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

FUND FINANCIAL STATEMENTS (Continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, liabilities exceeded assets by $13,351,987 as of February 28, 2026.

A portion of the District's net position reflects its net investment in capital assets which include infrastructure assets less any debt used to acquire those assets that is still outstanding. The table on the following page presents a comparative analysis of government-wide changes in net position.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Summary of Changes in the Statement of Net Position

	2026	2025	Change Positive (Negative)
Current and Other Assets	$ 1,430,496	$ 547,013	$ 883,483
Capital Assets (Net of Accumulated Depreciation)	6,494,010	2,652,339	3,841,671
Total Assets	$ 7,924,506	$ 3,199,352	$ 4,725,154
Due to Developer	$ 17,449,598	$ 6,924,291	$ (10,525,307)
Long -Term Liabilities	2,993,236	-	(2,993,236)
Other Liabilities	410,944	228,600	(182,344)
Total Liabilities	$ 20,853,778	$ 7,152,891	$ (13,700,887)
Net Position:			
Net Investment in Capital Assets	$ (13,141,834)	$ (3,883,179)	$ (9,258,655)
Restricted	165,042	-	165,042
Unrestricted	(375,195)	(70,360)	(304,835)
Total Net Position	$ (13,351,987)	$ (3,953,539)	$ (9,398,448)

The following table provides a comparative analysis of the District's operations for the years ending February 28, 2026, and February 28, 2025. The District's net position decreased by $9,398,448.

Summary of Changes in the Statement of Activities

	2026	2025	Change Positive (Negative)
Revenues:			
Property Taxes	$ 979,628	$ 318,652	$ 660,976
Charges for Services	1,619,576	944,524	675,052
Other Revenues	44,592	17,764	26,828
Total Revenues	$ 2,643,796	$ 1,280,940	$ 1,362,856
Expenses for Services	12,042,244	5,024,750	(7,017,494)
Change in Net Position	$ (9,398,448)	$ (3,743,810)	$ (5,654,638)
Net Position, Beginning	(3,953,539)	(209,729)	(3,743,810)
Net Position, Ending	$ (13,351,987)	$ (3,953,539)	$ (9,398,448)

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of and for the year ended February 28, 2026, were $561,851, an increase of $264,865.

The General Fund fund balance increased by $27,085, primarily due to property taxes, service revenues and developer advances exceeding operating costs.

The Debt Service Fund fund balance increased by $194,303, primarily due to the structure of the District's debt service and the funding of capitalized interest from the Series 2025 Road Bonds.

The Capital Projects Fund fund balance increased by $43,477, primarily due to the proceeds from the Series 2025 Road bond issuance exceeding capital outlay, developer interest and bond issuance costs.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors adopted an unappropriated budget for the General Fund for the current year and did not amend the budget. Actual revenues were $1,411,661 more than budgeted revenues; actual expenditures were $1,278,566 more than budgeted expenditures; and actual developer advances were $111,699 less than budgeted advances. This resulted in a positive variance compared to budget of $21,396. See the budget to actual comparison for more information.

CAPITAL ASSETS

Capital assets as of February 28, 2026, totaled $6,494,010 and included water and wastewater facilities and park and recreational facilities. Additional information on the District's capital assets can be found in Note 6 of this report.

Capital Assets At Year-End, Net of Accumulated Depreciation

	2026	2025	Change Positive (Negative)
Capital Assets, Net of Accumulated Depreciation:			
Water and Wastewater Facilities	$ 6,477,207	$ 2,635,102	$ 3,842,105
Park and Recreation Facilities	16,803	17,237	(434)
Total Net Capital Assets	$ 6,494,010	$ 2,652,339	$ 3,841,671

LONG-TERM DEBT

As of February 28, 2026, the District had total bond debt payable of $3,000,000. The changes in the debt position of the District for the current fiscal year are summarized in the following table:

Bond Debt Payable, March 1, 2025	$ - 0 -
Add: Bond Sale	3,000,000
Less: Bond Principal Paid	
Bond Debt Payable, February 28, 2026	$ 3,000,000

The Series 2025 Road bonds are not rated and uninsured.

In addition to bonded debt, the District also has liabilities outstanding to the developers of the District for construction costs and operating advances funded on behalf of the District. At February 28, 2026, the District owed developers $17,449,598.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

The adopted budget for fiscal year 2027 projects an increase of $218,200 in General Fund fund balance. Fiscal year 2027 revenues are budgeted to be $2,676,000, while expenditures are budgeted to be $2,457,800.

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Harris County Municipal Utility District No. 477, c/o Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600 Houston, Texas 77027.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 477
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
FEBRUARY 28, 2026

	General Fund	Debt Service Fund
ASSETS		
Cash	$ 303,941	$ 351,611
Investments		504,983
Cash with Paying Agent		35,267
Receivables:		
Property Taxes	64,247	27,535
Penalty and Interest on Delinquent Taxes		
Service Accounts	8,215	
Other	7,500	
Due from Other Funds	240,693	
Prepaid Costs	2,714	
Advance for Operation and Maintenance Reserve	75,000	
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	$ 702,310	$ 919,396

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
$ 43,477	$ 699,029	$	$ 699,029
	504,983		504,983
	35,267		35,267
	91,782		91,782
		6,006	6,006
	8,215		8,215
	7,500		7,500
	240,693	(240,693)	
	2,714		2,714
	75,000		75,000
		6,494,010	6,494,010
$ 43,477	$ 1,665,183	$ 6,259,323	$ 7,924,506

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

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 477
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
FEBRUARY 28, 2026

	General Fund	Debt Service Fund
LIABILITIES		
Accounts Payable	$ 78,562	$
Accrued Interest Payable		6,662
Due to Other Governmental Units	150,730	
Due to Developers		
Due to Other Funds		240,693
Due to Taxpayers		55,023
Security Deposits	84,700	
Long-Term Liabilities:		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	$ 313,992	$ 302,378
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	$ 64,247	$ 422,715
FUND BALANCES		
Nonspendable:		
Prepaid Costs	$ 2,714	$
For Operations and Maintenance Reserve	75,000	
Restricted for Authorized Construction		
Restricted for Debt Service		194,303
Unassigned	246,357	
TOTAL FUND BALANCES	$ 324,071	$ 194,303
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 702,310	$ 919,396
NET POSITION		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
TOTAL NET POSITION		

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
$	$ 78,562	$	$ 78,562
	6,662	35,267	41,929
	150,730		150,730
		17,449,598	17,449,598
	240,693	(240,693)	
	55,023		55,023
	84,700		84,700
		2,993,236	2,993,236
$ -0-	$ 616,370	$ 20,237,408	$ 20,853,778
$ -0-	$ 486,962	$ (64,247)	$ 422,715
$	$ 2,714	$ (2,714)	$
	75,000	(75,000)	
43,477	43,477	(43,477)	
	194,303	(194,303)	
	246,357	(246,357)	
$ 43,477	$ 561,851	$ (561,851)	$ -0-
$ 43,477	$ 1,665,183		
		$ (13,141,834)	$ (13,141,834)
		165,042	165,042
		(375,195)	(375,195)
		$ (13,351,987)	$ (13,351,987)

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

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 477
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
FEBRUARY 28, 2026

Total Fund Balances - Governmental Funds		$ 561,851
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		6,494,010
Deferred inflows of resources related to property tax revenues for the 2025 and prior maintenance tax levies and the 2024 and prior debt service tax levies, if any, as well as penalty and interest receivable for the 2025 and prior tax levies became part of recognized revenue in the governmental activities of the District.		70,253
Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year-end consist of:		
Due to Developers	$ (17,449,598)	
Accrued Interest Payable	(35,267)	
Bonds Payable After One Year	(2,993,236)	(20,478,101)
Total Net Position - Governmental Activities		$ (13,351,987)

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

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 477
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED FEBRUARY 28, 2026

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	$ 935,487	$
Water Service	172,667	
Wastewater Service	208,034	
Tap Connection and Inspection Fees	895,711	
Water Authority Fees	328,146	
Penalty and Interest	8,319	2,014
Investment Revenues	663	2,800
Miscellaneous Revenues	40,634	420
TOTAL REVENUES	$ 2,589,661	$ 5,234
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	$ 166,396	$ 821
Contracted Services	104,881	18,599
Purchased Water	330,482	
Capacity Reservation Fees	1,677,000	
Utilities	26,059	
Repairs and Maintenance	155,758	
Depreciation		
Other	476,739	3,120
Conveyed Assets - Roads		
Capital Outlay		
Developer Interest		
Condemnation Fees	740,562	
Debt Service:		
Bond Interest		
Bond Issuance Costs		
TOTAL EXPENDITURES/EXPENSES	$ 3,677,877	$ 22,540
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	$ (1,088,216)	$ (17,306)
OTHER FINANCING SOURCES (USES)		
Long-Term Debt Issued	$	$ 211,609
Bond Discount		
Developer Advances	1,115,301	
TOTAL OTHER FINANCING SOURCES (USES)	$ 1,115,301	$ 211,609
NET CHANGE IN FUND BALANCES	$ 27,085	$ 194,303
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - MARCH 1, 2025	296,986	
FUND BALANCES/NET POSITION - FEBRUARY 28, 2026	$ 324,071	$ 194,303

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
$	$ 935,487	$ 44,141	$ 979,628
	172,667		172,667
	208,034		208,034
	895,711		895,711
	328,146		328,146
	10,333	4,685	15,018
75	3,538		3,538
	41,054		41,054
$ 75	$ 2,594,970	$ 48,826	$ 2,643,796
$	$ 167,217	$	$ 167,217
	123,480		123,480
	330,482		330,482
	1,677,000		1,677,000
	26,059		26,059
	155,758		155,758
		105,489	105,489
60	479,919		479,919
		8,338,281	8,338,281
2,134,873	2,134,873	(2,134,873)	
302,838	302,838		302,838
	740,562	(740,562)	
		35,319	35,319
300,402	300,402		300,402
$ 2,738,173	$ 6,438,590	$ 5,603,654	$ 12,042,244
$ (2,738,098)	$ (3,843,620)	$ (5,554,828)	$ (9,398,448)
$ 2,788,391	$ 3,000,000	$ (3,000,000)	$
(6,816)	(6,816)	6,816	
	1,115,301	(1,115,301)	
$ 2,781,575	$ 4,108,485	$ (4,108,485)	$ -0-
$ 43,477	$ 264,865	$ (264,865)	$
		(9,398,448)	(9,398,448)
	296,986	(4,250,525)	(3,953,539)
$ 43,477	$ 561,851	$ (13,913,838)	$ (13,351,987)

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

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 477
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED FEBRUARY 28, 2026

Net Change in Fund Balances - Governmental Funds	$	264,865
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.		44,141
Governmental funds report penalty and interest revenue on property taxes when collected. However, in the Statement of Activities, revenue is recorded when penalties and interest are assessed.		4,685
Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and the depreciation expense is recorded in the Statement of Activities.		(105,489)
Governmental funds report capital expenditures as expenditures in the period purchased. However, in the Statement of Net Position, capital assets, net of assets conveyed to Harris County, are increased by new purchases and the Statement of Activities is not affected.		(6,203,408)
Governmental funds report bond discounts and bond premiums as other financing sources/uses in the year paid. However, in the Statement of Net Position, bond discounts and bond premiums are amortized over the life of the bonds and the current year amortized portion is recorded in the Statement of Activities.		6,816
Governmental funds report condemnation fees for easements as expenditures. However, in the Statement of Net Position, condemnation fees are reported as decreases in long-term liabilities.		740,562
Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end.		(35,319)
Governmental funds report bond proceeds as other financing sources. Issued bonds increase long-term liabilities in the Statement of Net Position.		(3,000,000)
Governmental funds report developer advances as other financing sources. However, in the Statement of Net Position, developer advances, net any amount paid to the developer, are recorded as a liability.		(1,115,301)
Change in Net Position - Governmental Activities	$	(9,398,448)

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

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 477
NOTES TO THE FINANCIAL STATEMENTS
FEBRUARY 28, 2026

NOTE 1. CREATION OF DISTRICT

Harris County Municipal Utility District No. 477 (the "District") was created by an order of the Texas Commission on Environmental Quality (the "Commission"), effective June 13, 2008, in accordance with the Texas Water Code, Chapters 49 and 54. By authorization of the Texas Senate during the 83rd regular legislative session, in May 2013, the District was granted road powers pursuant to Senate Bill 610, Chapter 8419. The District is empowered to purchase, operate and maintain all facilities, plants and improvements necessary to provide water, wastewater service, storm sewer drainage, irrigation, to construct roads, and to construct parks and recreational facilities for the residents of the District. The Board of Directors held its first meeting on January 11, 2021.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

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

Financial Statement Presentation

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

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

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

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

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

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

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds

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

General Fund – The General Fund is used to account for the operations of the District and all other financial transactions not properly includable in other funds. The principal sources of revenue are related to property taxes. Expenditures include all costs associated with the daily operations of the District.

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

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

Basis of Accounting

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

Property taxes considered available by the District and included in revenue include taxes collected during the year and taxes collected after year-end, which were considered available to defray the expenditures of the current year. Deferred inflows of resources related to property tax revenues are those taxes which the District does not reasonably expect to be collected soon enough in the subsequent period to finance current expenditures. Recognition of tax revenues for the 2025 debt service contract road and contract water, sewer and drainage tax levies have been deferred until the 2027 fiscal year.

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis. At February 28, 2026, the Debt Service Fund owed the General Fund $240,693 for maintenance tax collections.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgeting

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

Capital Assets

Capital assets are reported in the government-wide Statement of Net Position. Capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their estimated acquisition value on the date donated. Repairs and maintenance are recorded as expenditures in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset. Engineering fees and certain other costs are capitalized as part of the asset.

Assets are capitalized, including infrastructure assets, if they have an original cost greater than $15,000 and a useful life over two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation. Estimated useful lives are as follows:

	Years
Water and Wastewater System	10-45
Detention and Drainage Facilities	20-45
Park and Recreation Facilities	5-45

Pensions

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

Accounting Estimates

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus

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

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

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

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

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

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

Unassigned: all other spendable amounts in the General Fund.

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

NOTE 3. LONG-TERM DEBT

	Series 2025 Road
Amount Outstanding – February 28, 2026	$3,000,000
Interest Rates	4.00% - 5.00%
Maturity Date	September 1, 2027/2051
Interest Payment Dates	March 1/ September 1
Callable Dates	September 1, 2031*

* Or any date thereafter at a price of par plus unpaid accrued interest in whole or in part, at the option of the District. Series 2025 Road term bonds maturing on September 1, 2038, 2040, 2042 and 2051 are subject to mandatory sinking fund redemption beginning September 1, 2037, 2039, 2041 and 2043, respectively.

Changes in bonds payable for the current fiscal year are summarized in the following table:

	March 1, 2025	Additions	Retirements	February 28, 2026
Bonds Payable	$	$ 3,000,000	$	$ 3,000,000
Unamortized Discounts		(6,816)	(52)	(6,764)
Bonds Payable, Net	$ -0-	$ 2,993,184	$ (52)	$ 2,993,236

Amount Due Within One Year	$ -0-
Amount Due After One Year	2,993,236
Bonds Payable, Net	$ 2,993,236

On December 18, 2025, the District issued Unlimited Tax Road Bonds, Series 2025, of $3,000,000 with interest rates ranging from 4.00% to 5.00%. The net proceeds of $2,744,692 (after payment of underwriter fees, bond issue costs, and the bond discount) were used to finance developer funded road construction and land acquisition costs, fund future interest payments on the bonds and pay subsequent bond issue costs.

NOTE 3. LONG-TERM DEBT (Continued)

The District had authorized but unissued bonds in the amount of $189,865,000 for the purchase or construction of water, sewer, and drainage facilities and the refunding of bonds issued for same, $209,060,000 for the purchase or construction of parks and recreational facilities and the refunding of bonds issued for same, and $165,140,000 for the purchase or construction of road facilities and the refunding of bonds for same.

As of February 28, 2026, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2027	$	$ 105,804	$ 105,804
2028	60,000	141,073	201,073
2029	65,000	138,672	203,672
2030	70,000	136,073	206,073
2031	70,000	133,272	203,272
2032-2036	415,000	619,308	1,034,308
2037-2041	530,000	518,842	1,048,842
2042-2046	695,000	380,403	1,075,403
2047-2051	890,000	189,000	1,079,000
2052	205,000	10,250	215,250
	$ 3,000,000	$ 2,372,697	$ 5,372,697

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

During the year ended February 28, 2026, the District levied a total ad valorem debt service tax rate of $0.45 per $100 of assessed valuation, allocated $0.15 to fund contract utility debt service requirements and $0.30 to fund contract road debt service requirements. This resulted in a tax levy of $422,715 on the adjusted taxable valuation of $93,936,660 for the 2025 tax year. The bond resolution requires the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 7 for the maintenance tax levy and contract tax levy.

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

NOTE 4. SIGNIFICANT BOND RESOLUTION AND LEGAL REQUIREMENTS

The bond resolution states that the District is required to provide to certain information repositories continuing disclosure of annual financial information and operating data with respect to the District. The information, along with the audited annual financial statements, is of the general type included in the annual audit report, and must be filed within six months after the end of each fiscal year of the District.

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

The Series 2025 road bond resolution requires bond proceeds of $211,609 to be deposited into the Debt Service Fund and restricted for payment of bond interest. As of February 28, 2026, the entire $211,609 remains restricted for payment of bond interest.

The bond resolution states that the District shall maintain insurance on the system of a kind and in an amount which usually would be carried on similar systems by water control and improvement district in the State of Texas.

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes.

Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of securities eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such securities are pledged. At fiscal year end, the carrying amount of the District's deposits was $699,029 and the bank balance was $1,027,974. Of the bank balance, $882,434 was covered by federal depository insurance and the remaining balance was covered by collateral pledged in the name of the District and held in a third-party depository. The District was not exposed to custodial credit risk at year-end.

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

The carrying values of the deposits as of February 28, 2026, are listed below:

	Cash
GENERAL FUND	$ 303,941
DEBT SERVICE FUND	351,611
CAPITAL PROJECTS FUND	43,477
TOTAL DEPOSITS	$ 699,029

Investments

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

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

As of February 28, 2026, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
DEBT SERVICE FUND		
TexSTAR	$ 504,983	$ 504,983

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

The District invests in the Texas Short Term Asset Reserve Program ("TexSTAR"), an external public funds investment pool that is not SEC-registered. J. P. Morgan Investment Management Inc. provides investment management and Hilltop Securities Inc. provides participant services and marketing under an agreement with the TexSTAR Board of Directors. Custodial, fund accounting and depository services are provided by JPMorgan Chase Bank, N.A. and/or its subsidiary J.P. Morgan Investors Services Co. Investments held by TexSTAR are marked to market daily. The investments are considered Level I investments because their fair value is measured by quoted prices in active markets. The fair value of the District's position in the pool is the same as the value of the pool shares. There are no limitations or restrictions on withdrawals from TexSTAR.

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At February 28, 2026, the District's investment in TexSTAR was rated AAAm by Standard and Poor's.

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

Restrictions

All cash and investments of the Debt Service Fund are restricted for the payment of debt service and the cost of assessing and collecting taxes.

All cash and investments of the Capital Projects Fund are restricted for the purchase or rehabilitation of capital assets.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended February 28, 2026 included the following:

	March 1, 2025	Increases	Decreases	February 28, 2026
Capital Assets Subject to Depreciation				
Water and Wastewater Facilities	$ 2,668,213	$ 3,947,160		$ 6,615,373
Park and Recreation Facilities	17,363			17,363
Total Capital Assets Subject to Depreciation	$ 2,685,576	$ 3,947,160	$ - 0 -	$ 6,632,736
Accumulated Depreciation				
Water and Wastewater Facilities	$ 33,111	$ 105,055	$	$ 138,166
Park and Recreation Facilities	126	434		560
Total Accumulated Depreciation	$ 33,237	$ 105,489	$ - 0 -	$ 138,726
Total Depreciable Capital Assets, Net of Accumulated Depreciation	$ 2,652,339	$ 3,841,671	$ - 0 -	$ 6,494,010

Road and street improvements are conveyed to Harris County (the "County") for continued upkeep and maintenance. To date, roads and street improvements amounting to $12,205,586 have been conveyed to the County.

NOTE 7. MAINTENANCE TAX

On May 1, 2021, the voters of the District approved the levy and collection of a maintenance tax not to exceed $1.50 per $100 of assessed valuation of taxable property within the District. This maintenance tax is to be used by the General Fund to pay expenditures of operating the District's facilities as well as any other lawfully authorized purpose. During the year ended February 28, 2026, the District levied an ad valorem maintenance tax rate of $1.05 per $100 assessed valuation, which resulted in a tax levy of $986,335 on the adjusted taxable valuation of $93,936,660 for the 2025 tax year.

On May 1, 2021, the voters of the District approved the levy and collection of a road maintenance tax not the exceed $0.25 per $100 of assessed valuation to be used for constructing and maintaining the District's roads. As of February 28, 2026, the District has not levied a road maintenance tax.

NOTE 8. RISK MANAGEMENT

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

NOTE 9. UNREIMBURSED COSTS

The District has entered into certain financing and reimbursement agreements with Developers within the District which provides for the Developers to make payments on behalf of the District for various projects and operating advances. The District has an obligation to reimburse the Developers for these costs from future bond issues to the extent approved by the Commission. The District has recorded a liability to the Developers of $17,449,598 for advances as of February 28, 2026. Of the advances received as of February 28, 2026, $763,513 were to fund District operations and the remaining balance was to fund construction projects. The actual amounts owed, including developer interest, will be calculated at the time debt is issued to reimburse the Developers. The following table summarizes the current fiscal year activity related to unreimbursed Developer costs for advances:

Due to Developers, beginning of year	$	6,924,291
Additions		10,525,307
Due to Developers, end of year	$	17,449,598

NOTE 10. WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

The District is located within the boundaries of the West Harris County Regional Water Authority (the "Authority"). The Authority was created under Article 16, Section 59 of the Texas Constitution by House Bill 1842 (the "Act"), as passed by the seventy-seventh Texas Legislature, in 2001. The Act empowers the Authority for purposes including the acquisition and provision of surface water and groundwater for residential, commercial, industrial, agricultural, and other uses, the reduction of groundwater withdrawals, the conservation, preservation, protection, recharge, and prevention of waste of groundwater and of groundwater reservoirs or their subdivisions, the control of subsidence caused by withdrawal of water from those groundwater reservoirs of their subdivision.

The Authority charges a fee which enables it to fulfill its purpose and regulatory functions. The current pumpage fee charged by the Authority is $3.95 per 1,000 gallons of water pumped from each well. During the current year, the Master District recorded fees of $356,515 paid to the Authority for groundwater; these fees were charged through to the District as discussed further in Note 12.

NOTE 11. COST SHARING AGREEMENT

The District, Harris County Municipal Utility District No. 478 ("District No. 478") and the respective Developers for each district have executed a Cost Sharing Agreement ("Agreement") confirming District No. 478 as the Master District of the combined development. The District is constructing certain water plants, detention ponds and culverts, clearing for the wastewater treatment plant and has obtained the offsite easements and is constructing the offsite drainage ditch on behalf of the Master District. Upon completion of certain Master District construction contracts, the District will deed those projects to the Master District for ultimate reimbursement, ownership and maintenance of those facilities. Each district will pay monthly operating charges to operate and maintain as set forth in a facilities future Master District Operating Agreement.

The District will provide internal water, sanitary sewer and drainage facilities, as well as road and park and recreational facilities to serve the land within its boundaries.

NOTE 12. CONTRACT FOR FINANCING, OPERATION AND MAINTENANCE OF REGIONAL WATER, SANITARY SEWER, STORM SEWER, PARK, ROAD AND OTHER JUBILEE FACILITIES

Effective September 22, 2023, as amended on August 23, 2024, the District and District No. 478 entered into a Contract for Financing, Operation, and Maintenance of Regional Water, Sanitary Sewer, Storm Sewer, Park, Road and Other Jubilee Facilities. District No. 478 has been designated as the Master District and has assumed responsibility of becoming the coordinating district to provide water supply and distribution services, sewage collection and treatment services, major trunk storm sewer drainage services, major collective detention services, regional park facilities, regional roads and other services and facilities permitted by law for the entire Jubilee development.

To complete acquisition and construction, the Master District is authorized to issue bonds in an amount not to exceed $2,298,110,000 for water, sewer and drainage facilities, $1,062,770,000 for road facilities and $1,453,900,000 for park facilities. To date, the Master District has issued $5,200,000 of contract revenue bonds to fund utility facilities serving the District and has issued $7,500,000 of contract revenue road bonds to fund road facilities.

The Contract specifies the calculation of connection charges to be computed to pay for the capital costs of constructing the Master District facilities, as well as the calculation of monthly operation and maintenance charges, reserve requirements and debt service requirements.

During the year ended February 28, 2026, the Master District billed the District $1,677,000 for capacity reservation fees. In addition, the Master District billed the District $330,482 for the District's share of water supply fees. At February 28, 2026, the District owes $150,730 to the Master District for capacity reservation and water supply fees. Pursuant to the Contract, the District paid $75,000 to the Master District representing a three-month operation and maintenance reserve; at February 28, 2026, this amount is held in reserve by the Master District.

NOTE 13. SETTLEMENT AGREEMENTS

Effective February 16, 2023, the District executed a Settlement Agreement ("Agreement") with Minero Holdings, LLC (Minero") to settle an eminent domain lawsuit for an easement and right-of-way on land owned by Minero. The Agreement calls for the District to pay Minero $7,000,000. The settlement payment called for in the Agreement is to be paid to Minero as follows: a one-time payment of $3,500,000 consisting of the sum of $1,019,443 which the District had previously deposited into the registry of the Court hearing the lawsuit in August 2021, and the sum of $2,480,557 to be paid within 30 days of the effective date of the Agreement which occurred in March 2023; and installment payments of $3,500,000 to be paid in seven equal payments in the amount of $500,000 due no later than 14 calendar days following the end of each six-month period beginning from the effective date of the Agreement.

Pursuant to this Agreement, the District and the Developer have executed an Agreement to Advance Funds whereby the Developer has agreed to advance the amounts to the District required to make the seven installment payments of $500,000 each. In a prior fiscal year, the Master District assumed obligations under the Settlement Agreement and, during the current fiscal year, made settlement payments to Minero in the amount of $1,000,000 per the Settlement Agreement, leaving a balance due of $500,000 as of February 28, 2026.

Effective November 30, 2023, the District executed a Settlement Agreement ("Agreement 2") with Weiss Land and Development, LLC ("Weiss") to settle an eminent domain lawsuit for an easement and right-of-way on land owned by Weiss. The agreement calls for the District to pay Weiss $13,500,000. The settlement payment called for in Agreement 2 is be paid to Weiss as follows: a one-time payment of $7,500,000 consisting of the sum of $72,815, which the District had previously deposited into the registry of the Court hearing the lawsuit in July 2021, and the sum of $7,427,185 to be paid on or before December 29, 2023, which has occurred; and installment payments of $6,000,000 in the three equal payments on or before the last business day in December for the years 2024, 2025, and 2026 until the third and final installment payment has been made.

Pursuant to this Agreement, the District and the Developer have executed an Agreement to Advance Funds whereby the Developer has agreed to advance the amounts to the District required to make the installment payments due to Weiss. In a prior fiscal year, the Master District, assumed obligations under Agreement 2 and, during the current fiscal year, made settlement payments to Weiss in the amount of $2,000,000 per Settlement Agreement 2, leaving a balance due of $2,000,000 as of February 28, 2026.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 477

REQUIRED SUPPLEMENTARY INFORMATION

FEBRUARY 28, 2026

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 477
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND FOR THE YEAR ENDED FEBRUARY 28, 2026

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	$ 600,000	$ 935,487	$ 335,487
Water Service	135,000	172,667	37,667
Wastewater Service	120,000	208,034	88,034
Tap Connection and Inspection Fees	320,000	895,711	575,711
Water Authority Fees		328,146	328,146
Penalty and Interest	2,000	8,319	6,319
Investment Revenues	1,000	663	(337)
Miscellaneous Revenues		40,634	40,634
TOTAL REVENUES	$ 1,178,000	$ 2,589,661	$ 1,411,661
EXPENDITURES			
Service Operations:			
Professional Fees	$ 162,000	$ 166,396	$ (4,396)
Contracted Services	85,361	104,881	(19,520)
Purchased Water	12,000	330,482	(318,482)
Capacity Reservation Fees	1,770,000	1,677,000	93,000
Utilities	22,000	26,059	(4,059)
Repairs and Maintenance	50,000	155,758	(105,758)
Other	297,950	476,739	(178,789)
Condemnation Fees		740,562	(740,562)
TOTAL EXPENDITURES	$ 2,399,311	$ 3,677,877	$ (1,278,566)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	$ (1,221,311)	$ (1,088,216)	$ 133,095
OTHER FINANCING SOURCES (USES)			
Developer Advances	$ 1,227,000	$ 1,115,301	$ (111,699)
NET CHANGE IN FUND BALANCE	$ 5,689	$ 27,085	$ 21,396
FUND BALANCE - MARCH 1, 2025	296,986	296,986	
FUND BALANCE - FEBRUARY 28, 2026	$ 302,675	$ 324,071	$ 21,396

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 477

SUPPLEMENTARY INFORMATION – REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

FEBRUARY 28, 2026

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 477
SERVICES AND RATES
FOR THE YEAR ENDED FEBRUARY 28, 2026

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

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
X	Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect)				
	Other (specify): _____				

2. RETAIL SERVICE PROVIDERS

a. RETAIL RATES FOR A 5/8" METER (OR EQUIVALENT):

The following rates are based on the rate order approved February 27, 2026.

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons over Minimum Use	Usage Levels
WATER:	$ 25.00	10,000	N	$ 1.50	10,001 to 15,000
				$ 2.00	15,001 to 20,000
				$ 2.50	20,001 to 25,000
				$ 3.00	25,001 to 30,000
				$ 3.50	30,001 and up
WASTEWATER:	$ 50.00		Y		
SURCHARGE: Regional Water Authority Fees	$ 4.35 per 1,000 gallons				

District employs winter averaging for wastewater usage? ____ Yes X No

Total monthly charges per 10,000 gallons usage: Water: $25.00 Wastewater: $50.00 Surcharge: $43.50 Total: $118.50

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 477
SERVICES AND RATES
FOR THE YEAR ENDED FEBRUARY 28, 2026

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
Unmetered			x 1.0	
≤¾"	416	412	x 1.0	412
1"	109	108	x 2.5	270
1½"	1	1	x 5.0	5
2"	26	26	x 8.0	208
3"	6	6	x 15.0	90
4"			x 25.0	
6"			x 50.0	
8"			x 80.0	
10"			x 115.0	
Total Water Connections	558	553		985
Total Wastewater Connections	528	523	x 1.0	523

3. TOTAL WATER CONSUMPTION DURING THE FISCAL YEAR ROUNDED TO THE NEAREST THOUSAND: (Unaudited)

Gallons pumped into system:		Water Accountability Ratio: 100% (Gallons billed and sold/Gallons pumped and purchased)
Gallons purchased:	81,485,000	From: Harris County MUD No. 478
Gallons billed to customers:	81,485,000	

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 477
SERVICES AND RATES
FOR THE YEAR ENDED FEBRUARY 28, 2026

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes X No _____

County in which District is located:

Harris County, Texas

Is the District located within a city?

Entirely _____ Partly _____ Not at all X

Is the District located within a city's extraterritorial jurisdiction (ETJ)?

Entirely X Partly _____ Not at all _____

ETJ in which District is located:

City of Houston, Texas

Are Board Members appointed by an office outside the District?

Yes _____ No X

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 477
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED FEBRUARY 28, 2026

PROFESSIONAL FEES:		
Auditing	$	14,250
Engineering		42,709
Legal		109,437
TOTAL PROFESSIONAL FEES	$	166,396
PURCHASED WATER SERVICE:		
Purchased Water Service	$	330,482
Capacity Reservation Fees		1,677,000
TOTAL PURCHASED WATER SERVICE	$	2,007,482
CONTRACTED SERVICES:		
Bookkeeping	$	13,862
Operations and Billing		18,837
Solid Waste Disposal		72,182
TOTAL CONTRACTED SERVICES	$	104,881
UTILITIES	$	26,059
REPAIRS AND MAINTENANCE	$	155,758
ADMINISTRATIVE EXPENDITURES:		
Director Fees, Including Payroll Taxes	$	13,711
Insurance		3,078
Legal Notices		760
Office Supplies and Postage		1,581
Other		2,200
TOTAL ADMINISTRATIVE EXPENDITURES	$	21,330
TAP CONNECTIONS	$	344,803
CONDEMNATION FEES	$	740,562
OTHER EXPENDITURES:		
Laboratory Fees	$	634
Permit Fees		3,744
Reconnection Fees		15,550
Inspection Fees		88,896
Regulatory Assessment		1,782
TOTAL OTHER EXPENDITURES	$	110,606
TOTAL EXPENDITURES	$	3,677,877

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 477
INVESTMENTS
FEBRUARY 28, 2026

Fund	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
DEBT SERVICE FUND					
TexSTAR	XXXX3331	Varies	Daily	$ 398,126	$
TexSTAR	XXXX3333	Varies	Daily	106,857	
TOTAL DEBT SERVICE FUND				$ 504,983	$ - 0 -

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 477
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED FEBRUARY 28, 2026

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE - MARCH 1, 2025	$ 20,106		$ -0-	
Adjustments to Beginning Balance	(6,707)	$ 13,399		$ -0-
Original 2025 Tax Levy	$ 826,270		$ 354,116	
Adjustment to 2025 Tax Levy	160,065	986,335	68,599	422,715
TOTAL TO BE ACCOUNTED FOR		$ 999,734		$ 422,715
TAX COLLECTIONS:				
Prior Years	$ 13,399		$	
Current Year	922,088	935,487	395,180	395,180
TAXES RECEIVABLE - FEBRUARY 28, 2026		$ 64,247		$ 27,535
TAXES RECEIVABLE BY YEAR:				
2025		$ 64,247		$ 27,535

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 477
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED FEBRUARY 28, 2026

	2025	2024	2023
PROPERTY VALUATIONS:			
Land	$ 27,272,283	$ 14,325,869	$ 6,881,899
Improvements	66,664,377	6,917,593.00	
TOTAL PROPERTY VALUATIONS	$ 93,936,660	$ 21,243,462	$ 6,881,899
TAX RATES PER $100 VALUATION:			
Contract Road Tax	$ 0.30	$ -	$ -
Contract Water, Sewer and Drainage Tax	0.15		
Total Debt Service Tax Rate	$ 0.45	$ -	$ -
Maintenance Tax Rate	1.05	1.50	1.50
TOTAL TAX RATES PER $100 VALUATION	$ 1.50	$ 1.50	$ 1.50
ADJUSTED TAX LEVY*	$ 1,409,050	$ 318,652	$ 103,228
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	93.49 %	100.00 %	100.00 %

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

Maintenance Tax – Maximum tax rate not to exceed $1.50 per $100 of assessed valuation approved by voters on May 1, 2021.

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 477
LONG-TERM DEBT SERVICE REQUIREMENTS
FEBRUARY 28, 2026

Due During Fiscal Years Ending February 28/29	SERIES-2025 ROADS		
	Principal Due September 1	Interest Due March 1/ September 1	Total
2027	$	$ 105,804	$ 105,804
2028	60,000	141,073	201,073
2029	65,000	138,672	203,672
2030	70,000	136,073	206,073
2031	70,000	133,272	203,272
2032	75,000	130,473	205,473
2033	80,000	127,397	207,397
2034	85,000	124,078	209,078
2035	85,000	120,507	205,507
2036	90,000	116,853	206,853
2037	95,000	112,892	207,892
2038	100,000	108,618	208,618
2039	105,000	104,017	209,017
2040	110,000	99,188	209,188
2041	120,000	94,127	214,127
2042	125,000	88,608	213,608
2043	130,000	82,795	212,795
2044	140,000	76,750	216,750
2045	145,000	69,750	214,750
2046	155,000	62,500	217,500
2047	160,000	54,750	214,750
2048	170,000	46,750	216,750
2049	180,000	38,250	218,250
2050	185,000	29,250	214,250
2051	195,000	20,000	215,000
2052	205,000	10,250	215,250
	$ 3,000,000	$ 2,372,697	$ 5,372,697

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 477
CHANGE IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED FEBRUARY 28, 2026

Description	Original Bonds Issued	Bonds Outstanding March 1, 2025
Harris County Municipal Utility District No. 477 Unlimited Tax Road Bonds - Series 2025	$ 3,000,000	$
TOTAL	$ 3,000,000	$ - 0 -

Bond Authority:	Tax Bonds	Road Bonds	Park Bonds
Amount Authorized by Voters	$ 189,865,000	$ 168,140,000	$ 209,060,000
Amount Issued		3,000,000	
Remaining to be Issued	$ 189,865,000	$ 165,140,000	$ 209,060,000

Debt Service Fund cash, investments and cash with paying agent balances as of February 28, 2026:	$ 891,861
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 206,642

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

See accompanying independent auditor's report.

Current Year Transactions				
	Retirements			
Bonds Sold	Principal	Interest	Bonds Outstanding February 28, 2026	Paying Agent
$ 3,000,000	$	$	$ 3,000,000	BOKF, N.A. Dallas, TX
$ 3,000,000	$ - 0 -	$ - 0 -	$ 3,000,000	

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 477
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND – FIVE YEARS

	Amounts		
	2026	2025	2024
REVENUES			
Property Taxes	$ 935,487	$ 298,629	$ 103,145
Water Service	172,667	65,276	3,849
Wastewater Service	208,034	68,033	4,174
Tap Connection and Inspection Fees	895,711	671,714	114,795
Water Authority Fees	328,146	132,115	
Penalty and Interest	8,319	6,065	30
Investment Revenues	663	1,299	2,588
Miscellaneous Revenues	40,634	16,465	465
TOTAL REVENUES	$ 2,589,661	$ 1,259,596	$ 229,046
EXPENDITURES			
Professional Fees	$ 166,396	$ 145,979	$ 161,394
Contracted Services	104,881	45,102	9,548
Purchased Water and Capacity Reservation Fees	2,007,482	508,623	
Utilities	26,059	1,750	
Repairs and Maintenance	155,758	113,378	638
Other	476,739	309,376	45,631
Capital Outlay		17,363	
Condemnation Fees and Settlement Payments	740,562	173,611	12,703,499
TOTAL EXPENDITURES	$ 3,677,877	$ 1,315,182	$ 12,920,710
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	$ (1,088,216)	$ (55,586)	$ (12,691,664)
OTHER FINANCING SOURCES (USES)			
Developer Advances	$ 1,115,301	400,000	13,182,742
NET CHANGE IN FUND BALANCE	$ 27,085	$ 344,414	$ 491,078
BEGINNING FUND BALANCE (DEFICIT)	296,986	(47,428)	(538,506)
ENDING FUND BALANCE (DEFICIT)	$ 324,071	$ 296,986	$ (47,428)

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2023	2022	2026	2025	2024	2023	2022
$	$	36.1 %	23.7 %	45.1 %	%	%
		6.7	5.2	1.7		
		8.0	5.4	1.8		
		34.6	53.3	50.1		
		12.7	10.5			
		0.3	0.5			
146			0.1	1.1	100.0	
		1.6	1.3	0.2		
$ 146	$ - 0 -	100.0 %	100.0 %	100.0 %	100.0 %	%
$ 70,300	$ 106,864	6.4 %	11.6 %	70.5 %	48150.7 %	%
9,050	10,150	4.1	3.6	4.2	6198.6	
		77.5	40.3			
		1.0	0.1			
		6.0	9.0	0.3		
10,997	14,432	18.4	24.6	19.9	7,532.2	
			1.4			
2,564,350	2,643,090	28.6	13.8	5,546.2	1,756,404.1	
$ 2,654,697	$ 2,774,536	142.0 %	104.4 %	5,641.1 %	1,818,285.6 %	%
$ (2,654,551)	$ (2,774,536)	(42.0) %	(4.4) %	(5,541.1) %	(1,818,185.6) %	N/A
2,203,000	2,687,581					
$ (451,551)	$ (86,955)					
(86,955)						
$ (538,506)	$ (86,955)					

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 477
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND – FIVE YEARS

	Amounts		
	2026	2025	2024
REVENUES			
Property Taxes	$	$	$
Penalty and Interest	2,014		
Investment Revenues	2,800		
Miscellaneous Revenues	420		
TOTAL REVENUES	$ 5,234	$ - 0 -	$ - 0 -
EXPENDITURES			
Tax Collection Expenditures	$ 22,540	$	$
TOTAL EXPENDITURES	$ 22,540	$ - 0 -	$ - 0 -
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ (17,306)	$ - 0 -	$ - 0 -
OTHER FINANCING SOURCES (USES)			
Long-Term Debt Issued	$ 211,609	$	$
NET CHANGE IN FUND BALANCE	$ 194,303	$ - 0 -	$ - 0 -
BEGINNING FUND BALANCE			
ENDING FUND BALANCE	$ 194,303	$ - 0 -	$ - 0 -
TOTAL ACTIVE RETAIL WATER CONNECTIONS	553	213	N/A
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	523	202	N/A

See accompanying independent auditor's report.

		Percentage of Total Revenue				
2023	2022	2026	2025	2024	2023	2022
$	$	%	%	%	%	%
		38.5				
		53.5				
		8.0				
$ - 0 -	$ - 0 -	100.0 %	%	%	%	%
$	$	430.6 %	%	%	%	%
$ - 0 -	$ - 0 -	430.6 %	%	%	%	%
$ - 0 -	$ - 0 -	(330.6) %	N/A %	N/A %	N/A %	N/A %
$	$					
$ - 0 -	$ - 0 -					
$ - 0 -	$ - 0 -					
N/A	N/A					
N/A	N/A					

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 477
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
FEBRUARY 28, 2026

District Mailing Address - Harris County Municipal Utility District No. 477
c/o Allen Boone Humphries Robinson LLP
3200 Southwest Freeway, Suite 2600
Houston, TX 77027

District Telephone Number - (713) 860-6400

Board Members	Term of Office (Elected or Appointed)	Fees of Office for the year ended February 28, 2026	Expense Reimbursements for the year ended February 28, 2026	Title
Danny Ware	05/2022 - 05/2026 (Elected)	$ 2,652	$ -0-	President
Cory Budinscak	05/2024 - 05/2028 (Elected)	$ 2,431	$ -0-	Vice President
Roel Huerta	05/2022 - 05/2026 (Elected)	$ 2,210	$ -0-	Secretary
Lyle Klingbeil	05/2024 - 05/2028 (Elected)	$ 4,199	$ 165	Assistant Vice President
Brooke Marrs	06/2025 - 05/2028 (Appointed)	$ 884	$ 190	Assistant Secretary

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

Submission date of most recent District Registration Form: November 19, 2025

The limit on Fees of Office that a Director may receive during a fiscal year is $7,200 as set by Board Resolution on June 18, 2023. Fees of Office are the amounts actually paid to a Director during the District's current fiscal year.

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 477
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
FEBRUARY 28, 2026

Consultants:	Date Hired	Fees for the year ended February 28, 2026	Title
Allen Boone Humphries Robinson LLP	01/11/21	$ 109,457	General Counsel
		$ 93,000	Bond Related
McCall Gibson Swedlund Barfoot Ellis PLLC	02/23/24	$ 14,250	Auditor
		$ 17,500	Bond Related
Myrtle Cruz, Inc.	02/08/21	$ 15,358	Bookkeeper
		$ 5,250	Bond Related
Perdue, Brandon, Fielder, Collins & Mott, LLP	07/12/21	$ 321	Delinquent Tax Attorney
Post Oak Municipal Advisors LLC	02/08/21	$ 64,269	Financial Advisor
LJA Engineering, Inc.	01/11/21	$ 68,443	Engineer
		$ 25,000	Bond Related
Tax Tech, Inc.	02/08/21	$ 15,320	Tax Assessor/ Collector
		$ 2,500	Bond Related
Si Environmental, LLC	02/08/21	$ 589,422	Operator
Mary Jarmon	02/08/21	$ -0-	Investment Officer
Hunton Andrews Kurth, LLP	03/21/22	$ 714,828	Condemnation Counsel

See accompanying independent auditor's report.

ANNUAL FINANCIAL REPORT

Of

Legal Name of District or Authority:	Harris County MUD #478B
For the Fiscal Year Ended:	02/28/2026
Preparer:	Myrtle Cruz, Inc.
Title:	Bookkeeper
Date:	4/27/26
Telephone Number: (AC)	(713) 759-1368

3401 Lousiana St - Ste 400	Houston, Texas	77002-9552
District's Mailing Address	**City, State**	**Zip Code**

AUDIT REPORT EXEMPTION

Texas Water Code §49.198. AUDIT REPORT EXEMPTION (effective September 1, 2011)

§49.198(a) A district may elect to file annual financial reports with the executive director in lieu of the district's compliance with Section 49.191 provided:

§49.198(a)(1) The district had no bonds or other long-term (more than one year) liabilities outstanding during the fiscal period;

§49.198(a)(2) The district did not have gross receipts from operations, loans, taxes, or contributions in excess of $250,000 during the fiscal period; and

§49.198(a)(3) The district's cash and temporary investments were not in excess of $250,000 during the fiscal period.

§49.198(b) The annual financial report must be accompanied by an affidavit attesting to the accuracy and authenticity of the financial report signed by a duly authorized representative of the district.

§49.198(c) The annual financial report and affidavit in a format prescribed by the executive director must be on file with the executive director within 45 days after the close of the district's fiscal year.

§49.198(d) Districts governed by this section are subject to periodic audits by the executive director.

If the accompanying financial statements are compiled by a certified public accountant, see SSARS-1 and SSARS-7 for the applicable standards for reporting on compiled financial statements.

FILING AFFIDAVIT

To: Texas Commission on Environmental Quality

Under the penalties of perjury, I certify that I have inspected the attached balance sheet, statement of receipts and disbursements, including the accompanying schedules and statements, and to the best of my knowledge and belief, they are a true, correct, and complete representation of the financial condition of:

Harris County MUD #478B as of

(Name of District)

02/28/2026 I also certify that the above district has complied in full

(Date of Fiscal Year End)

with all filing of audits, affidavits, and financial reports requirements of Section 49.194 of the Texas Water Code by filing copies of this Annual Financial Report in the district's office, located at:

3401 Louisiana St - Ste 400, Houston Texas 77002-9552

(Address of District)

Tina Soto - Bookkeeper

(Typed Name and Title)

T. Soto 04/27/26

(Signature of Affiant) *(Date)*

Subscribed and Sworn to before me by this 27 day of

April, 2026 In and For Harris County, Texas

Stephanie Corona June 26th 2026

(Typed Name of Notary) *(My Commission Expires On)*

STEPHANIE CORONA
Notary Public, State of Texas
Comm. Expires on 06-26-2026
Notary ID 133[illegible]

Stephanie Corona

District Name:

MISCELLANEOUS DISCLOSURES AND MAILING INFORMATION

as of the District's Fiscal Year-End

A. **Disclosures to comply with Rule 30 TAC 293.95(b)**

(1) Was there any developer activity to prepare for residential or commercial development? "Developer activity" means construction performed or actions taken in preparation for construction (i.e., plans, permits) to provide services for or access to present or future residential or commercial water, sewer or drainage facilities. ☒ Yes ☐ No

If yes, have payments for these facilities been made by (an) other party (ies) on behalf of the district? ☒ Yes ☐ No

These payments are estimated to cumulatively be:

Cost	Amount
Organization Costs	$ 150,000
Construction Costs	$ 0
Administration Cost	$ 0
Total Costs	$ 150,000

(2) Was the Board aware of any other types of contingent or actual liabilities (e.g., claims, lawsuits) which are not disclosed elsewhere in this report? ☐ Yes ☒ No

If yes, explain:

B. **Disclosures to comply with V.T.C.A. Water Code §49.054(e) and §49.455(j).** The Texas Commission on Environmental Quality must be notified of any changes in boundaries, board members, board terms, and addresses. Guidance for filing this information and a District Registration Form may be obtained by calling 512-239-4691.

C. **Additional Information.**

This report should be sent to:

District Creation Review Team,
MC-152
Texas Commission on Environmental Quality
P.O. Box 13087 Austin, TX 78711-3087

Phone Number: 512-239-4691
Fax Number: 512-239-6190

BALANCE SHEET – CASH BASIS

Asset Type		Amount
Cash on Hand		
Cash in Bank (Schedule A)		$ 18,749
Investment (Schedule B)		
Total Cash and Investments[i]		$ 18,749
Accrued Interest Receivable - Optional (Schedule B)		
Inventory		
General Fixed Assets		
Other Assets		
(Explain):		
	Total Assets:[ii]	$ 18,749

LIABILITIES AND EXCESS		Amount
Notes Payable		
Refundable Deposits		
Developer Advances		
Other Liabilities		
(Explain):		
Total Liabilities		
Excess Assets Over Liabilities		$ 18,749
Total Liabilities and Excess[iii]		$ 18,749

Note to Preparer:

[i] "Total Cash and Investments" must equal "Cash and Investments – End of Year "on the Statement of Receipts and Disbursement", page 5.
[ii] Must equal "Total Liabilities and Excess"
[iii] Must equal "Total Assets"

STATEMENT OF RECEIPTS AND DISBURSEMENTS – CASH BASIS

Receipts	Amount
Service Revenues	
Tax Receipts	
Penalty and Interest Received	
Interest Received on Investments	
Loans or Advances	$ 75,000
All Other Receipts	
(Explain):	
Total Receipts	$ 75,000

Less Disbursements	Amount
Purchased Services for Resale	
Payroll	
Legal, Accounting, or Contract Service	$ 42,895
Supplies and Materials	$ 384
Maintenance	
Note Payments and Repayment of Advances	
All other Disbursements (Schedule C)	$ 12,972
Total Disbursements	$ 56,251
Excess of Receipts Over (under) Disbursements	$ 18,749
Cash and Investments - Beginning of Year	$ 0
Cash and Investment - End of Year (see Note 1 Page 4)	$ 18,749

Note to Preparer: In addition to all disbursements related to the purchase of consumable supplies and materials, certain assets of insignificant value may be considered consumable and accordingly recognized under the account classification "Supplies and Materials." Please refer to Explanation of Terms, General Fixed Assets, pages 7 and 8 of this report, for additional clarification.

SCHEDULE A 1 – CASH IN BANK[i]

Name of Bank	Account Number	Purpose of Account	Balance
Central Bank	6,048,110	Operations	$ 18,749
		TOTAL	$ 18,749

SCHEDULE B – INVESTMENTS[ii]

Type of Investment	Name of Bank	Certificate Number	Interest Rate	Maturity Date	Principal Balance	(Optional) Accrued Interest
			0.00%			
			0.00%			
			0.00%			
			0.00%			
				TOTALS		

SCHEDULE C – SCHEDULE OF ALL OTHER DISBURSEMENTS[iii]

Description of Disbursements[iv]	**Amount**
Director Fees	$ 5,967
Insurance	$ 3,069
Payroll Taxes	$ 186
Travel & Per Diem	$ 0
Miscellaneous	$ 3,750
Election Expenses	$ 0
TOTAL	$ 12,972

[i] Please refer to Explanation of Terms, Cash in Bank, page 7 of this report, for proper reporting.
[ii] Please refer to Explanation of Terms, Investments, page 8 of this report, for proper reporting of "Principal Balance" and "Accrued Interest."
[iii] Please refer to Explanation of Terms, All Other Disbursements, page 7 of this report, for proper reporting of "All Other Disbursements."
[iv] A description should be given for each type of transaction and the amount of payments attributable to this type of disbursement. It may not be necessary to list each transaction separately.

EXPLANATION OF TERMS

All Other Disbursements - This classification should be used only for payments, which cannot be classified properly in the six remaining accounts listed on the Statement of Receipts and Disbursements. Schedule C, page 6, should be completed for any report, which utilizes the "All Other Disbursements" classification.

Cash Basis - The financial statements contained in this report are to be prepared on the cash basis of accounting. They are not intended to be in conformity with Generally Accepted Accounting Principles (GAAP). Only transactions involving the exchange of cash should be included in these statements. No liabilities should be recorded unless they arise from the transfer of money. Exceptions to this rule are listed in "Investments" and "General Fixed Assets" below. Receipts and disbursements should not be recorded until payment is made. For the purpose of the Statement of Receipts and Disbursements, movement of funds between checking accounts and investments should not be considered as receipts or disbursements.

Cash on Hand - Petty cash, checks, money orders, and bank drafts not on deposit.

Cash in Bank - (From Schedule A) - Cash deposited in the district's checking account(s). The reserves, restrictions, or limitations as to its availability should be so stated. The total amount shown on Schedule A must reflect the reconciled balance as of the fiscal year end and reported under the account classification "Cash in Bank" on the Balance Sheet.

Developer Advances - Amounts owed to a developer for cash placed in the district's account or otherwise paid to the district. However, amounts payable to a developer for which repayment is contingent upon a bond sale (or some other event) should not be included as a liability of the district. Please see the Miscellaneous Disclosures, page 3 of this report, for disclosure of these contingent liabilities.

Disbursements - All transactions involving the disbursement of the district's fund should be included in the disbursements section. Payments made on behalf of the district by a third party should not be listed as a disbursement for the purpose of this statement. See the Miscellaneous Disclosures, page 3, of this report, for disclosures of these payments.

Excess Assets Over Liabilities - The difference between "Total Assets" and "Total Liabilities." If liabilities exceed assets, this number should be shown as a negative amount.

General Fixed Assets - A fixed asset is one which the cost exceeds $50 and has a productive life longer than one year. "Fixed" denotes the intent to continue use or possession; it does not indicate the immobility of the asset. An asset of cost not in excess of $50 should be considered consumable and accordingly recognized under the account classification "Supplies and Materials" on the Statement of Receipts and Disbursements. A fixed asset purchased through the issuance of a short-term note payable should be reported as an asset at its full cost even though no cash transaction may have taken place. Likewise, the corresponding note payable should be reported in the liability section of the Balance Sheet. Fixed assets donated to the district by a developer should be included as "General Fixed Assets" on the Balance Sheet. However, no amounts should be recorded on the Statement of Receipts and Disbursements for this type of transaction. The Credit offset to the fixed asset will be included in "Excess Assets over Liabilities" on the Balance Sheet.

Investments (From Schedule B) - List the types of investments (certificates of deposit, savings accounts, securities) which generate income in the form of interest. This should not include any amounts listed on Schedule A as "Cash in Bank." The total amount shown on Schedule B for "Principal Balance" must be reported under the account classification "Investments" on the Balance Sheet. At the option of the preparer, any interest earned on investments but not yet received may be reported as "Accrued Interest" on Schedule B and in the Asset section of the Balance Sheet. Under no circumstance should accrued interest be included in "Interest Received

on Investments" under "Receipts" on page 5. "Interest Received on Investments" should include only amounts actually received during the fiscal year.

Inventories - The cost of materials and other items purchased for use during the fiscal year by which are not completely consumed by the end of the fiscal year.

Notes Payable - The total outstanding principal of short-term loans, which mature within one year of their issuance.

Other Liabilities - Only liabilities arising from the receipt of cash which cannot be properly classified in one of the other liability accounts should be listed in this classification along with a brief explanation of this liability. Accounts payable, accrued interest, and contracts payable should not be listed as liabilities in this report.

Receipts - All transactions involving the receipt of cash during the fiscal year should be included in the Receipts section. Only those amounts actually received during the fiscal year should be included. Amounts received for which repayment is contingent upon a bond sale (or some other event) should be included here. (See "Developer Advances" above for treatment of the contingent liability.)

Refundable Deposits - This amount reflects a liability arising from the receipt of deposits from customers, which will be refunded to the customer at some future date, based on the terms and conditions of the deposit agreement.

Rounding Instructions - Please round to the nearest whole dollar amount. For example:

$467.50 should be rounded up to $468 and $3,678.49 should be rounded down to $3,678.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 478

HARRIS COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FEBRUARY 28, 2026

McCALL GIBSON SWEDLUND BARFOOT ELLIS PLLC
Certified Public Accountants

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McCall Gibson Swedlund Barfoot Ellis PLLC

Certified Public Accountants

Chris Swedlund
Noel W. Barfoot
Joseph Ellis
Ashlee Martin

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

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Harris County Municipal Utility District No. 478
Harris County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Harris County Municipal Utility District No. 478 (the "District") as of and for the year ended February 28, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of February 28, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Board of Directors
Harris County Municipal Utility District No. 478

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide an assurance, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McCall Gibson Swedlund Barfoot Ellis PLLC

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

June 29, 2026

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 478
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED FEBRUARY 28, 2026

Management's discussion and analysis of Harris County Municipal Utility District No. 478's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended February 28, 2026. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

FUND FINANCIAL STATEMENTS

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

FUND FINANCIAL STATEMENTS (Continued)

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

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

NOTES TO FINANCIAL STATEMENTS

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

OTHER INFORMATION

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, liabilities exceeded assets by $12,484,280 as of February 28, 2026.

A portion of the District's net position reflects its net investment in capital assets which include land, water and wastewater facilities, and drainage and detention facilities less any debt used to acquire those assets that is still outstanding. The table on the following page presents a comparative analysis of government-wide changes in net position.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

	Summary of Changes in the Statement of Net Position		
	2026	2025	Change Positive (Negative)
Current and Other Assets	$ 1,679,703	$ 764,312	$ 915,391
Right-of-Use Assets (Net of Accumulated Amortization)	1,915,473		
Capital Assets (Net of Accumulated Depreciation)	54,018,275	36,186,931	17,831,344
Total Assets	$ 57,613,451	$ 36,951,243	$ 18,746,735
Due to Developers	$ 52,571,590	$ 31,044,524	$ (21,527,066)
Settlements Payable	2,500,000	5,500,000	3,000,000
Long-Term Liabilities	14,502,064	4,444,085	(10,057,979)
Other Liabilities	524,077	195,191	(328,886)
Total Liabilities	$ 70,097,731	$ 41,183,800	$ (28,913,931)
Net Position:			
Net Investment in Capital Assets	$ (12,781,465)	$ (4,363,940)	$ (8,417,525)
Restricted	519,320	298,084	221,236
Unrestricted	(222,135)	(166,701)	(55,434)
Total Net Position	$ (12,484,280)	$ (4,232,557)	$ (8,251,723)

The following table provides a comparative analysis of the District's operations for the years ending February 28, 2026, and February 28, 2025. The District's net position decreased by $8,251,723.

	Summary of Changes in the Statement of Activities		
	2026	2025	Change Positive (Negative)
Revenues:			
Charges for Services	$ 330,482	$ 132,722	$ 197,760
Other Revenues	1,700,636	377,590	1,323,046
Total Revenues	$ 2,031,118	$ 510,312	$ 1,520,806
Expenses for Services	10,282,841	4,601,298	(5,681,543)
Change in Net Position	$ (8,251,723)	$ (4,090,986)	$ (4,160,737)
Net Position, Beginning	(4,232,557)	(141,571)	(4,090,986)
Net Position, Ending	$ (12,484,280)	$ (4,232,557)	$ (8,251,723)

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUND

The District's combined fund balances as of February 28, 2026, were $1,413,679, an increase of $826,376 from the prior year.

The General Fund fund balance increased by $398,066, primarily due to service revenues, capacity reservation fees, and developer advances exceeding operating costs, administrative expenditures, and settlement and condemnation payments.

The Debt Service Fund fund balance increased by $461,107, due to the structure of the District outstanding debt along with capitalized interest received from the Series 2025A and Series 2025B Road bond issues.

The Capital Projects Fund fund balance decreased by $32,797, primarily due to the issuance of the Series 2025A and Series 2025B Road bonds.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors adopted a budget for the General Fund for the current fiscal year. Actual revenues were $787,984 more budgeted revenues; actual expenditures were $60,262 more than budgeted expenditures; and developer advances received were $2,660,000 more than budgeted. This resulted in a positive variance compared to budget of $3,387,722. See the budget to actual comparison for more information.

CAPITAL ASSETS

Capital assets as of February 28, 2026, totaled $54,018,275 (net of accumulated depreciation) and included land, water and wastewater facilities, and drainage and detention facilities. Additional information can be found in Note 6 of this report.

Capital Assets At Year-End, Net of Accumulated Depreciation

	2026	2025	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	$ 28,741,760	$ 26,905,867	$ 1,835,893
Capital Assets, Net of Accumulated Depreciation:			
Water and Wastewater Facilities	12,225,609	5,249,579	6,976,030
Drainage and Detention Facilities	13,050,906	4,031,485	9,019,421
Total Net Capital Assets	$ 54,018,275	$ 36,186,931	$ 17,831,344

LONG-TERM DEBT

At the end of the current fiscal year, the District had total bond debt payable of $12,700,000. The changes in the debt position of the District during the current fiscal year are summarized in the following table:

Bond Debt Payable, March 1, 2025	$	4,500,000
Add: Bond Sale		8,200,000
Less: Bond Principal Paid		
Bond Debt Payable, February 28, 2026	$	12,700,000

The District's bonds do not have an underlying or insured rating.

At February 28, 2026, the District recorded an amount due to Developers of $52,571,590 which consists of advances made by the Developers during the previous and current fiscal years. In addition, the District has recorded a Settlements Payable liability in the amount of $2,500,000. See Note 14 for information on the Settlement Agreements approved as of February 28, 2026.

CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

The adopted budget for fiscal year 2027 projects an operating fund balance increase of $173,330. Revenues are expected to be $1,900,500 and expenditures are expected to be $1,727,170.

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Harris County Municipal Utility District No. 478, c/o Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600 Houston, Texas 77027.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 478
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
FEBRUARY 28, 2026

	General Fund	Debt Service Fund
ASSETS		
Cash	$ 557,832	$
Investments		805,422
Due from Other Funds	11,736	
Prepaid Costs	130,909	
Due from Other Governmental Units	150,730	
Right-of-Use Assets (Net of Accumulated Amortization)		
Land		
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	$ 851,207	$ 805,422

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
$ 34,810	$ 592,642	$	$ 592,642
	805,422		805,422
	11,736	(11,736)	
	130,909		130,909
	150,730		150,730
		1,915,473	1,915,473
		28,741,760	28,741,760
		25,276,515	25,276,515
$ 34,810	$ 1,691,439	$ 55,922,012	$ 57,613,451

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

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 478
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
FEBRUARY 28, 2026

	General Fund	Debt Service Fund
LIABILITIES		
Accounts Payable	$ 84,842	$
Accrued Interest Payable		28,049
Advances from Participants	150,000	
Settlements Payable		
Due to Developers		
Due to Other Funds		
Long-Term Liabilities:		
Lease Payable, Due Within One Year		
Lease Payable, Due After One Year		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	$ 234,842	$ 28,049
FUND BALANCES		
Nonspendable -		
Prepaid Costs	$ 130,909	$
Restricted for Authorized Construction		
Restricted for Debt Service		777,373
Unassigned	485,456	
TOTAL FUND BALANCES	$ 616,365	$ 777,373
TOTAL LIABILITIES AND FUND BALANCES	$ 851,207	$ 805,422
NET POSITION		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
TOTAL NET POSITION		

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
$ 3,133	$ 87,975	$	$ 87,975
	28,049	258,053	286,102
	150,000		150,000
		2,500,000	2,500,000
		52,571,590	52,571,590
11,736	11,736	(11,736)	
		180,526	180,526
		1,774,469	1,774,469
		140,000	140,000
		12,407,069	12,407,069
$ 14,869	$ 277,760	$ 69,819,971	$ 70,097,731
$	$ 130,909	$ (130,909)	$
19,941	19,941	(19,941)	
	777,373	(777,373)	
	485,456	(485,456)	
$ 19,941	$ 1,413,679	$ (1,413,679)	$ -0-
$ 34,810	$ 1,691,439		
		$ (12,781,465)	$ (12,781,465)
		519,320	519,320
		(222,135)	(222,135)
		$ (12,484,280)	$ (12,484,280)

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

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 478
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
FEBRUARY 28, 2026

Total Fund Balances - Governmental Funds		$ 1,413,679
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Right-of-use assets pertaining to leased wastewater treatment plants and used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		1,915,473
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		54,018,275
Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year-end consist of:		
Due to Developers	$ (52,571,590)	
Settlements Payable	(2,500,000)	
Accrued Interest Payable	(258,053)	
Leases Payable Within One Year	(180,526)	
Leases Payable After One Year	(1,774,469)	
Bonds Payable Within One Year	(140,000)	
Bonds Payable After One Year	(12,407,069)	(69,831,707)
Total Net Position - Governmental Activities		$ (12,484,280)

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

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 478
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED FEBRUARY 28, 2026

	General Fund	Debt Service Fund
REVENUES		
Water Service	$ 330,482	
Capacity Reservation Fees	1,677,000	
Investment Revenues	2,002	21,557
TOTAL REVENUES	$ 2,009,484	$ 21,557
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	$ 618,152	$
Contracted Services	67,327	200
Utilities	90,153	
Water Authority Assessments	356,515	
Repairs and Maintenance	250,602	
Prior Years Operating Activities		
Developer Interest		
Depreciation		
Amortization		
Other	577,109	
Lease Payments	331,560	
Conveyed Assets - Roads		
Capital Outlay		
Settlement Payments	3,000,000	
Debt Service:		
Bond Interest		176,750
Bond Issuance Costs		
TOTAL EXPENDITURES/EXPENSES	$ 5,291,418	$ 176,950
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	$ (3,281,934)	$ (155,393)
OTHER FINANCING SOURCES (USES)		
Long-Term Debt Issued	$	$ 616,500
Bond Discount		
Bond Premium		
Developer Advances	3,680,000	
TOTAL OTHER FINANCING SOURCES (USES)	$ 3,680,000	$ 616,500
NET CHANGE IN FUND BALANCES	$ 398,066	$ 461,107
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - MARCH 1, 2025	218,299	316,266
FUND BALANCES/NET POSITION - FEBRUARY 28, 2026	$ 616,365	$ 777,373

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
	$ 330,482		$ 330,482
	1,677,000		1,677,000
77	23,636		23,636
$ 77	$ 2,031,118	$ - 0 -	$ 2,031,118
$	$ 618,152	$	$ 618,152
	67,527		67,527
	90,153		90,153
	356,515		356,515
	250,602		250,602
361,377	361,377	(226,500)	134,877
835,610	835,610		835,610
		656,581	656,581
		169,927	169,927
12,076	589,185		589,185
	331,560	(130,405)	201,155
		5,173,273	5,173,273
5,587,632	5,587,632	(5,587,632)	
	3,000,000	(3,000,000)	
	176,750	243,757	420,507
718,777	718,777		718,777
$ 7,515,472	$ 12,983,840	$ (2,700,999)	$ 10,282,841
$ (7,515,395)	$ (10,952,722)	$ 2,700,999	$ (8,251,723)
$ 7,583,500	$ 8,200,000	$ (8,200,000)	$
(216,796)	(216,796)	216,796	
115,894	115,894	(115,894)	
	3,680,000	(3,680,000)	
$ 7,482,598	$ 11,779,098	$ (11,779,098)	$ -0-
$ (32,797)	$ 826,376	$ (826,376)	$
		(8,251,723)	(8,251,723)
52,738	587,303	(4,819,860)	(4,232,557)
$ 19,941	$ 1,413,679	$ (13,897,959)	$ (12,484,280)

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

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 478
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED FEBRUARY 28, 2026

Net Change in Fund Balance - Governmental Funds	$	826,376
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report principal payments on leases as expenditures. However, in the Statement of Net Position, principal payments on leases are reported as decreases in long-term lease liabilities.		130,405
Governmental funds do not account for depreciation or amortization. However, in the Statement of Net Position, capital assets and right-of-use assets are depreciated and amortized and the depreciation and amortization expense is recorded in the Statement of Activities.		(826,508)
Governmental funds report capital expenditures as expenditures in the period purchased. However, in the Statement of Net Position, capital assets, net of assets conveyed to Harris County, are increased by new purchases and the Statement of Activities is not affected.		414,359
Governmental funds report bond discounts and bond premiums as other financing sources/uses in the year paid. However, in the Statement of Net Position, bond discounts and bond premiums are amortized over the life of the bonds and the current year amortized portion is recorded in the Statement of Activities.		100,902
Governmental funds report settlement payments for easements as expenditures. However, in the Statement of Net Position, settlement payments are reported as decreases in long-term liabilities.		3,000,000
Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end.		(243,757)
Governmental funds report bond proceeds as other financing sources. Issued bonds increase long-term liabilities in the Statement of Net Position.		(8,200,000)
Governmental funds report developer advances as other financing sources. However, in the Statement of Net Position, developer advances, net any amount paid to the developer, are recorded as a liability.		(3,453,500)
Change in Net Position - Governmental Activities	$	(8,251,723)

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

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 478
NOTES TO THE FINANCIAL STATEMENTS
FEBRUARY 28, 2026

NOTE 1. CREATION OF DISTRICT

Harris County Municipal Utility District No. 478 (the "District") was created effective June 19, 2009, pursuant to Chapter 508 (S.B. 1039), Acts of the 81st legislature, Regular Session 2009, codified as Chapter 8334 of the Texas Special District Local Laws Code. By authorization of the Texas House of Representatives during the 86th legislature, Regular Session 2019, the District was granted road powers pursuant to House Bill 4686. In accordance with the Texas Water Code, Chapters 49 and 54, the District is empowered to purchase, operate and maintain all facilities, plants and improvements necessary to provide water, wastewater service, storm sewer drainage, irrigation, to construct, operate and maintain roads in accordance with H.B. 4686, and to construct parks and recreational facilities for the residents of the District. The Board of Directors held its first meeting on February 2, 2021.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

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

Financial Statement Presentation

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

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

These classifications are defined as follows:

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

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

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

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

Government-Wide Financial Statements

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

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

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

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

Governmental Funds

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

General Fund - To account for resources not required to be accounted for in another fund, customer service revenues, operating costs and general expenditures.

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

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

Basis of Accounting

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

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

Amounts transferred from one fund to another fund are reported as other financing sources or uses. Loans by one fund to another fund and amounts paid by one fund for another fund are reported as interfund receivables and payables in the Governmental Funds Balance Sheet if there is intent to repay the amount and if the debtor fund has the ability to repay the advance on a timely basis. As of February 28, 2026, the Capital Projects Fund owed the General Fund $11,736 for bond issuance costs.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their estimated acquisition value on the date donated. Repairs and maintenance are recorded as an expenditure in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset after completion. Engineering fees and certain other costs are capitalized as part of the asset.

Assets are capitalized, including infrastructure assets, if they have an original cost greater than $15,000 and a useful life over two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation. Estimated useful lives are as follows:

	Years
Water and Wastewater Facilities	10-45
Detention and Drainage Facilities	20-45

Budgeting

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

Pensions

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

Measurement Focus

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

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

Fund balances in governmental funds are classified using the following hierarchy:

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

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

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

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

Unassigned: all other spendable amounts in the General Fund.

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

Accounting Estimates

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

NOTE 3. LONG-TERM DEBT

The following table summarizes changes in bonds payable for the current fiscal year:

	March 1, 2025	Additions	Retirements	February 28, 2026
Bonds Payable	$ 4,500,000	$ 8,200,000	$	$ 12,700,000
Unamortized Discounts	(55,915)	(216,796)	(5,772)	(266,939)
Unamortized Premiums		115,894	1,886	114,008
Bonds Payable, Net	$ 4,444,085	$ 8,099,098	$ (3,886)	$ 12,547,069

Amount Due Within One Year	$ 140,000
Amount Due After One Year	12,407,069
Bonds Payable, Net	$ 12,547,069

	Contract Revenue Road Bonds, Series 2025	Contract Revenue Bonds, Series 2025A	Contract Revenue Road Bonds, Series 2025B
Amount Outstanding – February 28, 2026	$4,500,000	$5,200,000	$3,000,000
Interest Rates	4.375% - 6.875%	4.625% - 7.125%	4.75% - 7.25%
Maturity Dates – Beginning/Ending	December 1, 2026/2050	December 1, 2026/2050	December 1, 2027/2051
Interest Payment Dates	June 1/ December 1	June 1/ December 1	June 1/ December 1
Callable Dates	December 1, 2030*	December 1, 2030*	December 1, 2031*

* Or any date thereafter, callable at par plus unpaid accrued interest, in whole or in part, at the option of the District. The Series 2025 Road term bonds maturing December 1, 2041, 2046 and 2050 are subject to mandatory redemption beginning December 1, 2034, 2042 and 2047, respectively, by lot or other customary method. The Series 2025A term bonds maturing December 1, 2038, 2043, 2047 and 2050 are subject to mandatory redemption beginning December 1, 2033, 2039, 2044 and 2048, respectively, by lot or other customary method. The Series 2025B Road term bonds maturing December 1, 2045 and 2051 are subject to mandatory redemption beginning December 1, 2037 and 2046, respectively, by lot or other customary method.

NOTE 3. LONG-TERM DEBT (Continued)

On July 29, 2025, the District issued Contract Revenue Bonds, Series 2025A, of $5,200,000 with interest rates ranging from 4.625% to 7.125%. The net proceeds of $4,787,247 (after payment of underwriter fees, bond issue costs and the bond discount) were used to finance developer funded utility facility construction and land acquisition costs, fund future interest payments on the bonds and to pay bond issue costs.

On December 18, 2025, the District issued Contract Revenue Road Bonds, Series 2025B, of $3,000,000 with interest rates ranging from 4.75% to 7.25%. The net proceeds of $2,745,462 (after payment of underwriter fees, bond issue costs and the bond discount) were used to finance developer funded road construction and land acquisition costs, fund future interest payments on the bonds and to pay bond issue costs.

Future debt service requirements as of year end are summarized in the following table:

Fiscal Year	Principal	Interest	Total
2027	$ 140,000	$ 741,995	$ 881,995
2028	275,000	620,200	895,200
2029	290,000	600,782	890,782
2030	305,000	580,450	885,450
2031	320,000	558,906	878,906
2032-2036	1,850,000	2,511,993	4,361,993
2037-2041	2,380,000	2,032,738	4,412,738
2042-2046	3,045,000	1,412,851	4,457,851
2047-2051	3,890,000	617,550	4,507,550
2052	205,000	9,737	214,737
	$ 12,700,000	$ 9,687,202	$ 22,387,202

As of February 28, 2026, the District (as a participating district) had authorized but unissued bonds in the amount of $312,000,000 for the purchase or construction of water, sewer, and drainage facilities and the refunding of bonds issued for same, $220,000,000 for the purchase or construction of road facilities and the refunding of bonds for same, and $272,000,000 for the purchase or construction of parks and recreational facilities and the refunding of bonds issued for same. As of February 28, 2026, no debt has been issued by the District as a participating district.

As of February 28, 2026, the District (as the Master District) had authorized but unissued bonds in an amount not to exceed $2,292,910,000 for water, sewer and drainage facilities, $1,055,270,000 for road facilities and $1,453,900,000 for park facilities. Principal and interest on the bonds are payable from and secured by an unconditional obligation to make certain payments by the participating districts in the applicable service area pursuant to the contract described in Note 13. The participants have each agreed to pay a pro rata share of the debt service of the bonds based on the certified assessed valuation of each participant as a percentage of the total assessed valuation of all participating districts.

NOTE 4. SIGNIFICANT BOND RESOLUTION AND LEGAL REQUIREMENTS

The District has covenanted that it will take all necessary steps to comply with the requirement that rebatable arbitrage earnings on the investment of the gross proceeds of the bonds (Section 148(f) of the Internal Revenue Code) be rebated to the federal government. The minimum requirement for determination of the rebatable amount is on the five-year anniversary of each issue and every 5th year thereafter. The District is required to provide to certain information repositories continuing disclosure of annual financial information and operating data with respect to the District. The information is of the general type included in the annual audit report and must be filed within six months after the end of each fiscal year of the District.

The Series 2025, Series 2025A and Series 2025B bond resolutions required bond proceeds of $315,000, $390,000 and $226,500, respectively, to be deposited into the Debt Service Fund and restricted for payment of bond interest. As of February 28, 2026, $754,750 remains restricted for payment of bond interest.

The bond resolutions state that the District shall maintain insurance on the system of a kind and in an amount which usually would be carried on similar systems by water control and improvement district in the State of Texas.

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

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

At fiscal year end, the carrying amount of the District's deposits was $592,642 and the bank balance was $491,297. Of the bank balance, $441,408 was covered by federal depository insurance and the remaining balance was covered by collateral pledged in the name of the District and held in a third party depository. The District was not exposed to custodial credit risk at year-end.

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

The carrying values of the deposits as of February 28, 2026, are listed below:

	Cash
GENERAL FUND	$ 557,832
CAPITAL PROJECTS FUND	34,810
TOTAL DEPOSITS	$ 592,642

Investments

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

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

As of February 28, 2026, the District had the following investments and maturities:

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
DEBT SERVICE FUND		
TexSTAR	$ 805,422	$ 805,422

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

The District invests in the Texas Short Term Asset Reserve Program ("TexSTAR"), an external public funds investment pool that is not SEC-registered. J. P. Morgan Investment Management Inc. provides investment management and Hilltop Securities Inc. provides participant services and marketing under an agreement with the TexSTAR Board of Directors. Custodial, fund accounting and depository services are provided by JPMorgan Chase Bank, N.A. and/or its subsidiary J.P. Morgan Investors Services Co. Investments held by TexSTAR are marked to market daily. The investments are considered Level I investments because their fair value is measured by quoted prices in active markets. The fair value of the District's position in the pool is the same as the value of the pool shares. There are no limitations or restrictions on withdrawals from TexSTAR.

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At February 28, 2026, the District's investment in TexSTAR was rated AAAm by Standard and Poor's.

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

Restrictions

All cash and investments of the Debt Service Fund are restricted for the payment of debt service and the cost of assessing and collecting taxes.

All cash and investments of the Capital Projects Fund are restricted for the purchase or rehabilitation of capital assets.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended February 28, 2026 included the following:

	March 1, 2025	Increases	Decreases	February 28, 2026
Capital Assets Not Being Depreciated				
Land and Land Improvements	$ 26,905,867	$ 1,835,893	$	$ 28,741,760
Capital Assets Subject to Depreciation				
Water and Wastewater Facilities	$ 5,288,518	$ 7,246,401	$	$ 12,534,919
Drainage and Detention Facilities	4,121,383	9,405,631		13,527,014
Total Capital Assets Subject to Depreciation	$ 9,409,901	$ 16,652,032	$ - 0 -	$ 26,061,933
Accumulated Depreciation				
Water and Wastewater Facilities	$ 38,939	$ 270,371	$	$ 309,310
Drainage and Detention Facilities	89,898	386,210		476,108
Total Accumulated Depreciation	$ 128,837	$ 656,581	$ - 0 -	$ 785,418
Total Depreciable Capital Assets, Net of Accumulated Depreciation	$ 9,281,064	$ 15,995,451	$ - 0 -	$ 25,276,515
Total Capital Assets, Net of Accumulated Depreciation	$ 36,186,931	$ 17,831,344	$ - 0 -	$ 54,018,275

Roads and street improvements are conveyed to Harris County (the "County") for continued upkeep and maintenance. To date, roads and street improvements amounting to $8,419,247 have been conveyed to the County.

NOTE 7. MAINTENANCE TAX

On November 7, 2023, the voters of the District approved the levy and collection of a maintenance tax not to exceed $1.50 per $100 of assessed valuation of taxable property within the District. This maintenance tax is to be used by the General Fund to pay expenditures of operating the District's facilities as well as any other lawfully authorized purpose. As of February 28, 2026, the District has not levied an ad valorem maintenance tax.

On November 7, 2023, the voters of the District approved the levy and collection of a road maintenance tax not the exceed $0.25 per $100 of assessed valuation to be used for constructing and maintaining the District's roads. As of February 28, 2026, the District has not levied a road maintenance tax.

NOTE 8. RISK MANAGEMENT

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

NOTE 9. UNREIMBURSED COSTS

The District has entered into certain financing and reimbursement agreements with Developers within the District which provides for the Developers to make payments on behalf of the District for various projects and operating advances. The District has an obligation to reimburse the Developers for these costs from future bond issues to the extent approved by the Commission. The District has recorded a liability to the Developers of $52,571,590 for advances as of February 28, 2026. Of the advances received as of February 28, 2026, $838,500 were to fund District operations and the remaining balance was to fund construction projects and eminent domain condemnation proceedings and settlements. The actual amounts owed, including developer interest, will be calculated at the time debt is issued to reimburse the Developers. The following table summarizes the current fiscal year activity related to unreimbursed Developer costs for advances:

Due to Developers, beginning of year	$	31,044,524
Additions		27,476,075
Reimbursements		(5,949,009)
Due to Developers, end of year	$	52,571,590

NOTE 10. WEST HARRIS COUNTY REGIONAL WATER AUTHORITY

The District is located within the boundaries of the West Harris County Regional Water Authority (the "Authority"). The Authority was created under Article 16, Section 59 of the Texas Constitution by House Bill 1842 (the "Act"), as passed by the seventy-seventh Texas Legislature, in 2001. The Act empowers the Authority for purposes including the acquisition and provision of surface water and groundwater for residential, commercial, industrial, agricultural, and other uses, the reduction of groundwater withdrawals, the conservation, preservation, protection, recharge, and prevention of waste of groundwater and of groundwater reservoirs or their subdivisions, the control of subsidence caused by withdrawal of water from those groundwater reservoirs of their subdivision.

The Authority charges a fee which enables it to fulfill its purpose and regulatory functions. The current groundwater pumpage fee charged by the Authority is $3.95 per 1,000 gallons of water pumped from each well. During the current year, the District recorded fees of $356,515 paid to the Authority for groundwater.

NOTE 11. COST SHARING AGREEMENT

The District, Harris County Municipal Utility District No. 477 ("District No. 477") and the respective Developers for each district have executed a Cost Sharing Agreement ("Agreement") confirming the District as the Master District ("Master District") of the combined development. District No. 477 is constructing certain water plants, detention ponds and culverts, clearing for the wastewater treatment plant and has obtained the offsite easements and is constructing the offsite drainage ditch on behalf of the Master District. Upon completion of certain Master District construction contracts, District No. 477 will deed those projects to the Master District for ultimate reimbursement, ownership and maintenance of those facilities. Each district will pay monthly operating charges to operate and maintain facilities as set forth in the Contract for Financing, Operation and Maintenance of Regional Water, Sanitary Sewer, Storm Sewer, Park, Road and Other Jubilee Facilities (see Note 13).

The District will provide internal water, sanitary sewer and drainage facilities, as well as road and park and recreational facilities to serve the land within its boundaries.

NOTE 12. LEASES – WASTEWATER TREATMENT PLANTS

On February 19, 2024, the District entered into a lease agreement with AUC Group for a 150,000 GPD wastewater treatment plant (the "Phase 1 Lease Agreement"). The initial term of this lease, which began in March 2025, is five years and will automatically be extended under the same terms for successive one-year periods after the initial term of the lease until such time the District gives notice of its intent to exercise its purchase option, cancel or terminate the lease. Monthly payments in the amount of $27,035 are due for the initial 60-month term of the lease; these monthly payments decrease to $18,750 per month during the renewal period through the 120th month of the lease, at which point the residual value of the leased asset is zero. Payments are due the first day of each month. The District has the option to purchase the wastewater treatment plant commencing on the 36th month of the lease, per a schedule in the Phase 1 Lease Agreement. The last month lease payment of $27,035 along with the March and April 2026 payments have been recorded as a prepaid costs at February 28, 2026.

On April 25, 2025, the District entered into a lease agreement with AUC Group for a second 150,000 GPD wastewater treatment plant (the "Phase 2 Lease Agreement"). The initial term of this lease, which began in February 2026, is five years and will automatically be extended under the same terms for successive one-year periods after the initial term of the lease until such time the District gives notice of its intent to exercise its purchase option, cancel or terminate the lease. Monthly payments in the amount of $7,140 are due for the initial 60-month term of the lease; these monthly payments decrease to $4,200 per month during the renewal period through the 120th month of the lease, at which point the residual value of the leased asset is zero. Payments are due the first day of each month. The District has the option to purchase the wastewater treatment plant commencing on the 36th month of the lease, per a schedule in the Phase 2 Lease Agreement. The last month lease payment of $7,140 along with the March and April 2026 payments have been recorded as a prepaid costs at February 28, 2026.

NOTE 12. LEASES – WASTEWATER TREATMENT PLANTS (Continued)

In accordance with the requirements of GASB Statement No. 87, the District recorded right-of-use assets and related lease liabilities on its books for the wastewater treatment plants leased under the Phase 1 and Phase 2 Lease Agreements. The lease liabilities were measured assuming the initial lease term of five years, plus five additional years and a discount rate of 12.25%. The right-of-use assets, current amortization expense, and accumulated amortization is summarized below:

	March 1, 2025	Increases	Decreases	February 28, 2026
Right-of-Use Assets Subject to Amortization				
Wastewater Treatment Plants Leased	$	$ 2,085,400	$	$ 2,085,400
Accumulated Amortization				
Wastewater Treatment Plants Leased	-	169,927		169,927
Total Right-of-Use Assets, Net of Accumulated Amortization	$ - 0 -	$ 1,915,473	$ - 0 -	$ 1,915,473

During the current fiscal year, the District made lease payments totaling $331,560, of which $130,405 applied to principal and $201,155 applied to interest. The beginning lease liability balance of $2,085,400 was reduced by current year principal repayments, resulting in a fiscal year ending lease liability balance of $1,954,995 at February 28, 2026.

Future lease payments are summarized in the following table:

Fiscal Year	Principal	Interest	Total
2027	$ 180,526	$ 229,574	$ 410,100
2028	203,925	206,175	410,100
2029	230,357	179,743	410,100
2030	260,216	149,884	410,100
2031	185,808	121,932	307,740
2032-2036	894,163	253,636	1,147,799
	$ 1,954,995	$ 1,140,944	$ 3,095,939

NOTE 13. CONTRACT FOR FINANCING, OPERATION AND MAINTENANCE OF REGIONAL WATER, SANITARY SEWER, STORM SEWER, PARK, ROAD AND OTHER JUBILEE FACILITIES

Effective September 22, 2023, as amended on August 23, 2024, the District and District No. 477 entered into a Contract for Financing, Operation, and Maintenance of Regional Water, Sanitary Sewer, Storm Sewer, Park, Road and Other Jubilee Facilities. The District has been designated as the Master District and has assumed responsibility of becoming the coordinating district to provide water supply and distribution services, sewage collection and treatment services, major trunk storm sewer drainage services, major collective detention services, regional park facilities, regional roads and other services and facilities permitted by law for the entire Jubilee development.

To complete acquisition and construction, the Master District is authorized to issue bonds in an amount not to exceed $2,298,110,000 for water, sewer and drainage facilities, $1,062,770,000 for road facilities and $1,453,900,000 for park facilities. To date, the District as the Master District has issued $5,200,000 of contract revenue bonds to fund water, wastewater and drainage facilities and $7,500,000 of contract revenue bonds to fund road facilities.

The Contract specifies the calculation of connection charges to be computed to pay for the capital costs of constructing the Master District facilities, as well as the calculation of monthly operation and maintenance charges, reserve requirements and debt service requirements.

The District will also serve as a participant district and has entered into a separate agreement effective August 8, 2023 with the Master District that mirrors the Contract with District No. 477.

During the year ended February 28, 2026, the Master District billed District No. 477 $1,677,000 for capacity reservation fees. In addition, the Master District billed District No. 477 $330,482 for their share of water supply fees. At February 28, 2026, the Master District had a receivable balance of $150,730 due from District No. 477 for capacity reservation and water supply fees.

The Master District has received $75,000 from District No. 477 for payment of the three-month operation and maintenance reserve; at February 28, 2026, this amount is held in reserve by the Master District. The Master District has also billed Harris County Municipal District No. 478B $75,000 for payment of the three-month operation and maintenance reserve which, at February 28, 2026, is also held in reserve by the Master District.

NOTE 14. SETTLEMENT AGREEMENTS

Effective February 16, 2023, District No. 477 executed a Settlement Agreement (the "Settlement Agreement") with Minero Holdings, LLC (Minero") to settle an eminent domain lawsuit for an easement and right-of-way on land owned by Minero. The Settlement Agreement calls for the District No. 477 to pay Minero $7,000,000. The settlement payment called for in the Settlement Agreement is to be paid to Minero as follows: a one-time payment of $3,500,000 consisting of the sum of $1,019,443 which the District No. 477 had previously deposited into the registry of the Court hearing the lawsuit in August 2021, and the sum of $2,480,557 to be paid within 30 days of the effective date of the Settlement Agreement which occurred in March 2023; and installment payments of $3,500,000 to be paid in seven equal payments in the amount of $500,000 due no later than 14 calendar days following the end of each six-month period beginning from the effective date of the Settlement Agreement.

Pursuant to this Settlement Agreement, District No. 477 and the Developer have executed an Agreement to Advance Funds whereby the Developer has agreed to advance the amounts to District No. 477 required to make the seven installment payments of $500,000 each. During the prior fiscal year, the District, as the Master District, assumed obligations under the Settlement Agreement. For the year ended February 28, 2026, the District made settlement payments to Minero in the amount of $1,000,000 per this Settlement Agreement, leaving a balance due of $500,000 as of February 28, 2026.

Effective November 30, 2023, District No. 477 executed a Settlement Agreement ("Settlement Agreement 2") with Weiss Land and Development, LLC ("Weiss") to settle an eminent domain lawsuit for an easement and right-of-way on land owned by Weiss. Settlement Agreement 2 calls for the District to pay Weiss $13,500,000. The settlement payment called for in Settlement Agreement 2 is be paid to Weiss as follows: a one-time payment of $7,500,000 consisting of the sum of $72,815, which the District No. 477 had previously deposited into the registry of the Court hearing the lawsuit in July 2021, and the sum of $7,427,185 to be paid on or before December 29, 2023, which has occurred; and installment payments of $6,000,000 in the three equal payments on or before the last business day in December for the years 2024, 2025, and 2026 until the third and final installment payment has been made.

Pursuant to Settlement Agreement 2, District No. 477 and the Developer have executed an agreement whereby the Developer would have to advance funds for the installment payments due to Weiss. During the prior fiscal year, the District, as the Master District, assumed obligations under Settlement Agreement 2. For the year ended February 28, 2026, the District made settlement payments to Weiss in the amount of $2,000,000 per Settlement Agreement 2, leaving a balance due of $2,000,000 as of February 28, 2026.

NOTE 15. SUBSEQUENT EVENT – SALE OF BOND ANTICIPATION NOTE

On March 5, 2026, the District sold its Series 2026 Bond Anticipation Note ("2026 BAN") in the principal amount of $7,225,000 at an interest rate of 4.15% to mature within a year. Proceeds of the 2026 BAN were used by the District to reimburse a developer for operating advances and for construction costs related to Phase 1 and Phase 2 of Water Plant No. 1, Phase 1 of the Wastewater Treatment Plant and Phase 1 of Lift Station No. 1 along with land acquisition costs. It is anticipated that the 2026 BAN will be retired with proceeds from the sale of unlimited tax bonds in fiscal year 2027.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 478

REQUIRED SUPPLEMENTARY INFORMATION

FEBRUARY 28, 2026

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 478
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED FEBRUARY 28, 2026

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Water Service	$ 90,000	$ 330,482	$ 240,482
Capacity Reservation Fees	1,131,000	1,677,000	546,000
Investment Revenues	500	2,002	1,502
TOTAL REVENUES	$ 1,221,500	$ 2,009,484	$ 787,984
EXPENDITURES			
Service Operations:			
Professional Fees	$ 145,000	$ 618,152	$ (473,152)
Contracted Services	60,600	67,327	(6,727)
Utilities	75,000	90,153	(15,153)
Water Authority Assessments	170,000	356,515	(186,515)
Repairs and Maintenance	292,970	250,602	42,368
Other	595,218	577,109	18,109
Lease Payments	892,368	331,560	560,808
Settlement Payments	3,000,000	3,000,000	
TOTAL EXPENDITURES	$ 5,231,156	$ 5,291,418	$ (60,262)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	$ (4,009,656)	$ (3,281,934)	$ 727,722
OTHER FINANCING SOURCES (USES)			
Developer Advances	$ 1,020,000	$ 3,680,000	$ 2,660,000
NET CHANGE IN FUND BALANCE	$ (2,989,656)	$ 398,066	$ 3,387,722
FUND BALANCE - MARCH 1, 2025	218,299	218,299	
FUND BALANCE - FEBRUARY 28, 2026	$ (2,771,357)	$ 616,365	$ 3,387,722

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 478

SUPPLEMENTARY INFORMATION – REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

FEBRUARY 28, 2026

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 478
SERVICES AND RATES
FOR THE YEAR ENDED FEBRUARY 28, 2026

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

X	Retail Water		Wholesale Water	X	Drainage
X	Retail Wastewater		Wholesale Wastewater		Irrigation
X	Parks/Recreation		Fire Protection		Security
	Solid Waste/Garbage		Flood Control	X	Roads
X	Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect)				
	Other (specify): _____				

2. RETAIL SERVICE PROVIDERS

a. RETAIL RATES FOR A 5/8" METER (OR EQUIVALENT):

The following rates are based on the rate order approved February 27, 2026.

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons over Minimum Use	Usage Levels
WATER:	$ 25.00	10,000	N	$ 1.50	10,001 to 15,000
				$ 2.00	15,001 to 20,000
				$ 2.50	20,001 to 25,000
				$ 3.00	25,001 to 30,000
				$ 3.50	30,001 and up
WASTEWATER:	$ 50.00		Y		
SURCHARGE: Regional Water Authority Fees	$ 4.35 per 1,000 gallons				

District employs winter averaging for wastewater usage? ____ Yes X No

Total monthly charges per 10,000 gallons usage: Water: $25.00 Wastewater: $50.00 Surcharge: $43.50 Total: $118.50

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 478
SERVICES AND RATES
FOR THE YEAR ENDED FEBRUARY 28, 2026

2. RETAIL SERVICE PROVIDERS (Continued)

b. WATER AND WASTEWATER RETAIL CONNECTIONS: (Unaudited)

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFCs
Unmetered			x 1.0	
≤¾"			x 1.0	
1"			x 2.5	
1½"			x 5.0	
2"			x 8.0	
3"			x 15.0	
4"			x 25.0	
6"			x 50.0	
8"			x 80.0	
10"			x 115.0	
Total Water Connections	*	*		
Total Wastewater Connections	*	*	x 1.0	

3. TOTAL WATER CONSUMPTION DURING THE FISCAL YEAR ROUNDED TO THE NEAREST THOUSAND: (Unaudited)

Gallons pumped into system:	85,662,000	Water Accountability Ratio: 95.1% (Gallons billed and sold/Gallons pumped and purchased)
Gallons billed to customers:	*	
Gallons sold:	81,485,000	To: Harris County MUD No. 477

* During the current fiscal year, the District had no active connections.

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 478
SERVICES AND RATES
FOR THE YEAR ENDED FEBRUARY 28, 2026

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes X No _____

County in which District is located:

Harris County, Texas

Is the District located within a city?

Entirely _____ Partly _____ Not at all X

Is the District located within a city's extraterritorial jurisdiction (ETJ)?

Entirely X Partly _____ Not at all _____

ETJ in which District is located:

City of Houston, Texas

Are Board Members appointed by an office outside the District?

Yes _____ No X

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 478
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED FEBRUARY 28, 2026

PROFESSIONAL FEES:		
Auditing	$	14,750
Engineering		57,162
Legal		546,240
TOTAL PROFESSIONAL FEES	$	618,152
CONTRACTED SERVICES:		
Bookkeeping	$	25,628
Operations and Billing		40,766
Solid Waste Disposal		933
TOTAL CONTRACTED SERVICES	$	67,327
UTILITIES	$	90,153
REPAIRS AND MAINTENANCE	$	250,602
ADMINISTRATIVE EXPENDITURES:		
Director Fees, Including Payroll Taxes	$	14,139
Insurance		27,238
Legal Notices		5,450
Office Supplies and Postage		2,418
Travel and Meetings		4,455
Other		5,632
TOTAL ADMINISTRATIVE EXPENDITURES	$	59,332
SETTLEMENT PAYMENTS	$	3,000,000
OTHER EXPENDITURES:		
Chemicals	$	5,501
Laboratory Fees		9,192
Water Authority Assessments		356,515
Sludge Hauling		503,084
TOTAL OTHER EXPENDITURES	$	874,292
LEASE EXPENDITURES	$	331,560
TOTAL EXPENDITURES	$	5,291,418

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 478
INVESTMENTS
FEBRUARY 28, 2026

Fund	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
DEBT SERVICE FUND					
TexSTAR	XXXX3330	Varies	Daily	$ 420,649	$
TexSTAR	XXXX3331	Varies	Daily	384,773	
TOTAL - ALL FUNDS				$ 805,422	$ - 0 -

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 478
LONG-TERM DEBT SERVICE REQUIREMENTS
FEBRUARY 28, 2026

Due During Fiscal Years Ending February 28/29	SERIES-2025 ROADS		
	Principal Due December 1	Interest Due June 1/ December 1	Total
2027	$ 95,000	$ 210,000	$ 305,000
2028	100,000	203,469	303,469
2029	105,000	196,594	301,594
2030	110,000	189,375	299,375
2031	115,000	181,813	296,813
2032	120,000	173,906	293,906
2033	125,000	168,656	293,656
2034	135,000	163,188	298,188
2035	140,000	157,281	297,281
2036	145,000	151,156	296,156
2037	155,000	144,812	299,812
2038	160,000	138,031	298,031
2039	170,000	131,031	301,031
2040	180,000	123,594	303,594
2041	185,000	115,719	300,719
2042	195,000	107,625	302,625
2043	205,000	99,094	304,094
2044	215,000	90,125	305,125
2045	225,000	80,719	305,719
2046	240,000	70,875	310,875
2047	250,000	60,375	310,375
2048	260,000	49,438	309,438
2049	275,000	38,062	313,062
2050	290,000	26,031	316,031
2051	305,000	13,344	318,344
2052			
	$ 4,500,000	$ 3,084,313	$ 7,584,313

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 478
LONG-TERM DEBT SERVICE REQUIREMENTS
FEBRUARY 28, 2026

Due During Fiscal Years Ending February 28/29	SERIES-2025A Principal Due December 1	SERIES-2025A Interest Due June 1/ December 1	SERIES-2025A Total
2027	$ 45,000	$ 380,995	$ 425,995
2028	115,000	265,731	380,731
2029	120,000	257,538	377,538
2030	125,000	249,137	374,137
2031	135,000	240,231	375,231
2032	140,000	230,613	370,613
2033	145,000	224,137	369,137
2034	155,000	217,431	372,431
2035	160,000	209,875	369,875
2036	170,000	202,075	372,075
2037	180,000	193,788	373,788
2038	190,000	185,013	375,013
2039	200,000	175,750	375,750
2040	210,000	166,000	376,000
2041	220,000	155,500	375,500
2042	230,000	144,500	374,500
2043	240,000	133,000	373,000
2044	255,000	121,000	376,000
2045	265,000	108,250	373,250
2046	280,000	95,000	375,000
2047	295,000	81,000	376,000
2048	305,000	66,250	371,250
2049	325,000	51,000	376,000
2050	340,000	34,750	374,750
2051	355,000	17,750	372,750
2052			
	$ 5,200,000	$ 4,206,314	$ 9,406,314

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 478
LONG-TERM DEBT SERVICE REQUIREMENTS
FEBRUARY 28, 2026

Due During Fiscal Years Ending February 28/29	SERIES-2025B ROADS		
	Principal Due December 1	Interest Due June 1/ December 1	Total
2027	$	$ 151,000	$ 151,000
2028	60,000	151,000	211,000
2029	65,000	146,650	211,650
2030	70,000	141,938	211,938
2031	70,000	136,862	206,862
2032	75,000	131,788	206,788
2033	80,000	126,350	206,350
2034	85,000	122,550	207,550
2035	85,000	118,512	203,512
2036	90,000	114,475	204,475
2037	95,000	110,200	205,200
2038	100,000	105,688	205,688
2039	105,000	100,937	205,937
2040	110,000	95,950	205,950
2041	120,000	90,725	210,725
2042	125,000	85,025	210,025
2043	130,000	79,088	209,088
2044	140,000	72,912	212,912
2045	145,000	66,263	211,263
2046	155,000	59,375	214,375
2047	160,000	52,012	212,012
2048	170,000	44,413	214,413
2049	180,000	36,337	216,337
2050	185,000	27,788	212,788
2051	195,000	19,000	214,000
2052	205,000	9,737	214,737
	$ 3,000,000	$ 2,396,575	$ 5,396,575

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 478
LONG-TERM DEBT SERVICE REQUIREMENTS
FEBRUARY 28, 2026

Due During Fiscal Years Ending February 28/29	ANNUAL REQUIREMENTS FOR ALL SERIES		
	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2027	$ 140,000	$ 741,995	$ 881,995
2028	275,000	620,200	895,200
2029	290,000	600,782	890,782
2030	305,000	580,450	885,450
2031	320,000	558,906	878,906
2032	335,000	536,307	871,307
2033	350,000	519,143	869,143
2034	375,000	503,169	878,169
2035	385,000	485,668	870,668
2036	405,000	467,706	872,706
2037	430,000	448,800	878,800
2038	450,000	428,732	878,732
2039	475,000	407,718	882,718
2040	500,000	385,544	885,544
2041	525,000	361,944	886,944
2042	550,000	337,150	887,150
2043	575,000	311,182	886,182
2044	610,000	284,037	894,037
2045	635,000	255,232	890,232
2046	675,000	225,250	900,250
2047	705,000	193,387	898,387
2048	735,000	160,101	895,101
2049	780,000	125,399	905,399
2050	815,000	88,569	903,569
2051	855,000	50,094	905,094
2052	205,000	9,737	214,737
	$ 12,700,000	$ 9,687,202	$ 22,387,202

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 478
CHANGE IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED FEBRUARY 28, 2026

Description	Original Bonds Issued	Bonds Outstanding March 1, 2025
Harris County Municipal Utility District No. 478 Contract Revenue Road Bonds - Series 2025	$ 4,500,000	$ 4,500,000
Harris County Municipal Utility District No. 478 Contract Revenue Bonds - Series 2025A	5,200,000	
Harris County Municipal Utility District No. 478 Contract Revenue Road Bonds - Series 2025B	3,000,000	
TOTAL	$ 12,700,000	$ 4,500,000

	Master District		
Bond Authority:	Utility Bonds	Road Bonds	Park Bonds
Amount Authorized by Voters	$2,298,110,000	$1,062,770,000	$ 1,453,900,000
Amount Issued	5,200,000	7,500,000	
Remaining to be Issued	$2,292,910,000	$1,055,270,000	$ 1,453,900,000

Debt Service Fund cash, investments and cash with paying agent balances as of February 28, 2026:	$ 805,422
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 861,046

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

See accompanying independent auditor's report.

Current Year Transactions				
	Retirements		Bonds Outstanding	
Bonds Sold	Principal	Interest	February 28, 2026	Paying Agent
$	$	$ 176,750	$ 4,500,000	BOKF, NA Dallas, TX
5,200,000			5,200,000	BOKF, NA Dallas, TX
3,000,000			3,000,000	BOKF, NA Dallas, TX
$ 8,200,000	$ - 0 -	$ 176,750	$ 12,700,000	

Participant District		
Utility Bonds	Road Bonds	Park Bonds
$ 312,000,000	$ 220,000,000	$ 272,000,000
$ 312,000,000	$ 220,000,000	$ 272,000,000
*	*	*

* Includes all bonds secured with tax revenues. Bonds in this category may also be secured with other revenues in combination with taxes.

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 478
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - THREE YEARS

	Amounts		
	2026	2025	2024
REVENUES			
Water Service	$ 330,482	$ 132,722	$
Capacity Reservation Fees	1,677,000	375,750	
Investment Revenues	2,002	476	
TOTAL REVENUES	$ 2,009,484	$ 508,948	$ - 0 -
EXPENDITURES			
Professional Fees	$ 618,152	$ 173,133	$ 99,662
Contracted Services	67,327	24,566	14,275
Purchased Wastewater Service		31,500	3,500
Utilities	90,153	32,242	
Water Authority Assessments	356,515	131,873	4,772
Repairs and Maintenance	250,602	101,014	5,819
Other	577,109	39,750	13,543
Lease Payments	331,560		
Settlement Payments	3,000,000	3,000,000	
TOTAL EXPENDITURES	$ 5,291,418	$ 3,534,078	$ 141,571
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	$ (3,281,934)	$ (3,025,130)	$ (141,571)
OTHER FINANCING SOURCES (USES)			
Developer Advances	$ 3,680,000	$ 3,200,000	$ 185,000
NET CHANGE IN FUND BALANCE	$ 398,066	$ 174,870	$ 43,429
BEGINNING FUND BALANCE	218,299	43,429	
ENDING FUND BALANCE	$ 616,365	$ 218,299	$ 43,429

See accompanying independent auditor's report.

Percentage of Total Revenues		
2026	2025	2024
16.4 %	26.1 %	%
83.5	73.8	
0.1	0.1	
100.0 %	100.0 %	N/A %
30.8 %	34.0 %	%
3.3	4.8	
	6.2	
4.5	6.3	
17.7	25.9	
12.5	19.9	
28.7	7.8	
16.5		
149.3	589.5	
263.3 %	694.4 %	N/A %
(163.3) %	(594.4) %	N/A %

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 478
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - THREE YEARS

	Amounts		
	2026	2025	2024
REVENUES			
Investment Revenues	$ 21,557	$ 1,266	$
TOTAL REVENUES	$ 21,557	$ 1,266	$ - 0 -
EXPENDITURES			
Debt Service Interest and Fees	$ 176,950	$	$
TOTAL EXPENDITURES	$ 176,950	$ - 0 -	$ - 0 -
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	$ (155,393)	$ 1,266	$ - 0 -
OTHER FINANCING SOURCES (USES)			
Long-Term Debt Issued	$ 616,500	$ 315,000	$
NET CHANGE IN FUND BALANCE	$ 461,107	$ 316,266	$ - 0 -
BEGINNING FUND BALANCE	316,266		
ENDING FUND BALANCE	$ 777,373	$ 316,266	$ - 0 -
TOTAL ACTIVE RETAIL WATER CONNECTIONS	N/A	N/A	N/A
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	N/A	N/A	N/A

See accompanying independent auditor's report.

Percentage of Total Revenue		
2026	2025	2024
100.0 %	100.0 %	%
100.0 %	100.0 %	N/A %
820.8 %	%	%
820.8 %	%	N/A %
(720.8) %	100.0 %	N/A %

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 478
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
FEBRUARY 28, 2026

District Mailing Address - Harris County Municipal Utility District No. 478
c/o Allen Boone Humphries Robinson LLP
3200 Southwest Freeway, Suite 2600
Houston, TX 77027

District Telephone Number - (713) 860-6400

Board Members	Term of Office (Elected or Appointed)	Fees of Office for the year ended February 28, 2026	Expense Reimbursements for the year ended February 28, 2026	Title
Vanessa Rodriguez	05/2024 - 05/2028 (Elected)	$ 2,431	$ -0-	President
Lawrence Dean	11/2023 - 05/2026 (Elected)	$ 2,873	$ -0-	Vice President
Julie Kveton	05/2024 - 05/2028 (Elected)	$ 2,652	$ 1,219	Secretary
Mark Landreneau	06/2025 - 05/2026 (Appointed)	$ 1,547	$ -0-	Assistant Vice President
Mike Yu	11/2023 - 05/2026 (Elected)	$ 3,094	$ 1,656	Assistant Secretary

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

Submission date of most recent District Registration Form: June 25, 2025

The limit on Fees of Office that a Director may receive during a fiscal year is $7,200 as set by the Board effective June 18, 2023. Fees of Office are the amounts actually paid to a Director during the District's current fiscal year.

See accompanying independent auditor's report.

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 478
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
FEBRUARY 28, 2026

Consultants:	Date Hired	Fees for the year ended February 28, 2026	Title
Allen Boone Humphries Robinson LLP	02/02/21	$ 128,406 $ 242,236	General Counsel Bond Related
McCall Gibson Swedlund Barfoot Ellis PLLC	02/23/24	$ 14,750 $ 32,500	Auditor Bond Related
Myrtle Cruz, Inc.	04/12/21	$ 27,775 $ 12,000	Bookkeeper Bond Related
Perdue, Brandon, Fielder, Collins & Mott, LLP	02/23/24	$ -0-	Delinquent Tax Attorney
Post Oak Municipal Advisors LLC	04/12/21	$ 166,084	Financial Advisor
LJA Engineering, Inc.	02/02/21	$ 46,378 $ 84,122	Engineer Bond Related
Tax Tech, Inc.	08/08/23	$ 6,400	Tax Assessor/ Collector
Si Environmental, LLC	08/08/23	$ 590,455	Operator
Mary Jarmon	04/12/21	$ -0-	Investment Officer

See accompanying independent auditor's report.