OFFICIAL NOTICE OF SALE

$6,000,000

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
(A Political Subdivision of the State of Texas located within El Paso County, Texas)
HUNT COMMUNITIES DEFINED AREA
UNLIMITED TAX BONDS, SERIES 2026

Sealed Bids Due: November 19, 2026, at 9:00 a.m., M.T.
Award: November 19, 2026, at 6:00 p.m., M.T.

The Bonds are special obligations solely of Horizon Regional Municipal Utility District (the "District"), secured solely by ad valorem taxes levied on property located only within the Horizon Regional Municipal Utility District Hunt Communities Defined Area (the "Defined Area"), which is located within the District, and are not obligations of the State of Texas; El Paso County, Texas; the City of El Paso, Texas; or any other political subdivision or agency.

THE DISTRICT WILL DESIGNATE THE BONDS AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS.

THE SALE

Bonds Offered for Sale at Competitive Bidding . . . The District is offering for sale its $6,000,000 Unlimited Tax Bonds, Series 2026 (the "Bonds")

Place and Time of Bid Opening . . . The District will open sealed bids for purchase of the Bonds at the designated meeting place within the boundaries of the District at the District's offices at 14100 Horizon Blvd., Horizon City, TX 79928 on November 19, 2026 at 9:00 a.m., local time.

Award of Bonds . . . On the day of the sale at 6:00 p.m. local time, the Board of Directors of the District (the "Board") will hold a meeting at which it will take action to award the Bonds or reject all bids promptly upon the opening of bids. Upon awarding the Bonds, the District will also adopt the order authorizing issuance of the Bonds (the "Bond Order") and will approve the Official Statement, which will be an amended form of the Preliminary Official Statement. Sale of the Bonds will be made subject to the terms, conditions and provisions of the Bond Order to which Bond Order reference is hereby made for all purposes.

Address of Bids/Bids Delivered in Person . . . Sealed bids, plainly marked "Bid for Bonds," should be addressed to the Board and, if delivered in person, delivered to the designated meeting place inside the boundaries of the District located at 14100 Horizon Blvd., Horizon City, TX 79928, ***by 9:00 a.m., local time***, on the date of the bid opening. All bids must be submitted on the "Official Bid Form" without alteration or interlineation. Copies of the Official Bid Form accompany this Official Notice of Sale.

Electronic Bidding Procedure . . . Any prospective bidder that intends to submit an electronic bid must submit its electronic bid through the facilities of PARITY. Subscription to i-Deal's BIDCOMP Competitive Bidding System is required in order to submit an electronic bid. The District will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe. Bidders submitting an electronic bid shall not be required to submit Official Bid Forms.

An electronic bid made through the facilities of PARITY shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in this Notice of Sale and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the District. The District shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, PARITY, the use of such facilities being at the sole risk of the prospective bidder.

If any provisions of the Official Notice of Sale shall conflict with information provided by PARITY as the approved provider of electronic bidding services, this Official Notice of Sale shall control. Further information about PARITY, including any fee charged, may be obtained from i-Deal, 1359 Broadway, 2nd Floor, New York, NY 10018, (212) 849-5000.

Notice is hereby given that electronic proposals may be submitted electronically via **PARITY** pursuant to this Notice of Sale, ***until 9:00 a.m. local time***, but no bid will be received after the time for receiving bids specified above.

For purposes of both the written sealed bid process and the electronic bidding process, the time as maintained by PARITY shall constitute the official time. For information purposes only, bidders are requested to state in their electronic

bids the net interest cost to the District, as described under "CONDITIONS OF SALE - Basis of Award" below. All electronic bids shall be deemed to incorporate the provisions of this Official Notice of Sale and the Official Bid Form.

THE BONDS

Description of Bonds . . . The Bonds will be dated December 1, 2026, and interest on the Bonds will accrue from the date of delivery (estimated on or about December 22, 2026) (the "Date of Delivery") and be payable on February 1 and August 1 of each year, commencing February 1, 2027 (each an "Interest Payment Date"), until maturity or earlier redemption. The Bonds will be issued in fully registered form only, without coupons, in denominations of $5,000 or any integral multiple thereof, and when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), acting as securities depository for the Bonds until DTC resigns or is discharged. The Bonds initially will be available to purchasers in book-entry form only pursuant to the Book-Entry-Only System described in the PRELIMINARY OFFICIAL STATEMENT. No physical delivery of the Bonds will be made to the owners thereof. The initial paying agent/registrar (the "Paying Agent") is BOKF, N.A., Dallas, Texas. The Bonds mature serially on February 1 in the years and amounts shown below.

Principal Amount Maturing	Year of Maturity		Principal Amount Maturing	Year of Maturity	
$110,000	2028		$220,000	2041	(i)
115,000	2029		230,000	2042	(i)
120,000	2030		245,000	2043	(i)
130,000	2031		255,000	2044	(i)
135,000	2032		270,000	2045	(i)
145,000	2033	(i)	285,000	2046	(i)
150,000	2034	(i)	300,000	2047	(i)
160,000	2035	(i)	320,000	2048	(i)
170,000	2036	(i)	335,000	2049	(i)
175,000	2037	(i)	355,000	2050	(i)
185,000	2038	(i)	375,000	2051	(i)
195,000	2039	(i)	395,000	2052	(i)
210,000	2040	(i)	415,000	2053	(i)

(i) The District reserves the right to redeem, prior to maturity, those Bonds maturing on and after February 1, 2033, in whole or from time to time in part on February 1, 2032, or any date thereafter, in integral multiples of $5,000 at a price of par plus accrued interest from the most recent Interest Payment Date to the date fixed for redemption.

Serial Bonds and/or Term Bonds . . . Bidders may provide that all of the Bonds be issued as Bonds maturing serially as shown above (the "Serial Bonds") or may provide that any two or more consecutive maturing annual principal amounts be combined into one or more "Term Bonds". In the event any of the Bonds are structured as Term Bonds at the option of the Initial Purchaser (as defined herein), such Term Bond will be subject to mandatory sinking fund redemption in accordance with the applicable provisions of the Bond Order, which provisions will be included in the final Official Statement.

Source of Payment . . . The Bonds are special obligations of the District payable from proceeds of a continuing, direct, annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within the Defined Area. **The Bonds are obligations solely of Horizon Regional Municipal Utility District and are not obligations of the State of Texas; El Paso County, Texas; the City of El Paso, Texas; or any other political subdivision or agency.** See "THE BONDS – Source of Payment" in the Preliminary Official Statement.

Other Terms and Covenants . . . Other terms of the Bonds and various covenants of the District contained in the Bond Order under which the Bonds are to be issued are described in the Preliminary Official Statement, to which reference is made for all purposes.

Book-Entry-Only System . . . The District intends to utilize the Book-Entry-Only System of The Depository Trust Company ("DTC"). See "BOOK-ENTRY-ONLY SYSTEM" in the Preliminary Official Statement.

Municipal Bond Insurance and Rating . . . The District has not applied for an underlying rating nor is it expected that the District would have received an investment grade rating had such application been made. Applications have been made to various municipal bond insurance companies for qualification of the Bonds for municipal bond insurance. If qualified, such insurance will be available at the option of the Initial Purchaser (as defined herein) at the Initial Purchaser's expense.

CONDITIONS OF SALE

Types of Bids and Interest Rates . . . The Bonds will be sold in one block, on an all or none basis, and no bid of less than 97% of par value plus accrued interest to the date fixed for delivery will be accepted. The net effective interest rate must not exceed 5.68% pursuant to an Order of the Texas Commission on Environmental Quality. Bidders must specify the rate or rates of interest the Bonds will bear, provided that each interest rate bid must be in a multiple of 1/8 of 1% or 1/20 of 1%. Subject to the conditions below, no limitation will be imposed upon bidders as to the number of interest rates that may be used and the highest interest rate bid may not exceed the lowest interest rate bid by more than 3% in rate. All Bonds maturing within a single year must bear the same rate of interest. No bids for the Bonds involving supplemental interest rates will be considered. Each bidder shall state in its bid the total and net interest cost in dollars and the net effective interest rate determined thereby, which shall be considered informative only and not as a part of the bid.

Basis of Award . . . For the purpose of awarding the sale of the Bonds, the total interest cost of each bid will be computed by determining, at the rate or rates specified, the total dollar value of all interest on the Bonds from the date thereof to their respective maturities and adding thereto the dollar amount of the discount bid, if any, or deducting therefrom the premium bid, if any. Subject to the right of the District to reject any or all bids, the Bonds will be awarded to the bidder whose bid, based on the above computation, produces the lowest net effective interest rate. In the event of mathematical discrepancies between the interest rates and the interest costs determined therefrom, as both appear on the "Official Bid Form," the bid will be determined solely from the interest rates shown on the "Official Bid Form."

Contracting Information . . . The District will not award the Bonds to a bidder unless the bidder verifies on behalf of itself and each syndicate member listed on the Official Bid Form that the bidder and each syndicate member listed on the Official Bid Form will (i) preserve all contracting information related to the bid as provided by the records retention requirements applicable to the District through the delivery date of the Bonds, (ii) promptly provide to the District any contracting information related to the bid that is in the custody or possession of the bidder or any syndicate member on request of the District, and (iii) upon delivery of the Bonds to the bidder, either (a) provide at no cost to the District all contracting information related to the bid that is in the custody or possession of the bidder or any syndicate member or (b) preserve the contracting information related to the bid as provided by the records retention requirements applicable to the District. The term "contracting information" as used in this paragraph has the meaning assigned to such term in Section 552.003 of the Texas Government Code.

Good Faith Deposit . . . Each bid must be accompanied by a bank cashier's check payable to the order of "Horizon Regional Municipal Utility District" in the amount of $120,000, which is 2% of the par value of the Bonds. The check will be considered as a Good Faith Deposit, and the check of the successful bidder (the "Initial Purchaser") will be retained un-cashed by the District until the Bonds are delivered. Upon payment for and delivery of the Bonds, the Good Faith Deposit will be returned to the Initial Purchaser un-cashed. In the event the Initial Purchaser should fail or refuse to accept delivery of and pay for the Bonds in accordance with its bid, then the check will be cashed and the proceeds accepted by the District as full and complete liquidated damages. Such check may accompany the Official Bid Form or it may be submitted separately. If submitted separately, it shall be made available to the District prior to the opening of the bids and shall be accompanied by instructions from the bank on which it is drawn, which authorize its use as a Good Faith Deposit. The checks of the unsuccessful bidders will be returned immediately after bids are opened and sale of the Bonds has been awarded. No interest will be paid or allowed on any Good Faith Deposit. The checks accompanying all other bids will be returned immediately after the bids are opened and the award of the sale of the Bonds has been made.

Obligation of the District to Receive Information from Initial Purchaser . . . Pursuant to Texas Government Code, Section 2252.908 (the "Interested Party Disclosure Act"), the District may not award the Bonds to a bidder unless the bidder either: (a) submits a Certificate of Interested Parties Form 1295 (the "Disclosure Form") to the District as prescribed by the Texas Ethics Commission ("TEC"), or (b) represents to the District by marking the appropriate check box on the signature page of the Official Bid Form that the bidder represents to the District that it is a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity (the "Publicly Traded Entity Representation"). In the event that the bidder's bid for the Bonds is the best bid received and the bidder does not provide the Publicly Traded Entity Representation, the District, acting through its financial advisor, will promptly notify the bidder. That notification will serve as the conditional verbal acceptance of the bid and the winning bidder must promptly file the materials described below.

The Disclosure Form can be found at https://www.ethics.state.tx.us/filinginfo/1295/ and reference should be made to the following information to complete it: (a) item 2 — Horizon Regional MUD Hunt Communities Defined Area, (b) item 3 —

(identification number assigned to this contract) "Horizon MUD – S2026" and (c) item 3 — (description of goods or services) Initial Purchaser of Bonds.

If the bidder does not provide the Publicly Traded Entity Representation, the District cannot accept your bid unless and until you: (i) complete the Disclosure Form electronically at the TEC's "electronic portal", and (ii) print, sign and deliver a copy of the Disclosure Form that is generated by the TEC's "electronic portal." These materials must be delivered electronically to the District's Bond Counsel at apetrov@johnsonpetrov.com and Municipal Advisor at clane@samcocapital.com no later than 12:00 p.m. (CDT) on the bid due date.

If the Disclosure Form is required, time will be of the essence in submitting the form to the District. If multiple entities are listed on the winning Official Bid Form and the Publicly Traded Entity Representation is not provided, each such entity will be required to submit a Disclosure Form to the District.

Neither the District nor its consultants have the ability to verify the information included in a Disclosure Form, and neither have an obligation nor undertake responsibility for advising any bidder with respect to the proper completion of the Disclosure Form. Consequently, an entity intending to bid on the Bonds should consult its own advisors to the extent it deems necessary and be prepared to submit the completed form promptly upon notification from the District that its bid is the conditional winning bid.

If the apparent winning bidder fails to promptly file the Disclosure Form, the District reserves the right to reject such bid and, through its financial advisor, provide conditional verbal acceptance to the bidder submitting a bid, conforming to the specifications herein, which produces the next lowest net effective interest rate to the District.

Impact of Bidding Syndicate on Award . . . For purposes of contracting for the sale of the Bonds, the entity signing the bid form as Initial Purchaser shall be solely responsible for the payment of the purchase price of the Bonds. The Initial Purchaser may serve as a syndicate manager and contract under a separate agreement with other syndicate members. However, the District is not a party to that agreement and any information provided regarding syndicate managers would be for informational purposes only.

Compliance with State Contracting Requirements . . . By submitting a bid, each bidder makes the following representations and, if its bid is accepted, covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as amended (the "Government Code"). As used in therein, "affiliate" means an entity that controls, is controlled by, or is under common control with the bidder within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. If a bidder's bid is accepted, then liability for breach of any such representation or covenant during the term of the contract for purchase and sale of the Bonds created thereby (the "Purchase Contract") shall survive until barred by the applicable statute of limitations and shall not be liquidated or otherwise limited by any provision of the bid or this Official Notice of Sale, notwithstanding anything herein or therein to the contrary.

Not a Sanctioned Company. Each bidder represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes each bidder and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

No Boycott of Israel. Each bidder hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, if its bid is accepted, will not boycott Israel through the end of the underwriting period. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

No Discrimination Against Firearm Entities. Each bidder hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and, if its bid is accepted, will not discriminate against a firearm entity or firearm trade association during the term of the Purchase Contract. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

No Boycott of Energy Companies. Each bidder hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, if its bid is accepted, will not boycott energy companies through the end of the underwriting period. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

Standing Letter Requirement . . . In submitting a bid, bidder represents to the District that it and each syndicate member listed on the Official Bid Form, if any, (i) has filed a standing letter with the Attorney General and the Municipal Advisory

Council of Texas that conforms to the requirements set forth in the All Bond Counsel Letters of the Attorney General dated November 1, 2023, as supplemented on November 16, 2023, and December 29, 2023, and any All Bond Counsel Letter issued hereafter (the "All Bond Counsel Letters"), (ii) has no reason to believe that the District may not be entitled to rely on such standing letters, and (iii) neither bidder, any syndicate member listed on the Official Bid Form, nor any parent company, subsidiaries, or affiliates of the same, have received a letter from the Texas Comptroller of Public Accounts related to its inclusion on any list of financial companies boycotting energy companies or companies that have been found to have a practice, policy, guidance or direction that discriminates against a firearm entity or firearm trade association. Bidder agrees that it will not rescind its standing letter at any time before the delivery of the Bonds unless same is immediately replaced with a standing letter that meets the requirements of the Attorney General. The District reserves the right, in its sole discretion, to reject any bid from a bidder that does not have such standing letter on file as of the deadline for bids for the Bonds. By submitting a bid, each bidder agrees, should it be the winning bidder, to cooperate with the District and take any action necessary to further verify and confirm compliance with state law by the bidder and each syndicate member listed on the Official Bid Form.

A bidder who is currently under review by the Texas Attorney General for being a potential discriminator or boycotter under (i) Section 2271.002 of the Texas Government Code, (ii) Section 2252.152 of the Texas Government Code, (iii) Section 2276.002 of the Texas Government Code, or (iv) Section 2274.002 of the Texas Government Code, agrees to provide, prior to the Date of Delivery of the Bonds, a bring-down certification that the Texas Attorney General can continue to rely on the bidder's standing letter and the statutory representations and covenants, in accordance with the requirements set forth in the All Bond Counsel Letters.

Notwithstanding anything contained herein, the representations and covenants contained in "Compliance with State Contracting Requirements," and "Standing Letter Requirement" shall survive termination of the agreement until the statute of limitations has run, and liability for breach of any verification in such sections during such period shall not be liquidated or otherwise limited by any provision herein, notwithstanding anything in herein to the contrary.

The District reserves the right, in its sole discretion, to reject any bid from a bidder that does not have such standing letter on file as of the deadline for bids for the Bonds. In the event that a bidder does not have such standing letter on file at the time of submission of a bid, the bidder agrees to file such standing letter with the Municipal Advisory Council of Texas and the Texas Attorney General's Office by the earlier of: (a) two (2) hours after submitting its bid, and (b) the deadline for bids for the Bonds. If requested by the District, the Initial Purchaser agrees to provide such further representations, certifications or assurances regarding the matters described under the heading "Compliance with State Contracting Requirements," as applicable, as of the Date of Delivery of the Bonds or such other date requested by the District.

OFFICIAL STATEMENT

By accepting the winning bid, the District agrees to the following representations and covenants to assist the Initial Purchaser in complying with Rule 15c2-12 of the Securities and Exchange Commission ("SEC").

Final Official Statement . . . The District has prepared the accompanying Preliminary Official Statement for dissemination to potential Initial Purchasers of the Bonds but will not prepare any other document or version for such purpose, except as described below. The District will be responsible for completing the Official Statement by inserting the interest rates bid, the purchase price bid, the ratings assigned to the Bonds (if not currently included) if applicable, the initial public offering yields as set forth in the Official Bid Form, or otherwise supplied by the Initial Purchaser, and for preparing and inserting the final debt service schedule. The District does not intend to amend or supplement the Official Statement otherwise, except to take into account certain subsequent events, if any, as described below. Accordingly, the District deems the accompanying Preliminary Official Statement to be final as of its date, within the meaning of SEC Rule 15c2-12(b)(1), except for the omission of the foregoing items. By delivering the final Official Statement or any amendment or supplement thereto in the requested quantity to the Initial Purchaser on or after the sale date, the District represents the same to be complete as of such date, within the meaning of SEC Rule 15c2-12(f)(3). Notwithstanding the foregoing, the only representations concerning the absence of material misstatements or omissions from the Official Statement which are or will be made by the District are those described in the Official Statement under "OFFICIAL STATEMENT - Certification as to Official Statement."

Changes to Official Statement During Underwriting Period . . . If, subsequent to the date of the Official Statement to and including the date the Initial Purchaser is no longer required to provide an Official Statement to potential customers who request the same pursuant to SEC Rule 15c2-12 (the earlier of (i) 90 days from the "end of the underwriting period" (as defined in the Rule 15c2-12) and (ii) the time when the Official Statement is available to any person from a nationally recognized repository but in no case less than 25 days after the "end of the underwriting period"), the District learns or is notified by the Initial Purchaser of any adverse event which causes any of the key representations in the Official Statement to be materially misleading, the District will promptly prepare and supply to the Initial Purchaser a supplement to the Official Statement, which corrects such representation to the reasonable satisfaction of the Initial Purchaser, unless the Initial

Purchaser elects to terminate its obligation to purchase the Bonds, as described below. See "DELIVERY OF THE BONDS AND ACCOMPANYING DOCUMENTS – Delivery." The obligation of the District to update or change the Official Statement will terminate when the District delivers the Bonds to the Initial Purchaser (the "end of the underwriting period" within the meaning of the Rule 15c2-12), unless the Initial Purchaser provides written notice to the District that less than all of the Bonds have been sold to ultimate customers on or before such date, in which case the obligation to update or change the Official Statement will extend for an additional 25 days after all the Bonds have been sold to ultimate customers. In the event the Initial Purchaser provides written notice to the District that less than all of the Bonds have been sold to ultimate customers, the Initial Purchaser agrees to notify the District in writing following the occurrence of the "end of the underwriting period" as defined in the Rule 15c2-12.

Delivery of Official Statements . . . The District will furnish to the Initial Purchaser (and to each other participating Initial Purchaser of the Bonds, within the meaning of SEC Rule 15c2-12(a), designated by the Initial Purchaser), within seven (7) business days after the sale date, the aggregate number of Official Statements requested but not in excess of 50 copies. The District will also furnish to the Initial Purchaser a like number of any supplement or amendment prepared by the District for dissemination to potential Initial Purchasers of the Bonds as described above as well as such additional copies of the Official Statement or any supplement or amendment as the Initial Purchaser may request prior to the 90th day after the end of the underwriting period referred to in SEC Rule 15c2-12(e)(2). The District will pay the expense of preparing up to 50 copies of the Official Statement and all copies of any supplement or amendment issued on or before the delivery date, but the Initial Purchaser must pay for all other copies of the Official Statement or any supplement or amendment thereto.

Severability . . . In case any provision herein, or application thereof, shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions or applications shall not in any way be affected or impaired thereby.

DELIVERY OF THE BONDS AND ACCOMPANYING DOCUMENTS

Delivery . . . The Initial Bond will be tendered to the Initial Purchaser as a single typewritten, photocopied or otherwise reproduced bond for the entire issue in fully registered form in the aggregate principal amount of $6,000,000 payable to the Initial Purchaser or its representative as designated in the Official Bid Form, and approved by the Attorney General of the State of Texas and registered and signed by the Comptroller of Public Accounts of the State of Texas. Upon delivery of the Initial Bond, it shall be immediately canceled and one definitive Bond for each maturity will be registered to Cede & Co. and deposited with DTC in connection with DTC's Book-Entry-Only System. Initial delivery will be at the designated office for payment of the Paying Agent in Dallas, Texas. Payment for the Bonds must be made in immediately available funds for unconditional credit to the District, or as otherwise directed by the District. The District will endeavor to provide at least five (5) business days' notice of the time fixed for delivery of the Bonds. It is anticipated that initial delivery can be made on or about December 22, 2026, and it is understood and agreed that the Initial Purchaser will accept delivery and make payment for the Bonds no later than 9:30 a.m., local time on December 22, 2026 or thereafter on the date the Bonds are tendered for delivery up to and including January 22, 2027. If for any reason the District is unable to make delivery on or before January 22, 2027, then the District shall immediately contact the Initial Purchaser and offer to allow the Initial Purchaser to extend its offer for an additional thirty (30) days. If the Initial Purchaser does not elect to extend its offer within five (5) business days thereafter, then the Good Faith Deposit will be returned, and both the District and the Initial Purchaser shall be relieved of any further obligation. In no event will the District be liable for any damages by reason of its failure to deliver the Bonds, provided such failure is due to circumstances beyond the District's reasonable control.

CUSIP Numbers . . . It is anticipated that CUSIP identification numbers will be printed or otherwise reproduced on the Bonds, but neither the failure to print such numbers on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Initial Purchaser to accept delivery of and pay for the Bonds in accordance with the terms of this Notice of Sale and the terms of the Official Bid Form. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid by the District. However, the CUSIP Service Bureau charge for the assignment of the numbers shall be the responsibility of and shall be paid for by the Initial Purchaser.

Conditions to Delivery . . . The obligation of the Initial Purchaser to take up and pay for the Bonds is subject to the Initial Purchaser's receipt of the legal opinion of the Attorney General of Texas, the legal opinion of Johnson Petrov LLP, Houston, Texas, as Bond Counsel for the District ("Bond Counsel"), the no-litigation certificate, as described below, and the non-occurrence of the events described below under "No Material Adverse Change". In addition, if the District fails to comply with its obligations under "OFFICIAL STATEMENT" above, the Initial Purchaser may terminate its contract to purchase the Bonds by delivering written notice to the District within five (5) days thereafter.

Legal Opinions . . . The District will furnish the Initial Purchaser a transcript of certain proceedings held incident to the authorization and issuance of the Bonds, including a certified copy or original of the approving opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State of Texas, to the effect that the Bonds are valid and binding obligations of the District, payable from the proceeds of a continual direct annual ad valorem tax levied, without limit as to rate or amount, upon all taxable property within the District. The District also will

furnish the legal opinion of Bond Counsel, based upon the assumption described in the Preliminary Official Statement under the heading "LEGAL MATTERS – Legal Proceedings," to the effect that the Bonds are valid and binding obligations of the District and that the interest on the Bonds will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under "TAX MATTERS" in the Preliminary Official Statement. Neither the opinion of the Attorney General nor the opinion of Bond Counsel will express any opinion or make any comment with respect to the sufficiency of the security for or the marketability of the Bonds.

Certification of Issue Price . . . In order to provide the District with information required to enable it to comply with certain conditions of the Internal Revenue Code of 1986, as amended, relating to the exemption of interest on the Bonds from the gross income of their owners, the Initial Purchaser will be required to complete, execute, and deliver to the District (on or before the date of delivery of the Bonds) a certification as to the "issue price" of the Bonds substantially in the form accompanying this "Notice of Sale" of the Bonds. In the event the successful bidder will not re-offer the Bonds for sale or is unable to sell a substantial amount of the Bonds of any maturity by the date of delivery, such certificate may be modified in a manner approved by the District and Bond Counsel. Each bidder, by submitting its bid, agrees to complete, execute, and deliver such a certificate by the date of delivery of the Bonds, if its bid is accepted by the District. It will be the responsibility of the Initial Purchaser to institute such syndicate reporting requirements, to make such investigation, or otherwise to ascertain the facts necessary to enable it to make such certification with reasonable certainty. Any questions concerning such certification should be directed to Bond Counsel. In no event will the District fail to deliver the Bonds as a result of the Initial Purchaser's inability to sell a substantial amount of the Bonds at a particular price prior to delivery.

Competitive Bidding and Certificate Regarding Issue Price . . . In the event that the District does not receive sufficient qualified bids to satisfy the competitive sale requirements of Treasury Regulation § 1.148-1(f)(3)(i), allowing the District to treat the reasonably expected initial offering price to the public as of the sale date as the issue price of the Bonds, the District will treat (i) the first price at which 10 percent of a maturity of the Bonds is sold to the public as the issue price of that maturity (the "10 percent rule") or (ii) if the Initial Purchaser has agreed in writing not to sell or offer certain maturities of the Bonds at a price higher than the initial offering price for such maturities for a period of five business days after the sale date, the initial offering price to the public as of the sale date of such maturities of the Bonds is the issue price of that maturity (the "hold the price rule"). With respect to the maturities of the Bonds that are subject to the 10 percent rule, if the 10 percent rule has not been satisfied as to any maturity of the Bonds, the Initial Purchaser agrees to promptly report to SAMCO Capital Markets, Inc., the prices at which it sells Bonds of that maturity to the public. This reporting obligation shall continue, whether or not the Bonds have been delivered, until the 10 percent rule has been satisfied. Alternative language is included in the Certificate Regarding Issue Price for use (I) when the competitive sale requirements of Treasury Regulation §1.148-1(f)(3)(i) are met and (II) when such requirements are not met.

Qualified Tax-Exempt Obligations for Financial Institutions . . . Section 265(a) of the Code provides, in general, that interest paid or incurred by a taxpayer, including a "financial institution," as defined in the Code, on indebtedness incurred or continued to purchase or carry tax-exempt obligations is not deductible by such taxpayer in determining taxable income. Section 265(b) of the Code provides an exception to the disallowance of such deduction for any interest expense paid or incurred on indebtedness of a taxpayer which is a "financial institution" allocable to tax-exempt obligations, other than "private activity bonds," which are designated by a "qualified small issuer" as "qualified tax-exempt obligations." A "qualified small issuer" is any governmental issuer (together with any subordinate issuers) who issues no more than $10,000,000 of tax-exempt obligations during the 2026 calendar year. Notwithstanding this exception, financial institutions acquiring the Bonds will be subject to a twenty percent (20%) disallowance of allocable interest expense.

The District will designate the Bonds as "qualified tax-exempt obligations" within the meaning of section 265(b) of the Code.

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

No-Litigation Certificate . . . On the date of delivery of the Bonds to the Initial Purchaser, the District will deliver to the Initial Purchaser a certificate, as of the same date, substantially to the effect that to the best of the District's knowledge no litigation of any nature is pending or, to the best of the certifying officers' knowledge or belief, threatened against the District, contesting or affecting the Bonds; restraining or enjoining the authorization, execution, or delivery of the Bonds; affecting the provision made for the payment of or security for the Bonds; in any manner questioning the authority or proceedings for the issuance, execution or delivery of the Bonds; or affecting the validity of the Bonds or the title of the present officers and directors of the District.

Rule G-32 Requirements . . . It is the responsibility of the Initial Purchaser to comply with the Municipal Securities Rulemaking Board's Rule G-32 within the required time frame. The Initial Purchaser must send two copies of the Official Statement along with two complete Form G-32's to the appropriate address.

CONTINUING DISCLOSURE AGREEMENT

The District will agree in the Bond Order to provide certain periodic information and notices of material events in accordance with SEC Rule 15c2-12, as described in the Preliminary Official Statement under "CONTINUING DISCLOSURE OF INFORMATION." The Initial Purchaser's (s') or its (their) agent's obligation to accept and pay for the Bonds is conditioned upon delivery to the Initial Purchaser of a certified copy of the Bond Order containing the agreement described under such heading.

GENERAL CONSIDERATIONS

Investment Considerations . . . The Bonds involve certain investment considerations and all prospective bidders are urged to examine carefully the Preliminary Official Statement with respect to the investment considerations associated with the Bonds. Particular attention should be given to the information set forth therein under the caption "INVESTMENT CONSIDERATIONS."

Reservation of Rights . . . The District reserves the right to reject any and all bids and to waive any and all irregularities, except time of filing.

Not an Offer to Sell . . . This Official Notice of Sale does not alone constitute an offer to sell the Bonds but is merely notice of sale of the Bonds. The invitation for bids on the Bonds is being made by means of this Official Notice of Sale, the Preliminary Official Statement and the Official Bid Form.

Registration and Qualification Under Securities Laws . . . The Bonds will not be registered or qualified 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 District assumes no responsibility for registration or qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, 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.

By submission of a bid, the Initial Purchaser represents that its sale of the Bonds in states other than Texas will be made only pursuant to exemptions from registration or qualification or, where necessary, the Initial Purchaser will register and qualify the Bonds in accordance with the securities laws of any jurisdiction which so requires. The District agrees to cooperate, at the Initial Purchaser's written request and expense, in registering or qualifying the Bonds, or in obtaining exemption from registration or qualification, in any state where such action is necessary, provided that the District shall not be required to file a general or special consent to service of process in any jurisdiction.

Copies of Documents . . . Copies of the Official Notice of Sale, the Preliminary Official Statement, the Official Bid Form, and Audits may be obtained at the offices of SAMCO Capital Markets, Inc., 6805 Capital of Texas Highway, Suite 350, Austin, Texas 78731, Municipal Advisor to the District.

Gordon Jarvis, President
Board of Directors
Horizon Regional Municipal Utility District

November 19, 2026

OFFICIAL BID FORM

President and Board of Directors
Horizon Regional Municipal Utility District
c/o Johnson Petrov LLP, Texas
2929 Allen Parkway, #3150
Houston, TX 77019

Directors:

We have read in detail the Official Notice of Sale and Preliminary Official Statement of Horizon Regional Municipal Utility District (the "District") relating to its Hunt Communities Defined Area $6,000,000 Unlimited Tax Bonds, Series 2026 (the "Bonds"), which by reference are made a part hereof. We recognize the special investment considerations involved in these securities, and have made such inspections and investigations as we deem necessary in order to evaluate the investment quality of the Bonds. Accordingly, we offer to purchase the District's legally issued Bonds, upon the terms and conditions set forth in the Bond Order, the Official Notice of Sale and the Preliminary Official Statement, for a cash price of $_____ (which represents _____% of par value) plus accrued interest to the date of delivery of the Bonds to us, provided such Bonds mature February 1 and bear interest in each year at the following rates:

Maturity (February 1)	Amount	Interest Rate	Mandatory Sinking Fund Installment	Maturity (February 1)	Amount	Interest Rate	Mandatory Sinking Fund Installment
2028	$ 110,000	_____	_____	2041[(i)(ii)]	$ 220,000	_____	_____
2029	115,000	_____	_____	2042[(i)(ii)]	230,000	_____	_____
2030	120,000	_____	_____	2043[(i)(ii)]	245,000	_____	_____
2031	130,000	_____	_____	2044[(i)(ii)]	255,000	_____	_____
2032	135,000	_____	_____	2045[(i)(ii)]	270,000	_____	_____
2033[(i)(ii)]	145,000	_____	_____	2046[(i)(ii)]	285,000	_____	_____
2034[(i)(ii)]	150,000	_____	_____	2047[(i)(ii)]	300,000	_____	_____
2035[(i)(ii)]	160,000	_____	_____	2048[(i)(ii)]	320,000	_____	_____
2036[(i)(ii)]	170,000	_____	_____	2049[(i)(ii)]	335,000	_____	_____
2037[(i)(ii)]	175,000	_____	_____	2050[(i)(ii)]	355,000	_____	_____
2038[(i)(ii)]	185,000	_____	_____	2051[(i)(ii)]	375,000	_____	_____
2039[(i)(ii)]	195,000	_____	_____	2052[(i)(ii)]	395,000	_____	_____
2040[(i)(ii)]	210,000	_____	_____	2053[(i)(ii)]	415,000	_____	_____

(i) The District reserves the right to redeem, prior to maturity, those Bonds maturing on or after February 1, 2033, in whole or from time to time in part on February 1, 2032 and on any date thereafter at a price of par plus accrued interest from the most recent interest payment date to the date fixed for redemption.

(ii) [Of such principal maturities set forth above, we have created term bonds as indicated in the following table (which may include multiple term bonds, one term bond, or no term bonds if none is indicated). For those years, which have been combined into a term bond, the principal amount shown in the table above shall be the mandatory sinking fund redemption amounts in such years. The term bonds created are as follows.]

Term Bonds Maturity Date (February 1)	Year of First Maturity Redemption	Principal Amount of Term Bonds	Interest Rate
_____	_____	_____	_____%
_____	_____	_____	_____%
_____	_____	_____	_____%
_____	_____	_____	_____%
_____	_____	_____	_____%
_____	_____	_____	_____%
_____	_____	_____	_____%

As part of our bid, we agree [___]/disagree [___] to pay the premium in the amount of $_____for the municipal bond guaranty insurance issued by _____ and the rating agency fee(s) of _____ in the amount of $_____.

Our calculation (which is not a part of this bid) of the interest cost from the above bid is:

Total Interest Cost.....	$_____
Plus: Cash Discount	$_____
Net Interest Cost	$_____
Net Effective Interest Rate.....	_____%

The initial bond shall be registered in the name of Cede & Co. We will advise the office for payment of BOKF, N.A., Dallas, Texas, the Paying Agent, on forms to be provided by the Paying Agent, of our registration instructions at least five (5) business days prior to the date set for initial delivery of Bonds on the closing date. We will not ask the Paying Agent to accept any registration instructions after the five (5) day period for delivery of Bonds on the closing date.

Cashier's Check No. _____, issued by _____(name of bank) and payable to your order in the amount of $120,000 (is attached hereto) (has been made available to you prior to the opening of this bid) as the Good Faith Deposit for disposition in accordance with the terms and conditions set forth in the Official Notice of Sale. Should we fail or refuse to make payment for the Bonds in accordance with the terms and conditions of such Official Notice of Sale, such check shall be cashed and the proceeds retained as complete liquidated damages against us in accordance with the Official Notice of Sale. We hereby represent that sale of the Bonds in states other than Texas will be made only pursuant to exemptions from registration or qualification and that, where necessary, we will register or qualify the Bonds in accordance with the securities laws of the states in which the Bonds are offered or sold.

The undersigned bidder and each syndicate member listed herein makes the following representations and, if its bid is accepted, covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"). As used in therein, "affiliate" means an entity that controls, is controlled by, or is under common control with the bidder and each syndicate member listed herein within the meaning of Securities and Exchange Commission Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. If a bidder's bid is accepted, then liability for breach of any such representation or covenant during the term of the contract for purchase and sale of the Bonds created thereby (the "Purchase Contract") shall survive until barred by the applicable statute of limitations and shall not be liquidated or otherwise limited by any provision of the bid or this Official Notice of Sale, notwithstanding anything herein or therein to the contrary. The term of this Purchase Contract terminates upon the date of delivery of the Bonds or, if earlier, exercise of a termination right (which may not be based on existing or incipient breach of a verification).

The undersigned bidder and each syndicate member listed herein represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes each bidder and each syndicate member listed herein and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

The undersigned bidder and each syndicate member listed herein hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, if its bid is accepted, will not boycott Israel through the end of the underwriting period. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

The undersigned bidder and each syndicate member listed herein hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and, if its bid is accepted, will not discriminate against a firearm entity or firearm trade association through the end of the underwriting period. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

The undersigned bidder and each syndicate member listed herein hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, if its bid is accepted, will not boycott energy companies through the end of the underwriting period. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

The undersigned verifies on behalf of itself and each syndicate member listed on the Official Bid Form that the bidder and each syndicate member listed on the Official Bid Form will (i) preserve all contracting information related to the bid as provided by the records retention requirements applicable to the District through the delivery date of the Bonds, (ii) promptly provide to the District any contracting information related to the bid that is in the custody or possession of the bidder or any syndicate member on request of the District, and (iii) upon delivery of the Bonds to the bidder, either (a) provide at no cost to the District all contracting information related to the bid that is in the custody or possession of the bidder or any syndicate member or (b) preserve the contracting information related to the bid as provided by the records retention requirements applicable to the District. The term "contracting information" as used in this paragraph has the meaning assigned to such term in Section 552.003 of the Texas Government Code.

Additionally, by submitting this Official Bid Form, the bidder represents to the District that it and each syndicate member listed on the Official Bid Form, if any, (i) has filed a standing letter with the Attorney General and the Municipal Advisory Council of Texas that conforms to the requirements set forth in the All Bond Counsel Letters of the Texas Attorney General dated November 1, 2023, and supplemented November 16, 2023, and December 29, 2023, and any All Bond Counsel Letters subsequently issued, (collectively, the "All Bond Counsel Letters") (ii) has no reason to believe that the District may not be entitled to rely on such standing letters, and (iii) neither bidder, any syndicate member listed on the Official Bid Form, nor any parent company, any wholly-or majority-owned subsidiaries, or affiliates of the same, have received a letter from the Texas Comptroller of Public Accounts or the Attorney General related to its inclusion on any list of financial companies boycotting energy companies or companies that have been found to have a practice, policy, guidance or direction that discriminates against a firearm entity or firearm trade association. Bidder agrees that it will not rescind its standing letter at any time before the delivery of the Bonds unless same is immediately replaced with a standing letter that meets the requirements of the Attorney General.

We agree to accept delivery of the Bonds utilizing the Book-Entry-Only System through DTC and make payment for the Initial Bond in immediately available funds in the Corporate Trust Division, BOKF, N.A., Dallas, Texas not later than 9:30AM, local time, on December 22, 2026, or thereafter on the date the Bonds are tendered for delivery, pursuant to the terms set forth in the Notice of Sale. It will be the obligation of the Initial Purchaser of the Utility Bonds to complete the DTC Eligibility Questionnaire.

The undersigned agrees to complete, execute, and deliver to the District, at least six (6) business days prior to the date of delivery of the Bonds, a certificate relating to the "issue price" of the Bonds in the form and to the effect attached to or accompanying the Official Notice of Sale, with such changes thereto as may be acceptable to the District. To the extent that such "issue price" certificate is not adequate for inclusion in the District's federal tax certificate, the undersigned agrees to execute an issue price certificate as may be required by the District's Special Tax Counsel. The undersigned further agrees to provide in writing the initial reoffering prices and other terms, if any, to SAMCO Capital Markets, Inc. by the close of the next business day after the award.

Upon acceptance of this bid by the District, the accepted bid and Official Notice of Sale will together comprise a binding contract between the winning bidder and the District in accordance with their terms. The acceptance of the bid creates a binding contract with a term that extends until the Bonds are taken up and paid for by the bidder or any earlier termination of this contract in accordance with the terms of the Official Notice of Sale.

In accordance with Texas Government Code Section 2252.908 (the "Interested Party Disclosure Act"), the District may not award the Bonds to a bidder unless the winning bidder either: (i) submits a Certificate of Interested Parties Form 1295 (the "Disclosure Form") to the District as prescribed by the Texas Ethics Commission ("TEC"), or (ii) certifies below that it is exempt from filing the Disclosure Form by virtue of being a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity.

Unless the bidder certifies that it is exempt from filing a Disclosure Form with the District, upon notification of conditional verbal acceptance, the undersigned will complete an electronic Disclosure Form through the TEC electronic portal and the resulting certified Disclosure Form that is generated by the TEC's electronic portal will be printed, signed and sent by email to the District's financial advisor at clane@samcocapital.com. The undersigned understands that the failure to provide the certified Disclosure Form will prohibit the District from providing final written award of the enclosed bid.

Entity Submitting Bid - Check One:

_____Disclosure Form - Entity will provide a Disclosure Form as and when required by the Notice of Sale.

_____Publicly Traded Entity Representation - The entity hereby represents to the District that it is a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity.

Respectfully submitted,

(Syndicate members, if any)

_____ _____

_____ _____

_____ By:_____

Authorized Representative

Phone Number: _____

ACCEPTANCE CLAUSE

The above and foregoing bid is hereby accepted by Horizon Regional Municipal Utility District this _____day

of _____, 2026.

ATTEST:

_____ _____

Secretary, Board of Directors President, Board of Directors

$6,000,000
HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
(A Political Subdivision of the State of Texas located in El Paso County, Texas)
UNLIMITED TAX BONDS, SERIES 2026
HUNT COMMUNITIES DEFINED AREA
ISSUE PRICE CERTIFICATE

The undersigned, being a duly authorized representative of the underwriter or the manager of the syndicate of underwriters ("Underwriter") which has purchased the Hunt Communities Defined Area Unlimited Tax Bonds (the "Bonds"), being issued by Horizon Regional Municipal Utility District (the "Issuer"), hereby certifies and represents, based on its records and information, as follows:

(1) On the Sale Date, the Underwriter's reasonably expected initial offering price of each Maturity of the Bonds (the "Expected Offering Price") to the Public is set forth in the pricing wire or equivalent communication for the Bonds, as attached to this Issue Price Certificate as **Schedule A**. The Expected Offering Prices are the prices for the Bonds used by the Underwriter in formulating its bid to purchase the Bonds.

(2) The Underwriter had an equal opportunity to bid to purchase the Bonds and it was not given the opportunity to review other bids that was not equally given to all other bidders (i.e., no last look).

(3) The bid submitted by the Underwriter constituted a firm bid to purchase the Bonds.

(4) The Underwriter has made a bona fide offering of all the Bonds of each Maturity to the Public at its Expected Offering Price set forth in **Schedule A**.

If less than 3 qualified bids are received from underwriters please attach Schedule B.

(5) On the Sale Date, the first price at which at least 10% of each Maturity of the Bonds, except for Bonds listed on Schedule B (the "Hold-the-Offering-Price Maturities"), was sold to the Public is the respective price listed in Schedule A.

(6) As set forth in the Notice of Sale for the Bonds, the Underwriter has agreed in writing that, (i) for each of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Expected Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Bonds of the Hold-the-Offering-Price Maturities to any person at a price that is higher than the respective Expected Offering Price for that Maturity of the Bonds during the Holding Period.

(7) ***Defined Terms.***

(i) Hold-the-Offering-Price Maturities means those Maturities of the Bonds listed in Schedule B hereto as the "Hold-the-Offering-Price Maturities."

(ii) Holding Period means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriter has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Expected Offering Price for such Hold-the-Offering-Price Maturity.

(iii) Maturity means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(iv) Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any entity if an Underwriter and such entity are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(v) Sale Date means the first day on which there is a binding contract in writing for the sale of the Bonds. The Sale Date of the Bonds is November 19, 2026.

(vi) Underwriter means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(8) Please choose the appropriate statement:

( ) Purchaser will not purchase bond insurance for the Bonds.

( ) Purchaser will purchase bond insurance from _____(the "Insurer") for a fee/premium of $ _____ (the "Fee"). To the best of the undersigned's knowledge, information and belief, based upon the facts available at this time and current market conditions, the Fee is a reasonable amount payable solely for the transfer of credit risk for the payment of debt service on the Bonds and does not include any amount payable for a cost other than such guarantee, e.g., a credit rating or legal fees. Purchaser represents that the present value of the Fee for each obligation constituting the Bonds to which such Fee is properly allocated and which are insured thereby is less than the present value of the interest reasonably expected to be saved as a result of the insurance on each obligation constituting the Bonds. In determining present value for this purpose, the yield of the Bonds (determined with regard to the payment of the guarantee fee) has been used as the discount rate. The Fee has been paid to a person who is not exempt from federal income taxation and who is not a user or related to the user of any proceeds of the Bonds. No portion of the Fee is refundable upon redemption of any of the Bonds in an amount which would exceed the portion of such Fee that has not been earned.

The undersigned understands that the foregoing information will be relied upon by Issuer with respect to certain of the representations set forth in the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Johnson Petrov LLP, Texas as Bond Counsel in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. Notwithstanding anything set forth herein, the Underwriter is not engaged in the practice of law and makes no representation as to the legal sufficiency of the factual matters set forth herein.

_____
[Initial Purchaser]

By:_____

Name:_____

Dated: _____, 2026

SCHEDULE A

PRICING WIRE

(*Attached*)

(this page intentionally left blank)

SCHEDULE B

HOLD-THE-OFFERING-PRICE MATURITIES

(*Attached*)

(this page intentionally left blank)

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time this Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 12, 2026

NEW ISSUE BOOK-ENTRY-ONLY **Rating: No Rating**
See "SALE AND DISTRIBUTION OF THE BONDS – Municipal Bond Insurance & Ratings" and "MUNICIPAL BOND INSURANCE" herein

IN THE OPINION OF BOND COUNSEL (AS DEFINED HEREIN), BASED UPON AN ANALYSIS OF EXISTING LAWS, REGULATIONS, RULINGS AND COURT DECISIONS, AND ASSUMING, AMONG OTHER MATTERS, THE ACCURACY OF CERTAIN REPRESENTATIONS AND COMPLIANCE WITH CERTAIN COVENANTS, INTEREST ON THE BONDS IS EXCLUDED FROM GROSS INCOME OF THE OWNERS THEREOF FOR FEDERAL INCOME TAX PURPOSES UNDER EXISTING LAW, AND INTEREST ON THE BONDS IS NOT SUBJECT TO THE ALTERNATIVE MINIMUM TAX ON INDIVIDUALS; HOWEVER, SUCH INTEREST IS TAKEN INTO ACCOUNT IN DETERMINING THE ANNUAL ADJUSTED FINANCIAL STATEMENT INCOME OF APPLICABLE CORPORATIONS (AS DEFINED IN SECTION 59(K) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE")) FOR PURPOSES OF DETERMINING THE ALTERNATIVE MINIMUM TAX IMPOSED ON CORPORATIONS. BOND COUNSEL EXPRESSES NO OPINION REGARDING ANY OTHER TAX CONSEQUENCES RELATED TO THE OWNERSHIP OR DISPOSITION OF, OR THE AMOUNT, ACCRUAL OR RECEIPT OF INTEREST ON, THE BONDS. SEE "TAX MATTERS" HEREIN.

THE DISTRICT WILL DESIGNATE THE BONDS AS
"QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS.

$6,000,000
HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
(A political subdivision of the State of Texas located within El Paso County, Texas)
HUNT COMMUNITIES DEFINED AREA
UNLIMITED TAX BONDS, SERIES 2026

Dated: December 1, 2026 (Interest Accrues from Date of Delivery) **Due: February 1, as shown below**

The $6,000,000 Hunt Communities Defined Area Unlimited Tax Bonds, Series 2026 (the "Bonds") are special obligations solely of Horizon Regional Municipal Utility District (the "District"), secured solely by ad valorem taxes levied on property located only within the Horizon Regional Municipal Utility District Hunt Communities Defined Area (the "Defined Area"), which is located within the District, and are not obligations of the State of Texas; El Paso County, Texas; the City of El Paso, Texas (the "City"); or any other political subdivision or agency. See "THE BONDS--Source of Payment."

Interest on the Bonds will accrue from the initial date of delivery (on or about December 22, 2026) (the "Date of Delivery") and will be payable February 1 and August 1 of each year (the "Interest Payment Date"), commencing February 1, 2027, and will be calculated on the basis of a 360-day year of twelve 30-day months. The Bonds are issuable only in fully registered form in principal denominations of $5,000 or integral multiples thereof initially registered solely in the name of Cede & Co., as registered owner (a "Registered Owner") and nominee for The Depository Trust Company("DTC"), acting as securities depository for the Bonds, until DTC resigns or is discharged. The Bonds initially will be available to purchasers in Book-Entry-Only form. So long as Cede & Co. is the Registered Owner of the Bonds, as nominee for DTC, the Bonds shall be payable to Cede & Co., which will in turn, remit such amount to DTC participants for subsequent disbursement to the Beneficial Owners (as defined herein) of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM."

Principal of and the redemption price for the Bonds are payable by BOKF, N.A., Dallas, Texas or any successor paying agent/registrar (the "Paying Agent/Registrar"). Interest on the Bonds will be payable by check mailed on or before the Interest Payment Date to Registered Owners shown on the records of the Paying Agent/Registrar on the fifteenth day of the month preceding each Interest Payment Date or by such other customary banking arrangements as may be agreed upon by the Paying Agent/Registrar and the Registered Owner at the risk and expense of the Registered Owner. See "THE BONDS—General Description."

SEE INSIDE COVER PAGE FOR MATURITY SCHEDULE

The Bonds, when issued, will constitute valid and legally binding special obligations of the District and will be payable from the proceeds of an annual ad valorem tax levied, without legal limitation as to rate or amount, against all taxable property located within the Defined Area. See "THE BONDS--Source of Payment." THE BONDS ARE SUBJECT TO SPECIAL INVESTMENT CONSIDERATIONS AS SET FORTH IN THIS PRELIMINARY OFFICIAL STATEMENT. PROSPECTIVE PURCHASERS SHOULD CAREFULLY REVIEW THE ENTIRE PRELIMINARY OFFICIAL STATEMENT BEFORE MAKING THEIR INVESTMENT DECISION. PARTICULAR ATTENTION SHOULD BE GIVEN TO THE INFORMATION SET FORTH IN THIS PRELIMINARY OFFICIAL STATEMENT UNDER THE CAPTION "INVESTMENT CONSIDERATIONS."

The Bonds will be delivered when, as, and if issued by the District and accepted by the initial purchaser of the Bonds (the "Initial Purchaser"), subject among other things to the approval of the Bonds by the Attorney General of Texas and by the approval of certain legal matters by Johnson Petrov LLP, Houston, Texas ("Bond Counsel"). Certain legal matters will be passed upon for the District by Orrick, Herrington & Sutcliffe LLP, Houston, Texas ("Disclosure Counsel"). Delivery of the Bonds is expected on December 22, 2026, in Houston, Texas.

BIDS DUE November 19, 2026, 9:00 AM M.T.

MATURITIES
(Due February 1)

CUSIP Prefix: 44044T(d)

Principal Amount (a)	Interest Rate (b)	Due	Initial Reoffering Yield (c)	CUSIP SUFFIX (d)	Principal Amount (a)	Interest Rate (b)	Due	Initial Reoffering Yield (c)	CUSIP SUFFIX (d)
$110,000		2028			$220,000		2041*		
115,000		2029			230,000		2042*		
120,000		2030			245,000		2043*		
130,000		2031			255,000		2044*		
135,000		2032			270,000		2045*		
145,000		2033*			285,000		2046*		
150,000		2034*			300,000		2047*		
160,000		2035*			320,000		2048*		
170,000		2036*			335,000		2049*		
175,000		2037*			355,000		2050*		
185,000		2038*			375,000		2051*		
195,000		2039*			395,000		2052*		
210,000		2040*			415,000		2053*		

* The District reserves the right to redeem, prior to maturity, in integral multiples of $5,000, those Bonds maturing on and after February 1, 2033, in whole or from time to time in part, on February 1, 2032, and on any date thereafter at a price of par plus accrued interest from the most recent Interest Payment Date to the date fixed for redemption. In the event any of the Bonds are structured as "term" Bonds at the option of the Initial Purchaser (as defined herein), such term Bond will be subject to mandatory sinking fund redemption in accordance with the applicable provisions of the Bond Order (as defined herein), which provisions will be included in the final Official Statement. See "THE BONDS - Redemption Provisions".

(a) The Initial Purchaser may elect to designate one or more term Bonds. See accompanying Official Notice of Sale and Official Bid Form.

(b) After requesting competitive bids for purchase of the Bonds, the District has accepted the lowest bid to purchase the Bonds, bearing interest as shown, at a price of _____% of par resulting in a net effective interest rate to the District of _____%.

(c) The initial reoffering yields indicated represent the lower of the yields resulting when priced to maturity or the first call date. The initial yields at which the Bonds will be priced will be established by and will be the sole responsibility of the Initial Purchaser. The yields may be changed at any time at the discretion of the Initial Purchaser.

(d) CUSIP numbers are included solely for the convenience of the owners of the Bonds. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Global Services. None of the Initial Purchaser, the District nor the Municipal Advisor shall be responsible for the selection or correctness of the CUSIP numbers set forth herein.

TABLE OF CONTENTS

USE OF INFORMATION IN OFFICIAL STATEMENT 3
SALE AND DISTRIBUTION OF THE BONDS 3
Award of the Bonds 3
Prices and Marketability 3
Securities Laws 4
Forward-Looking Statements 4
Municipal Bond Insurance & Ratings 4
OFFICIAL STATEMENT SUMMARY 5
THE DISTRICT 5
THE BONDS 5
INVESTMENT CONSIDERATIONS 7
SELECTED FINANCIAL INFORMATION 8
INTRODUCTION 9
THE BONDS 9
General Description 9
Authority for Issuance 9
Redemption Provisions 10
Termination of Book-Entry-Only System 10
Source of Payment 11
Perfected Security Interest 11
Payment Record 12
Funds 12
Replacement of Paying Agent/Registrar 12
Issuance of Additional Debt 12
Consolidation 13
Remedies in Event of Default 13
Legal Investment and Eligibility to Secure Public Funds in Texas 13
Defeasance 13
Amendment to Bond Order 14
Approval of Bonds 14
BOOK-ENTRY-ONLY SYSTEM 14
USE AND DISTRIBUTION OF BOND PROCEEDS 17
INVESTMENT CONSIDERATIONS 18
General 18
Maximum Impact on District Tax Rates 18
Tax Collections and Foreclosure Remedies 18
Registered Owners' Remedies 18
Bankruptcy Limitation to Registered Owners' Rights 19
The Effect of Financial Institutions Act of 1989 on Tax Collections of the District 19
Marketability 20
Continuing Compliance with Certain Covenants 20
Future Debt 20
Approval of Bonds 20
Future and Proposed Legislation 20
Increase in Costs of Building Materials 21
The 90th Texas Legislature 21
Environmental Regulation and Air Quality 21
Air Quality Issues 21
Water Supply & Discharge Issues 22
Potential Impact of Natural Disaster 23
MUNICIPAL BOND INSURANCE AND RATING 23
BOND INSURANCE RISK FACTORS 23
Bond Insurance Risk Factors 23
Claims-Paying Ability and Financial Strength of Municipal Bond Insurers 24
THE DISTRICT 24
Authority 24
Description 24
MANAGEMENT OF THE DISTRICT 24
Board of Directors 24
Consultants 25
THE DEFINED AREA 26
The Other Defined Areas within the District 26
The Developer 26
DISTRICT MAP 27
FINANCIAL STATEMENT 28
Assessed Value 28
Unlimited Tax Bonds Authorized but Unissued 28
Cash and Investment Balances 28
Investment Authority and Investment Practices of the District 28
Current Investments 29
Estimated Overlapping Debt Statement 29
Overlapping Taxes 30
ESTIMATED DEBT SERVICE REQUIREMENTS 31
DEFINED AREA TAX DATA 32
General 32
Debt Service Tax 32
Maintenance Tax 32
Defined Area Tax Rates 32
Tax Rate Limitation 32
Exemptions 32
Tax Collections 33
Classification of Assessed Valuation 33
Top Ten Taxpayers 34
Tax Adequacy for Debt Service 34
THE SYSTEM 35
Regulation 35
Description of the System 35
TAXING PROCEDURES 35
Authority to Levy Taxes 35
Property Tax Code and County-Wide Appraisal District 35
Property Subject to Taxation by the District 36
Tax Abatement 37
Valuation for Property Taxation 37
District and Taxpayer Remedies 38
Levy and Collection of Taxes 38
Rollback of Operation and Maintenance Tax Rate 39
Districts' Rights in the Event of Tax Delinquencies 40
The Effect of FIRREA on Tax Collections of the District 40
LEGAL MATTERS 40
Legal Opinions 40
Legal Review 41
TAX MATTERS 41
Opinion 41
Original Issue Discount 42
Original Issue Premium 42
Collateral Tax Consequences Summary 43
State, Local, and Foreign Taxes 43
Changes in Law 43
Qualified Tax-Exempt Obligations 43
REGISTRATION AND QUALIFICATION UNDER SECURITIES LAWS 43
NO MATERIAL ADVERSE CHANGE 44
NO-LITIGATION CERTIFICATE 44
CONTINUING DISCLOSURE OF INFORMATION 44
Annual Reports 44
Specified Event Notices 45
Availability of Information from MSRB 45
Limitations and Amendments 45
Compliance with Prior Undertakings 46
MUNICIPAL ADVISOR 46
OFFICIAL STATEMENT 46
Preparation 46
Experts 46
Updating the Official Statement During Underwriting Period 46
Certification as to Official Statement 47
Official Statement "Deemed Final" 47
PHOTOGRAPHS
APPENDIX A - District Audited Financial Statements

USE OF INFORMATION IN OFFICIAL STATEMENT

For purpose of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended (the "Rule"), and in effect of the date of this Preliminary Official Statement, this document constitutes an "official statement" of the District with respect to the Bonds that has been deemed "final" by the District as of its date except for the omission of no more than information permitted by the Rule.

This document, when further supplemented by adding additional information specifying the interest rates and certain other information relating to the Bonds, shall constitute a "final official statement" of the District with respect to the Bonds, as such term is defined in the Rule.

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

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

All of the summaries of the statutes, orders, contracts, records, and engineering and other related reports set forth in the 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 SAMCO Capital Markets, Inc. for further information.

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

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

SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Bonds, the District has accepted the bid of _____ (the "Initial Purchaser") to purchase the Bonds at the interest rates shown on the inside cover page of this Official Statement at a price of _____% of par. No assurance can be given that any trading market will be developed for the Bonds after their sale by the District to the Initial Purchaser. The District has no control over the price at which the Bonds are subsequently sold, and the initial yields at which the Bonds are priced and reoffered are established by and are the sole responsibility of the Initial Purchaser.

Prices and Marketability

The delivery of the Bonds is conditioned upon the receipt by the District of a certificate executed and delivered by the Initial Purchaser on or before the Date of Delivery of the Bonds stating the prices at which a substantial amount of the Bonds of each maturity has been sold to the public. For this purpose, the term "public" shall not include any person who is a bond house, broker or similar person acting in the capacity of underwriter or wholesaler. Otherwise, the

District has no understanding with the Initial Purchaser regarding the reoffering yields or prices of the Bonds. Information concerning reoffering yields or prices is the sole responsibility of the Initial Purchaser.

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

The District has no control over trading of the Bonds in the secondary market. Moreover, there is no guarantee that a secondary market will be made in the Bonds. In 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 District assumes no responsibility for registration 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.

Forward-Looking Statements

This Official Statement contains, in part, forward-looking statements and projections, as well as 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. Forward-looking statements and projections may be affected by known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements to be different from the future results, performance or achievements expressed or implied by such forward-looking statements. Investors are cautioned that actual results could differ materially from those set forth in the forward-looking statements.

Any information and expressions of opinion herein contained are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District or other matters described herein since the date hereof.

Municipal Bond Insurance & Ratings

The District has submitted applications with certain municipal bond insurance companies to have the payment of the principal of and interest on the Bonds insured by a municipal bond insurance policy. In the event the Bonds are qualified for municipal bond insurance, and the Initial Purchaser desires to purchase such insurance, the cost will be paid by the Initial Purchaser. The District has not made an application for a municipal bond rating of the Bonds. Furthermore, it is not expected that the District would have been successful in receiving municipal bond insurance or an investment grade rating.

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OFFICIAL STATEMENT SUMMARY

The following material is qualified in its entirety by the more detailed information and financial statements appearing elsewhere in this Official Statement. The offering of the Bonds (as defined herein) 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 DISTRICT

Description	Horizon Regional Municipal Utility District (the "District"), a political subdivision of the State of Texas, was created by the Texas Legislature as El Paso County Water Authority in 1961 and changed its name to its current form effective September 4, 2003. Hunt Communities Defined Area (the "Defined Area") was established by the District on July 27, 2017 and was confirmed by election held within the Defined Area on November 7, 2017. The Defined Area is comprised of approximately 438.032 acres, located entirely within the District. The District, comprised of approximately 90,885.598 acres, is located approximately 11.3 miles from the City of El Paso, Texas's central business district, north of Interstate Highway 10 and east of Loop 375. See "THE DISTRICT."
Authority.....	The rights, powers, privileges, authority and functions of the District are established by the general laws of the State of Texas pertaining to municipal utility districts, including particularly Chapters 49 and 54 of the Texas Water Code, as amended. See "THE DISTRICT-Authority." The rights, powers, privileges, authority and functions of the Defined Area are established by Sections 54.801 through 54.812 of the Texas Water Code, as amended.
Status of Development.....	The land within the Defined Area is being developed as single-family residential and commercial property. As of November 1, 2026, within the Defined Area, there are 1,841 lots, upon which 1,610 homes have been constructed, another 85 under construction, 146 vacant lots, and 16 commercial lots, including an Albertson's Grocery Store, Buffalo Wild Wings, Dunkin Donuts and McDonald's restaurant, two dental offices, a Circle K gas station, a Supreme Laundromat, and various dining and strip retail shopping centers. See "THE DEFINED AREA."

THE BONDS

Description	The $6,000,000 Hunt Communities Defined Area Unlimited Tax Bonds, Series 2026 (the "Bonds") are dated December 1, 2026 and bear interest from the Date of Delivery at the rates per annum set forth on the inside cover page hereof, which interest is payable February 1, 2027 and each August 1 and February 1 thereafter (the "Interest Payment Date") until the earlier of maturity or redemption. The Bonds mature serially on February 1 in the years 2028 through 2053, inclusive, in the principal amounts set forth on the inside cover page hereof. The Bonds maturing on and after February 1, 2033, are subject to optional redemption at the option of the District on any date on or after February 1, 2032 at a price of par plus accrued interest to the date of redemption. See "THE BONDS — General Description" and " — Redemption Provisions."
Book-Entry-Only System	The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC"), pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of $5,000 of principal amount or integral multiples thereof. No physical delivery of the Bonds will be made to the Beneficial Owners (as defined herein) thereof. Principal and interest on the Bonds will be payable by BOKF, N.A., Dallas, Texas, the initial paying agent/registrar to Cede & Co. and Cede & Co. will make distribution of the amounts so paid to the Beneficial Owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM".

Redemption.....	Bonds maturing on and after February 1, 2033 are subject to optional redemption, in whole or from time to time in part, at the option of the District on February 1, 2032, and on any date thereafter at a price of par plus accrued interest from the most recent Interest Payment Date to the date of redemption. In the event any of the Bonds are structured as "term" Bonds at the option of the Initial Purchaser (as defined herein), such term Bond will be subject to mandatory sinking fund redemption in accordance with the applicable provisions of the Bond Order (as defined herein), which provisions will be included in the final Official Statement. See "THE BONDS – Redemption Provisions".
Use of Proceeds	Proceeds of the sale of the Bonds will be used to reimburse the Developer (defined hereinafter) for (i) Water and Wastewater improvements for Paseo del Este Unit 4, Paseo del Este Unit 5, Painted Desert Unit 3, Paseo del Este Unit 8 Phase I, and Paseo del Este Unit 8 Phase II and (ii) engineering and technical services. Proceeds will also be used to pay legal fees, municipal advisor's fees, capitalized interest and certain other costs related to the issuance of the Bonds. See "USE AND DISTRIBUTION OF BOND PROCEEDS" and "THE SYSTEM."
Outstanding Bonds……..	The District has previously issued one (1) series of unlimited tax bonds for waterworks and sanitary sewer and drainage facilities in the Defined Area: $3,630,000 Unlimited Tax Bonds, Series 2025. As of the Date of Delivery, $3,565,000 principal amount of such previously issued bonds will remain outstanding (the "Outstanding Bonds"). See "THE BONDS – Payment Record."
Payment Record.....	The District has never defaulted on the payment of any bond obligation. See "THE BONDS – Payment Record."
Source of Payment.....	Principal of and interest on the Bonds are payable from the proceeds of a continuing, direct, annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within the Defined Area. The Bonds are special obligations of the District and are not obligations of El Paso County, Texas; the City of El Paso, Texas; the State of Texas; or any political subdivision other than the District. See "THE BONDS - Source of Payment."
Authority for Issuance	The Bonds are issued pursuant to Article XVI, Section 59 of the Texas Constitution, Chapters 49 and 54, Texas Water Code, as amended, and an order of the Texas Commission on Environmental Quality (the "TCEQ"). See "THE BONDS-- Authority for Issuance."
Bonds Authorized But Unissued	The Bonds are the second installment of $12,130,000 in bonds authorized at an election held within the Defined Area of the District on November 7, 2017 (the "Bond Election") for the purpose or purposes of purchasing, constructing, acquiring, owning, leasing, operating, repairing, improving or extending a waterworks system, a sanitary sewer system, a drainage and storm sewer system and solid waste disposal system for the Defined Area. After the sale of the Bonds, $2,500,000* in bonds from the Bond Election will remain authorized but unissued for Defined Area. The District currently has $99,345,000 of unlimited tax bonds authorized but unissued.
Municipal Bond Insurance.....	The District has submitted applications with certain municipal bond insurance companies to have the payment of the principal of and interest on the Bonds insured by a municipal bond insurance policy. In the event the Bonds are qualified for municipal bond insurance, and the Initial Purchaser desires to purchase such insurance, the cost will be paid by the Initial Purchaser.

* Preliminary, subject to change.

No Municipal Bond Rating.....	The District has made no application for a municipal bond rating of the Bonds, nor is it expected that the District would have been successful in receiving an investment grade rating had such application been made.
Qualified Tax-Exempt Obligations	The Bonds will be designated as "qualified tax-exempt obligations" for financial institutions. See "TAX MATTERS – Qualified Tax-Exempt Obligations for Financial Institutions."
Bond Counsel	Johnson Petrov LLP, Houston, Texas. See "LEGAL MATTERS" and "TAX MATTERS."
Disclosure Counsel	Orrick, Herrington & Sutcliffe LLP, Houston, Texas.
Municipal Advisor.....	SAMCO Capital Markets, Inc., Austin, Texas.
District Engineer.....	TRE & Associates, LLC, El Paso, Texas.

INVESTMENT CONSIDERATIONS

THE PURCHASE AND OWNERSHIP OF THE BONDS INVOLVE CERTAIN INVESTMENT CONSIDERATIONS, AND ALL PROSPECTIVE PURCHASERS ARE URGED TO EXAMINE CAREFULLY THE OFFICIAL STATEMENT, INCLUDING PARTICULARLY THE SECTION CAPTIONED "INVESTMENT CONSIDERATIONS," WITH RESPECT TO THE INVESTMENT SECURITY OF THE BONDS AND OTHER FACTORS DESCRIBED THEREIN.

SELECTED FINANCIAL INFORMATION
(Unaudited)

2026 Assessed Valuation (100% of estimated market value)	$385,690,133	(a)
Gross Debt Outstanding (after issuance of the Bonds)	$9,565,000	(b)
Ratio of Gross Debt to 2026 Assessed Valuation	2.48%	
2026 Tax Rate		
Debt Service	$0.0650	
Maintenance & Operations	$0.1600	
Total	$0.2250	
Interest and Sinking Fund Balance (Unaudited. As of November 2, 2026)	$1,139,713	(c)
Average percentage of current tax collections - Tax Years 2022/2025	99.40%	
Average percentage of total tax collections - Tax Years 2022/2025	100.08%	
Projected Average Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2027/2053) ("Projected Average Requirement")	$653,941	
Tax rate required to pay Projected Average Requirement on the Outstanding Bonds and the Bonds based upon 2026 Assessed Valuation at 95% collections	$0.18/$100 A.V.	
Projected Maximum Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2028) ("Projected Maximum Requirement")	$678,997	
Tax rate required to pay Projected Maximum Requirement on the Outstanding Bonds and the Bonds based upon 2026 Assessed Valuation at 95% collections	$0.19/$100 A.V.	
Number of active single-family connections as of November 2026	1,220	
Number of active commercial connections as of November 2026	55	
Estimated population as of November 2026	4,270	(d)

(a) 2026 Certified Taxable Assessed Value within the Defined Area of the District as provided by the El Paso Central Appraisal District ("Appraisal District"). See "TAXING PROCEDURES."
(b) Includes the Bonds. Preliminary, subject to change.
(c) Included in the sale of Bonds is approximately 12 months of capitalized interest cost estimated at 5.50% of the principal amount of the Bonds (est. $330,000) which will be deposited to the Interest and Sinking Fund (as defined herein) upon closing. Neither Texas Law nor the Bond Order requires that the District maintain any particular sum in the Interest and Sinking Fund.
(d) Based on 3.5 residents per completed single-family connection.

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PRELIMINARY OFFICIAL STATEMENT

relating to

$6,000,000

Horizon Regional Municipal Utility District
(A Political Subdivision of the State of Texas located in El Paso County, Texas)
Unlimited Tax Bonds, Series 2026

INTRODUCTION

This Official Statement provides certain information in connection with the issuance by Horizon Regional Municipal Utility District (the "District") of its $6,000,000 Hunt Communities Defined Area Unlimited Tax Bonds, Series 2026 (the "Bonds").

The Bonds are issued pursuant to the Texas Constitution, the general laws of the State of Texas and a resolution authorizing the issuance of the Bonds (the "Bond Order") adopted by the Board of Directors of the District (the "Board"), Article XVI, Section 59 of the Texas Constitution, Chapters 49 and 54 of the Texas Water Code, as amended, and particularly Sections 54.801 through 54.812 of the Texas Water Code, as amended. See "THE BONDS– Authority for Issuance."

This PRELIMINARY OFFICIAL STATEMENT includes descriptions, among others, of the Bonds and the Bond Order, and certain other information about the District. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document, copies of which may be obtained by contacting the District, c/o Johnson Petrov LLP, located at 2929 Allen Parkway, Suite 3150, Houston, Texas 77019-6100.

THE BONDS

General Description

Following is a description of some of the terms and conditions of the Bonds, which description is qualified in its entirety by reference to the Bond Order of the Board authorizing the issuance and sale of the Bonds. The Bond Order authorizes the issuance and sale of the Bonds and prescribes the terms, conditions, and provisions for the payment of the principal of and interest on the Bonds by the District.

The Bonds will bear interest from the initial date of delivery of the Bonds (the "Date of Delivery") and will mature on February 1 of the years and in the principal amounts, and will bear interest at the rates per annum, set forth on the inside cover page hereof. Interest on the Bonds will be paid on August 1 and February 1 of each year, commencing February 1, 2027 (each an "Interest Payment Date"), until maturity or earlier redemption and will be calculated on the basis of a 360-day year composed of twelve 30-day months. The Bonds will be issued in fully registered form only, without coupons, in the denomination of $5,000 or any integral multiple thereof, and when issued, will be registered in the name of Cede & Co., as Registered Owner and nominee for The Depository Trust Company ("DTC") acting as securities depository for the Bonds until DTC resigns or is discharged. The Bonds initially will be available to purchasers in Book-Entry-Only form. So long as Cede & Co., as the nominee of DTC, is the Registered Owner of the Bonds, principal of and interest on the Bonds will be payable by the Paying Agent/Registrar to DTC, which will be solely responsible for making such payment to the Beneficial Owners of the Bonds. The initial Paying Agent/Registrar for the Bonds is BOKF, N.A., Dallas, Texas ("Paying Agent/Registrar").

Authority for Issuance

The Bonds constitute the second installment of $12,130,000 in unlimited tax bonds for waterworks and sanitary sewer and drainage facilities, authorized at an election held within the Hunt Communities Defined Area (the "Defined Area") for that purpose on November 7, 2017. Following issuance of the Bonds, $2,500,000* bonds for waterworks, sanitary sewer and drainage facilities within the Defined Area to be secured by ad valorem taxes levied against property within the Defined Area will remain authorized but unissued. See "Issuance of Additional Debt" below.

* Preliminary, subject to change.

The Bonds are issued pursuant to the Bond Order, Chapters 49 and 54 of the Texas Water Code, as amended, Article XVI, Section 59 of the Texas Constitution, and Chapters 54.801 through 54.812 of the Texas Water Code, as amended. Issuance of the Bonds has been further authorized by the Texas Commission on Environmental Quality (the "TCEQ").

Before the Bonds can be issued, the Attorney General of Texas must initially pass upon the legality of certain related matters. The Attorney General of Texas does not guarantee or pass upon the safety of the Bonds as an investment or upon the adequacy of the information contained in this Official Statement.

Redemption Provisions

Optional Redemption…The Bonds maturing on and after February 1, 2033, are subject to redemption prior to maturity at the option of the District, in whole or from time to time in part, on February 1, 2032, or on any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest from the most recent interest payment date to the date fixed for redemption. If less than all the Bonds are redeemed at any time, the particular maturities and amounts of Bonds to be redeemed shall be selected by the Board. If less than all of the Bonds of a particular maturity are to be redeemed, the Paying Agent/Registrar is required to select the Bonds of such maturity to be redeemed by lot or such random method as Paying Agent/Registrar shall deem fair and appropriate (or by DTC in accordance with its procedures while the Bonds are in Book-Entry-Only form).

Mandatory Sinking Fund Redemption… The Initial Purchaser may designate certain maturities of the Bonds as term bonds which would be subject to mandatory redemption.

Notice of Redemption; Effect of Redemption… Notice of any redemption identifying the Bonds to be redeemed in whole or in part will be given by the Paying Agent/Registrar at least 30 days prior to the date fixed for redemption by sending written notice by first class mail or overnight delivery to the Registered Owner of each Bond to be redeemed in whole or in part at the address shown on the Register. Such notices will state the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment, and, if less than all the outstanding bonds of a particular series are to be redeemed, the numbers of the Bonds of such series or the portions thereof to be redeemed. Neither the failure to give such notice nor defect therein will affect the sufficiency of the notice given to the Registered Owner. By the date fixed for redemption, due provision must be made with the Paying Agent/Registrar for payment of the redemption price of the Bonds or portions thereof to be redeemed, plus accrued interest to the date fixed for redemption. When Bonds have been called for redemption in whole or in part and due provision has been made to redeem the same as provided in the Bond Order, the Bonds or portions thereof so redeemed will no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Registered Owners to collect interest which would otherwise accrue after the redemption date on any Bond or portion thereof called for redemption will terminate on the date fixed for redemption.

Conditional Notice of Redemption… Notwithstanding anything in the Bond Order to the contrary, the District may make any notice of redemption conditional on the occurrence of a condition precedent. In the event that the District chooses to provide a conditional notice of redemption, the District must include in the notice of redemption that the redemption is conditioned upon the occurrence of a condition precedent. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Registered Owners. Any Bonds subject to conditional redemption and such redemption has been rescinded will remain outstanding and the rescission of such redemption will not constitute an event of default. Further, in the case of a conditional redemption, the failure of the District to make money or authorized securities available in part or in whole on or before the redemption date will not constitute an event of default.

Termination of Book-Entry-Only System

The Bonds are subject to the Book-Entry-Only System administered by DTC. See "BOOK-ENTRY-ONLY SYSTEM." In the event that the Book-Entry-Only System is discontinued by DTC or the District, the following provisions will be applicable to the Bonds.

Payment… Principal of the Bonds will be payable at maturity to the Registered Owners as shown by the registration books maintained by the Paying Agent/Registrar upon presentation and surrender of the Bonds to the Paying Agent/Registrar at the designated office for payment of the Paying Agent/Registrar in Dallas, Texas (the "Designated Payment/Transfer Office"). Interest on the Bonds will be payable by check, dated as of the applicable Interest Payment Date, sent by the Paying Agent/Registrar by United States mail to the Registered Owners at their respective addresses shown on such records, or by such other method acceptable to the Paying Agent/Registrar requested by a Registered Owner at the risk and expense of such Registered Owner. If the date for the payment of the principal of or interest on

the Bonds shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the State of Texas or the city where the Paying Agent/Registrar is located are required or authorized by law or executive order to close, then the date for such payment shall be the next succeeding business day and payment on such date shall for all purposes be deemed to have been made on the original date payment was due.

Registration… If the Book-Entry-Only System is discontinued, the Bonds may be transferred and re-registered on the registration books of the Paying Agent/Registrar only upon presentation and surrender thereof to the Paying Agent/Registrar at the Designated Payment/Transfer Office. A Bond also may be exchanged for a Bond or Bonds of like maturity and interest and having a like aggregate principal amount or maturity amount, as the case may be, upon presentation and surrender at the Designated Payment/Transfer Office. All Bonds surrendered for transfer or exchange must be endorsed for assignment by the execution by the Registered Owner or his duly authorized agent of an assignment form on the Bonds or other instruction of transfer acceptable to the Paying Agent/Registrar. Transfer and exchange for Bonds will be without expense or service charged to the Registered Owner, except for any tax or other governmental charges required to be paid with respect to such transfer or exchange. A new Bond or Bonds, in lieu of the Bond being transferred or exchanged, will be delivered by the Paying Agent/Registrar to the Registered Owner, at the Designated Payment/Transfer Office of the Paying Agent/Registrar or by United States mail, first-class, postage prepaid. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the Registered Owner not more than three (3) business days after the receipt of the Bonds to be canceled in the exchange or transfer in the denominations of $5,000 or any integral multiple thereof.

Limitation on Transfer of Bonds… Neither the District nor the Paying Agent/Registrar shall be required to make any transfer, conversion or exchange to an assignee of the Registered Owner of the Bonds (i) during the period commencing on the close of business on the 15th calendar day of the month preceding each Interest Payment Date (the "Record Date") and ending with the opening of business on the next following principal or Interest Payment Date, or (ii) with respect to any Bond called for redemption, in whole or in part, within forty-five (45) days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the Registered Owner of the uncalled balance of a Bond.

Replacement Bonds… If a Bond is mutilated, the Paying Agent/Registrar will provide a replacement Bond in exchange for the mutilated Bond. If a Bond is destroyed, lost or stolen, the Paying Agent/Registrar will provide a replacement Bond upon (i) the filing by the Registered Owner with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss or theft of the Bond and the authenticity of the Registered Owner's ownership, and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the District and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond must be borne by the Registered Owner. The provisions of the Bond Order relating to the replacement Bonds are exclusive and to the extent lawful, preclude all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds.

Source of Payment

The Bonds and any bonds subsequently issued by the District and payable from taxes, are secured by and payable from the proceeds of a continuing, direct annual ad valorem tax without legal limitation as to rate or amount, levied against all taxable property located within the Defined Area. See "TAXING PROCEDURES." The Bonds are special obligations of the District and are not obligations of El Paso County, Texas; the City of El Paso, Texas; the State of Texas; or any political subdivision other than the District.

Perfected Security Interest

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

Payment Record

The District has previously issued one (1) series of unlimited tax bonds for waterworks and sanitary sewer and drainage facilities in the Defined Area: $3,630,000 Unlimited Tax Bonds, Series 2025. As of the Date of Delivery, $3,565,000 principal amount of such previously issued bonds will remain outstanding (the "Outstanding Bonds").

The District has previously issued $303,180,000 principal amount of General Obligation Debt bonds including Refunding, $214,924,985 of which remains outstanding as of November 1, 2026 and $6,660,000 principal amount of Waterworks & Sewer System bonds, $0 of which remains outstanding as of November 1, 2026. District has never defaulted in the payment of principal and interest.

Funds

Interest and Sinking Fund… The Bond Order establishes the District's Debt Service Fund (the "Interest and Sinking Fund"). The net proceeds of all ad valorem taxes levied and collected for and on account of the Bonds shall be deposited, as collected, to the credit of the Interest and Sinking Fund. An amount equal to approximately 12 months' interest on the Bonds will also be deposited from proceeds from sale of the Bonds into the Interest and Sinking Fund. The Interest and Sinking Fund, which constitutes a trust fund for the benefit of the Registered Owners and any additional tax bonds issued by the District, is to be kept separate from all other funds of the District, and is to be used for payment of debt service on the Bonds and any of the District's duly authorized additional bonds payable in whole or part from taxes. Amounts on deposit in the Interest and Sinking Fund may also be used to pay the fees and expenses of the Paying Agent/Registrar and, to defray the expenses of assessing and collecting taxes levied for payment of interest on and principal of the Bonds and any additional bonds payable from taxes.

Project Fund… The Bond Order establishes the District's Construction Fund (the "Project Fund"). After the initial deposit to the Interest and Sinking Fund, and payment of issuance costs, proceeds of the sale of the Bonds will be deposited into the Project Fund. Any monies remaining in the Project Fund after completion of construction of the facilities financed with the Bonds will be transferred to the Interest and Sinking Fund. See "USE AND DISTRIBUTION OF BOND PROCEEDS" for a more complete description of the use of Bond proceeds and the projects related thereto.

All interest, income and increment accruing to the District as a result of the temporary investment of the proceeds of the sale of the Bonds shall be placed in the District's Operating Account.

Replacement of Paying Agent/Registrar

Provision is made in the Bond Order for replacement of the Paying Agent/Registrar by the District. If the Paying Agent/Registrar is replaced by the District, the new Paying Agent/Registrar shall act in the same capacity as the previous Paying Agent/Registrar. Any Paying Agent/Registrar selected by the District shall be a national or state banking institution, an association or 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, authorized by law to serve as Paying Agent/Registrar for the Bonds.

Issuance of Additional Debt

The District may issue additional bonds from its voted authorization necessary to provide and maintain improvements and facilities consistent with the purposes for which the District was created. See "THE DISTRICT - Authority." The District's voters have authorized the issuance of $343,000,000 of unlimited tax bonds, of which $99,345,000 remains unissued, and $292,500,000 for refunding, of which $232,975,000 remains unissued, and the District could authorize additional amounts. Following the issuance of the Bonds, the Defined Area will have $2,500,000* of unlimited tax bonds authorized but unissued and could authorize additional amounts.

The District is authorized by statute to engage in fire-fighting activities, including the issuing of bonds payable from taxes for such purpose. Before the District could issue fire-fighting bonds payable from taxes, the following actions would be required: (a) amendments to existing city ordinances specifying the purposes for which the District may issue bonds; (b) authorization of a detailed master plan and bonds for such purpose by the qualified voters in the District; (c) approval of the master plan and issuance of bonds by the TCEQ; and (d) approval of bonds by the Attorney General of Texas. The Board has not considered calling such an election at this time.

* Preliminary, subject to change.

Issuance of bonds for fire-fighting facilities, parks and recreational facilities and roads could dilute the investment security for the Bonds. The Bond Order imposes no limitation on the amount of additional parity bonds which may be authorized for issuance by the District's voters, or the amount ultimately issued by the District.

The Bond Order imposes no limitation on the amount of additional general obligation bonds which may be authorized for issuance by the District's voters or the amount ultimately issued by the District. See "INVESTMENT CONSIDERATIONS - Future Debt."

Consolidation

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

Remedies in Event of Default

Other than a writ of mandamus and other relief authorized by law, the Bond Order does not expressly provide a specific remedy for a default. Based on recent Texas court decisions, it is unclear whether certain legislation effectively waives governmental immunity of governmental entities for suits for money damages. Even if a Registered Owner could obtain a judgment against the District for a default in the payment of principal or interest, such judgment could not be satisfied by execution against any property of the District. If the District defaults, a Registered Owner could petition for a writ of mandamus issued by a court of competent jurisdiction requiring the District and the District's officials to observe and perform the covenants, obligations or conditions prescribed in the Bond Order. Such remedy might need to be enforced on a periodic basis. The enforcement of a claim for payment on the Bonds would be subject to the applicable provisions of the federal bankruptcy laws, any other similar laws affecting the rights of creditors of political subdivisions, and general principles of equity. See "INVESTMENT CONSIDERATIONS - Registered Owners' Remedies" and – "Bankruptcy Limitation to Registered Owners' Rights."

Legal Investment and Eligibility to Secure Public Funds in Texas

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

"(a) All bonds, notes, and other obligations issued by a district shall be legal and authorized investments for all banks, trust companies, building and loan associations, savings and loan associations, insurance companies of all kinds and types, fiduciaries, and trustees, and for all interest and sinking funds and other public funds of the state, and all agencies, subdivisions, and instrumentalities of the state, including all counties, cities, towns, villages, school districts, and all other kinds and types of districts, public agencies, and bodies politic."

"(b) A district's bonds, notes, and other obligations are eligible and lawful security for all deposits of public funds of the state, and all agencies, subdivisions, and instrumentalities of the state, including all counties, cities, towns, villages, school districts, and all other kinds and types of districts, public agencies, and bodies politic, to the extent of the market value of the bonds, notes, and other obligations when accompanied by any unmatured interest coupons attached to them."

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

No representation is made that the Bonds will be suitable for or acceptable to financial or public entities for investment or collateral purposes. No representation is made concerning other laws, rules, regulations, or investment criteria which 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 Order provides that the District may discharge its obligations to the Registered Owners of any or all of the Bonds to pay principal, interest and redemption price thereon in any manner permitted by law. Under current Texas law, such discharge may be accomplished either (i) by depositing with the Comptroller of Public Accounts of the State

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

Upon such deposit as described above, such Bonds shall no longer be regarded as outstanding or unpaid. After firm banking and financial arrangements for the discharge and final payment or redemption of the Bonds have been made as described above, all rights of the District to initiate proceedings to call the Bonds for redemption or take any other action amending the terms of the Bonds are extinguished; provided, however, that the right to call the Bonds for redemption is not extinguished if the District in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption.

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.

Amendment to Bond Order

The Bond Order contains provisions to the effect that the District may, without the consent of or notice to any Registered Owners of the Bonds amend, change or modify the Bond Order as may be required (a) by the provisions of the Bond Order, (b) for the purpose of curing any ambiguity, inconsistency, or formal defect or omission in the Bond Order, or (c) in connection with any other change which is not to the prejudice of the Registered Owners of the Bonds. Except for such amendments, changes or modifications, the District shall not amend, change or modify the Bond Order in any manner without the consent of the majority of the Registered Owners in aggregate principal amount of the outstanding bonds, affected thereby; provided that without the consent of all of the Registered Owners affected, no such amendment, change, modification, or rescission shall (i) extend the time or times of payment of the principal of and interest on the Bonds or reduce the principal amount thereof or the rate of interest thereon; (ii) give any preference to any Bond over any other Bond; (iii) extend any waiver of default to subsequent defaults; or (iv) reduce the aggregate principal amount of Bonds required for consent to any such amendment, change, modification, or rescission.

Approval of the Bonds

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

BOOK-ENTRY-ONLY SYSTEM

The Bonds will be available only in Book-Entry-Only form. Consequently, purchasers of ownership interests in the Bonds will not receive certificates representing their respective interests in the Bonds. This section describes how ownership of the Bonds is to be transferred and how the payments of principal of and interest on the Bonds are to be paid to and accredited by Depository Trust Company ("DTC"), while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The Initial Purchasers and the District believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.

The District cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the Registered Owner of the Bonds), or redemption or other notices, to the

Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission ("SEC"), and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized Book-Entry-Only 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 Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

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

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

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

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

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USE AND DISTRIBUTION OF BOND PROCEEDS

Proceeds of the sale of the Bonds will be used to reimburse the Developer (defined hereinafter) for (i) Water and Wastewater improvements for Paseo del Este Unit 4, Paseo del Este Unit 5, Painted Desert Unit 3, Paseo del Este Unit 8 Phase I, and Paseo del Este Unit 8 Phase II and (ii) engineering and technical services. Proceeds will also be used to pay legal fees, municipal advisor's fees, capitalized interest and certain other costs related to the issuance of the Bonds. The estimated costs outlined below have been provided by TRE & Associates, LLC, the District's consulting engineer (the "Engineer"), and reflect those costs approved by the TCEQ. Amounts indicated may not add due to rounding.

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

CONSTRUCTION COSTS:

A. Developer Contribution Items	**Amount**
1. Paseo del Este Unit 4 - Water and Wastewater Improvements	$ 210,602
2. Paseo del Este Unit 5 - Water and Wastewater Improvements	914,659
3. Painted Desert Unit 3 – Water and Wastewater Improvements	337,222
4. Paseo del Este Unit 8 Phase I – Water and Wastewater Improvements	1,384,959
5. Paseo del Este Unit 8 Phase II – Water and Wastewater Improvements	1,154,548
6. Engineering Costs	154,848
Total Developer Contribution Items	$4,156,838

B. District Items - None

TOTAL CONSTRUCTION COSTS (69.28 % OF BOND ISSUE REQUIREMENT)	**$4,156,838**

NON-CONSTRUCTION COSTS:	**Amount**
A. Legal Fees (2.00%)	$ 120,000
B. Fiscal Agent Fees	120,000
C. Interest Cost	
1. Capitalized Interest (12 months at 5.50%)	330,000
2. Developer Interest	938,128
D. Bond Discount (3%)	180,000
E. Bond Issuance Expenses	69,034
F. Bond Application Report Costs	65,000
G. Attorney General's Fee (0.10% with max $9,500)	6,000
H. TCEQ Bond Issuance Fee (0.25%)	15,000
TOTAL NON-CONSTRUCTION COSTS	**$1,843,162**
TOTAL BOND ISSUE REQUIREMENT	**$6,000,000**

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INVESTMENT CONSIDERATIONS

General

The Bonds are obligations solely of the District and are not obligations of the City of El Paso, El Paso County, Texas, the State of Texas, or any entity other than the District. Payment of the principal of and interest on the Bonds depends upon the ability of the District to collect taxes levied on taxable property within the Defined Area in an amount sufficient to service the District's bonded debt in the Defined Area or in the event of foreclosure, on the value of the taxable property in the Defined Area and the taxes levied by the District and other taxing authorities upon the property within the Defined Area of the District. See "THE BONDS—Source of Payment." The collection by the District of delinquent taxes owed to it and the enforcement by Registered Owners of the District's obligation to collect sufficient taxes may be a costly and lengthy process. Furthermore, the District cannot and does not make any representations that continued development of taxable property within the Defined Area will accumulate or maintain taxable values sufficient to justify continued payment of taxes by property owners or that there will be a market for the property or that owners of the property will have the ability to pay taxes. See "Registered Owners' Remedies" and "Bankruptcy Limitation to Registered Owners' Rights" below.

Maximum Impact on District Tax Rates

Assuming no further development, the value of the land and improvements currently within the Defined Area of the District will be the major determinant of the ability or willingness of owners of property within the District to pay their taxes. The 2026 Taxable Assessed Value is $385,690,133. After issuance of the Bonds, the maximum annual debt service requirement on the Outstanding Bonds and the Bonds will be $678,997 (2028), and the average annual debt service requirement on the Outstanding Bonds and the Bonds will be $653,941 (2027-2053, inclusive). Assuming no increase or decrease from the 2026 Taxable Assessed Value, the issuance of no additional debt, and no other funds available for the payment of debt service, tax rates of $0.19 and $0.18, respectively per $100 of appraised valuation at a ninety-five percent (95%) collection rate would be necessary to pay both the maximum annual debt service requirement on the Outstanding Bonds and the Bonds and the average annual debt service requirements on the Outstanding Bonds and the Bonds. See "DEBT SERVICE REQUIREMENTS."

Tax Collections and Foreclosure Remedies

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

Registered Owners' Remedies

In the event of default in the payment of principal of or interest on the Bonds, the Registered Owners have the right to seek a writ of mandamus, requiring the District to levy adequate taxes each year to make such payments. Except for mandamus, the Bond Order does not specifically provide for remedies to protect and enforce the interest 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. On June 30, 2006, the Texas Supreme Court (the "Court") ruled in *Tooke v. City of Mexia*, 197 S.W.3d 325 (Tex. 2006) ("Tooke") that a waiver of sovereign immunity must be provided for by statute in "clear and unambiguous" language. In so ruling, the Court declared that statutory language such as "sue and be sued" or "plead and be impleaded", in and of itself, did not constitute a clear and unambiguous waiver of sovereign immunity. It is unclear whether Section 49.066 Texas Water Code, effectively waives governmental immunity of a municipal utility district for suits for monetary damage. Even if such a judgment against

the District were obtained, it could not be enforced by direct levy and execution against the District's property. Further, the Registered Owners cannot themselves foreclose on property within the District or sell property within the District in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the Registered Owners may further be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District.

Bankruptcy Limitation to Registered Owners' Rights

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

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

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

The Effect of the Financial Institutions Act of 1989 on Tax Collections of the District

The "Financial Institutions Reform, Recovery and Enforcement Act of 1989" ("FIRREA"), enacted on August 9, 1989, contains certain provisions which affect the time for protesting property valuations, the fixing of tax liens, and the collection of penalties and interest on delinquent taxes on real property owned by the Federal Deposit Insurance Corporation ("FDIC") and the Resolution Trust Corporation ("RTC") when the FDIC/RTC is acting as the conservator or receiver of an insolvent financial institution.

Under FIRREA real property held by the FDIC/RTC is still subject to ad valorem taxation, but such act states (i) that no real property of the FDIC/RTC shall be subject to foreclosure or sale without the consent of the FDIC/RTC and no involuntary liens shall attach to such property, (ii) the FDIC or RTC shall not be liable for any penalties or fines, including those arising from the failure to pay any real or personal property tax when due, and (iii) notwithstanding failure of a person to challenge an appraisal in accordance with state law, such value shall be determined as of the period for which such tax is imposed.

There has been little judicial determination of the validity of the provisions of FIRREA or how they are to be construed and reconciled with respect to conflicting state laws. However, certain recent federal court decisions have held that the FDIC/RTC is not liable for statutory penalties and interest authorized by State property tax law, and that although a lien for taxes may exist against real property, such lien may not be foreclosed without the consent of the FDIC/RTC, and no liens for penalties, fines, interest, attorneys fees, costs of abstract and research fees exist against the real property for the

failure of the FDIC/RTC or a prior property owner to pay ad valorem taxes when due. It is also not known whether the FDIC/RTC will attempt to claim the FIRREA exemptions as to the time for contesting valuations and tax assessments made prior to and after the enactment of FIRREA. Accordingly, to the extent that the FIRREA provisions are valid and applicable to any property in the District, and to the extent that the FDIC/RTC attempts to enforce the same, these provisions may affect the timeliness of collection of taxes on property, if any, owned by the FDIC/RTC in the District, and may prevent the collection of penalties and interest on such taxes.

Marketability

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

Continuing Compliance with Certain Covenants

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

Future Debt

The District has the right to issue obligations other than the Bonds, including tax anticipation notes and bond anticipation notes, and to borrow for any valid corporate purpose. Following the issuance of the Bonds, the Defined Area will have $2,500,000* of unlimited tax bonds authorized but unissued and the District will have $99,345,000 of unlimited tax bonds authorized but unissued and $232,975,000 for refunding authorized but unissued. The issuance of additional obligations may increase the Defined Area's and/or the District's tax rate and adversely affect the security for, and the investment quality and value of, the Bonds. See "THE BONDS — ISSUANCE OF ADDITIONAL DEBT."

Approval of the Bonds

As required by law, engineering plans, specifications and estimates of construction costs for the facilities and services to be purchased or constructed by the District with the proceeds of the Bonds have been approved, subject to certain conditions, by the TCEQ. See "USE AND DISTRIBUTION OF BOND PROCEEDS." In addition, the Attorney General of Texas must approve the legality of the Bonds prior to their delivery.

Neither the TCEQ nor the Attorney General of Texas passes upon or guarantees the security of the Bonds as an investment, nor have the foregoing authorities passed upon the adequacy or accuracy of the information contained in this Official Statement.

Future and Proposed Legislation

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

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives, or litigation. The disclosures and opinions expressed herein are based upon existing legislation and

* Preliminary, subject to change.

regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and no opinion is expressed as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Increase in Costs of Building Materials

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

The 90th Texas Legislature

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

Environmental Regulation and Air Quality

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

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

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

Air Quality Issues. Air quality control measures required by the United States Environmental Protection Agency (the "EPA") and the TCEQ may impact new industrial, commercial and residential development in El Paso and adjacent areas. Under the Clean Air Act ("CAA") Amendments of 1990, the El Paso County area ("EP area") was originally designated by the EPA as a marginal ozone nonattainment area under the "8-hour" ozone standard of 75 ppb (the "2008 Ozone Standard"). The EP area was required to reach attainment under the 2008 Ozone Standard no later than July 20, 2018, but is currently designated as a moderate nonattainment area under such standard. Because the EP area has failed to demonstrate progress in reducing ozone concentrations and failed to meet EPA's standards, the EPA may impose a moratorium on the awarding of federal highway construction grants and other federal grants for certain public works construction projects, as well as severe emissions offset requirements on new major sources of air emissions for which construction has not already commenced.

On October 1, 2015, the EPA lowered the ozone standard to 70 ppb (the "2015 Ozone Standard"). On November 30, 2021, the EPA published a final marginal nonattainment designation for the 2015 eight-hour ozone NAAQS for El Paso County and Sunland Park, NM, effective December 30, 2021. However, on June 30, 2023, the D.C. Circuit Court of Appeals reversed the nonattainment designation on the grounds that the EP area's combination with Sunland

Park by the EPA was impermissibly retroactive. The EP area reverted to, and currently maintains, its prior attainment status.

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

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

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

The District is subject to the TCEQ's General Permit for Phase II (Small) Municipal Separate Storm Sewer Systems (the "MS4 Permit"), which was issued by the TCEQ on August 15, 2024. The MS4 Permit authorizes the discharge of stormwater to surface water in the state from small municipal separate storm sewer systems. In order to maintain MS4 Permit compliance, the District is partnering with the City, to participate in the City's program to develop, implement, and maintain the required plan (the "MS4 Permit Plan") as well as to install or implement best management practices to minimize or eliminate unauthorized pollutants that may otherwise be found in stormwater runoff. While the District does not have its own independent MS4 Permit Plan, the District has taken all necessary steps required by the City to be included in the City's MS4 Permit Plan in order to obtain MS4 Permit compliance with the TCEQ. If at any time in the future the District were required to maintain independent coverage under the MS4 Permit, it is anticipated that the District could incur substantial additional costs to develop and implement its own program necessary to comply with the MS4 Permit.

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

On May 25, 2023, the Supreme Court of the United States issued its decision in *Sackett v. EPA*, which clarified the definition of "waters of the United States" and significantly restricted the reach of federal jurisdiction under the CWA. Under the *Sackett* decision, "waters of the United States" includes only geographical features that are described in ordinary parlance as "streams, oceans, rivers, and lakes" and to adjacent wetlands that are indistinguishable from such bodies of water due to a continuous surface connection. Subsequently, the EPA and USACE issued a final rule amending the definition of "waters of the United States" under the CWA to conform with the Supreme Court's decision.

While the *Sackett* decision and subsequent regulatory action removed a great deal of uncertainty regarding the ultimate scope of "waters of the United States" and the extent of EPA and USACE jurisdiction, operations of municipal utility

districts, including the District, could potentially be subject to additional restrictions and requirements, including additional permitting requirements, in the future.

Potential Impact of Natural Disaster

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

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

MUNICIPAL BOND INSURANCE

The District has submitted applications with certain municipal bond insurance companies to have the payment of the principal of and interest on the Bonds insured by a municipal bond insurance policy. In the event the Bonds are qualified for municipal bond insurance, and the Initial Purchaser desires to purchase such insurance, the cost will be paid by the Initial Purchaser. The final Official Statement shall disclose information provided by the insurer relating to any such financial guaranty insurance policy.

BOND INSURANCE RISK FACTORS

Bond Insurance Risk Factors

If municipal bond insurance is purchased for the Bonds, in the event of default of the scheduled payment of principal of or interest on the Bonds when all or a portion thereof becomes due, any owner of the Bonds shall have a claim against the insurer (the "Insurer") of the municipal bond guaranty insurance policy (the "Policy") for such payments. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds by the District which is recovered by the District from the bond owner as a voidable preference under applicable bankruptcy law is covered by the Policy; however, such payments will be made by the Insurer at such time and in such amounts as would have been due absent such prepayment by the District (unless the Insurer chooses to pay such amounts at an earlier date).

Payment of principal of and interest on the Bonds is not subject to acceleration, but other legal remedies upon the occurrence of non-payment do exist (see "THE BONDS - Remedies in Event of Default"). The Insurer may reserve the right to direct the pursuit of available remedies, and, in addition, may reserve the right to consent to any remedies available to and requested by the Registered Owners.

In the event the Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Bonds are payable solely from the ad valorem tax levied, without legal limitation as to rate or amount, on all taxable property located within the Defined Area. In the event the Insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price or the marketability (liquidity) of the Bonds.

If a Policy is acquired, the long-term ratings on the Bonds will be dependent in part on the financial strength of the Insurer and its claims-paying ability. The Insurer's financial strength and claims-paying ability are predicated upon a number of factors which could change over time. No assurance can be given that the long-term ratings of the Insurer and of the ratings on the Bonds, whether or not subject to a Policy, will not be subject to downgrade and such event could adversely affect the market price or the marketability (liquidity) for the Bonds.

The obligations of the Insurer under the Policy are general obligations of the Insurer and in an event of default by the Insurer, the remedies available may be limited by applicable bankruptcy law. None of the District, the Municipal Advisor or the Initial Purchaser has made independent investigation into the claims-paying ability of any potential Insurer and no assurance or representation regarding the financial strength or projected financial strength of any potential Insurer is given.

Claims-Paying Ability And Financial Strength Of Municipal Bond Insurers

Moody's Investors Service, Inc., S&P Global Ratings, a division of S&P Global Inc. and Fitch Ratings (the "Rating Agencies") have downgraded and/or placed on negative watch the claims-paying ability and financial strength of most providers of municipal bond insurance. Additional downgrades or negative changes in the rating outlook for all bond insurers are possible. Thus, when making an investment decision, potential investors should carefully consider the ability of any such bond insurer to pay principal and interest on the Bonds and the claims-paying ability of any such bond insurer, particularly over the life of the Bonds.

THE DISTRICT

Authority

Horizon Regional Municipal Utility District was created as El Paso County Water Authority pursuant to Article 16, Section 59 of the Texas Constitution by special act of the 57th Legislature of Texas, on August 8, 1961. On September 4, 2003, the TCEQ issued An Order Approving A Request By El Paso County Water Authority To Change Its Name To Horizon Regional Municipal Utility District, effective as of that date. The District is vested with all of the rights, privileges, authority, and functions conferred by the general laws of the State applicable to municipal utility districts, including without limitation those conferred by Chapters 49 and 54, Texas Water Code, as amended. The District is empowered to purchase, construct, operate, acquire, own, and maintain all water and wastewater facilities and improvements and improvements to control and divert storm water. The District is additionally empowered to establish, operate and maintain a fire department, independently or with one or more other conservation and reclamation districts, and to issue bonds for such purposes, after approval by the TCEQ and the District's voters. The District is subject to the continuing supervisory jurisdiction of the TCEQ.

Description

The Defined Area is comprised of approximately 438.032 acres, located entirely within the District. Originally created with approximately 91,000 acres, through various annexations and de-annexations, the District is currently comprised of approximately 90,885.598 acres. Approximately 3,290 acres are developed, although the majority of the District is platted. The District is located approximately 11.3 miles from the City of El Paso's central business district, north of Interstate Highway 10 and east of Loop 375. The District lies partially within the extraterritorial jurisdictions of the City of El Paso and the City of Socorro, and includes the Town of Horizon City within its boundaries. The District is primarily located within the Clint Independent School District, with a portion located within the Socorro Independent School District.

MANAGEMENT OF THE DISTRICT

Board of Directors

The District is governed by the Board, consisting of five (5) directors, which has control over and management supervision of all affairs of the District. Directors are elected to staggered four-year terms and elections are held in May in even numbered years only. All of the Board members reside within the District. The current members and officers of the Board along with their titles and terms, are listed as follows:

Name	Position	Length of Service	Term Expires May
Gordon Jarvis	President	18 years	2029
Dean Hulsey	Vice President	12 years	2027
Mike Barton	Secretary	7 years	2027
Florence Thomas	Treasurer	20 years	2027
Rafael Padilla	Assistant Secretary	1 year	2029

Consultants

The District has also contracted for tax assessing and collecting, auditing, engineering, municipal advisory and legal services as follows:

Bond Counsel and General Counsel: The District employs Johnson Petrov LLP, Houston, Texas, as Bond Counsel in connection with the issuance of the 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 Bonds actually issued and sold; and therefore, such fees are contingent on the sale and delivery of the Bonds. Johnson Petrov LLP also serves as General Counsel to the District on matters other than the issuance of bonds. See "LEGAL MATTERS."

Disclosure Counsel: Orrick, Herrington & Sutcliffe LLP, Houston, Texas. The legal fees to be paid to Disclosure Counsel for services rendered in connection with the issuance of the Bonds are contingent on the sale and delivery of the Bonds.

Municipal Advisor: SAMCO Capital Markets, Inc. serves as the District's Municipal Advisor. The fee for services rendered in connection with the issuance of the Bonds is based on a percentage of the Bonds actually issued, sold and delivered and, therefore, such fee is contingent upon the sale and delivery of the Bonds.

Auditor: As required by the Texas Water Code, the District retains an independent auditor to audit the District's financial statements annually, which audit is filed with the TCEQ. The District's audited financial statements for the year ended September 30, 2025 were prepared by McCall Gibson Swedlund Barfoot Ellis PLLC, Houston, Texas, Certified Public Accountants. See "APPENDIX A" for a copy of the District's September 30, 2025, financial statements.

Engineer: The District's engineer is TRE & Associates, LLC, El Paso, Texas.

Operator: The District's System is operated by Inframark, El Paso, Texas.

Tax Appraisal: The El Paso Central Appraisal District ("the Appraisal District") has the responsibility of appraising all property within the District. See "TAXING PROCEDURES."

Tax Assessor/Collector: The District's Tax Assessor/Collector is Mrs. Maria O. Pasillas, the Tax Assessor/Collector for the City of El Paso, Texas.

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THE DEFINED AREA

The land within the Defined Area is being developed as single-family residential and commercial property. As of November 1, 2026, within the Defined Area, there are 1,841 lots, upon which 1,610 homes have been constructed, another 85 under construction, 146 vacant lots, and 16 commercial lots, including an Albertson's Grocery Store, Buffalo Wild Wings, Dunkin Donuts and McDonald's restaurant, two dental offices, a Circle K gas station, a Supreme Laundromat, and various dining and strip retail shopping centers.

The Other Defined Areas within the District

Within the District are located four other defined areas: Rancho Desierto Bello Defined Area, Ravenna Defined Area, Hunt Properties Defined Area and Defined Area No. 6. Created by the District, the defined areas have each held confirmation elections, at which tax bonds and taxes were authorized. Defined area bonds are payable solely from taxes levied against taxable property within such defined area.

Below is a summary of such defined areas:

	Rancho Desierto Bello	***Ravenna***	***Hunt Properties***	***Defined Area No.6***
Acreage	266.012	119.426	779.121	160.000
Date Created	11/6/2018	11/6/2018	11/3/2020	11/5/2024
Bonds Outstanding	$1,585,000	None	None	None
Authorized Bonds (a)	$7,500,000	$5,560,000	$49,970,000	$8,500,000

(a) All defined areas additionally have certain amounts of unlimited tax refunding bonds authorized.

The Developer

Hunt Communities Defined Area is being developed by Hunt Communities Group, Inc. ("Hunt") and its affiliates Hunt Mission Ridge, LLC, Hunt Paseo Del Este, LLC and Hunt Communities Development Co. II, LLC (collectively, the "Developer"). The 438+- acres inside the Defined Area were purchased from the Texas General Land Office by Hunt and affiliates thereof.

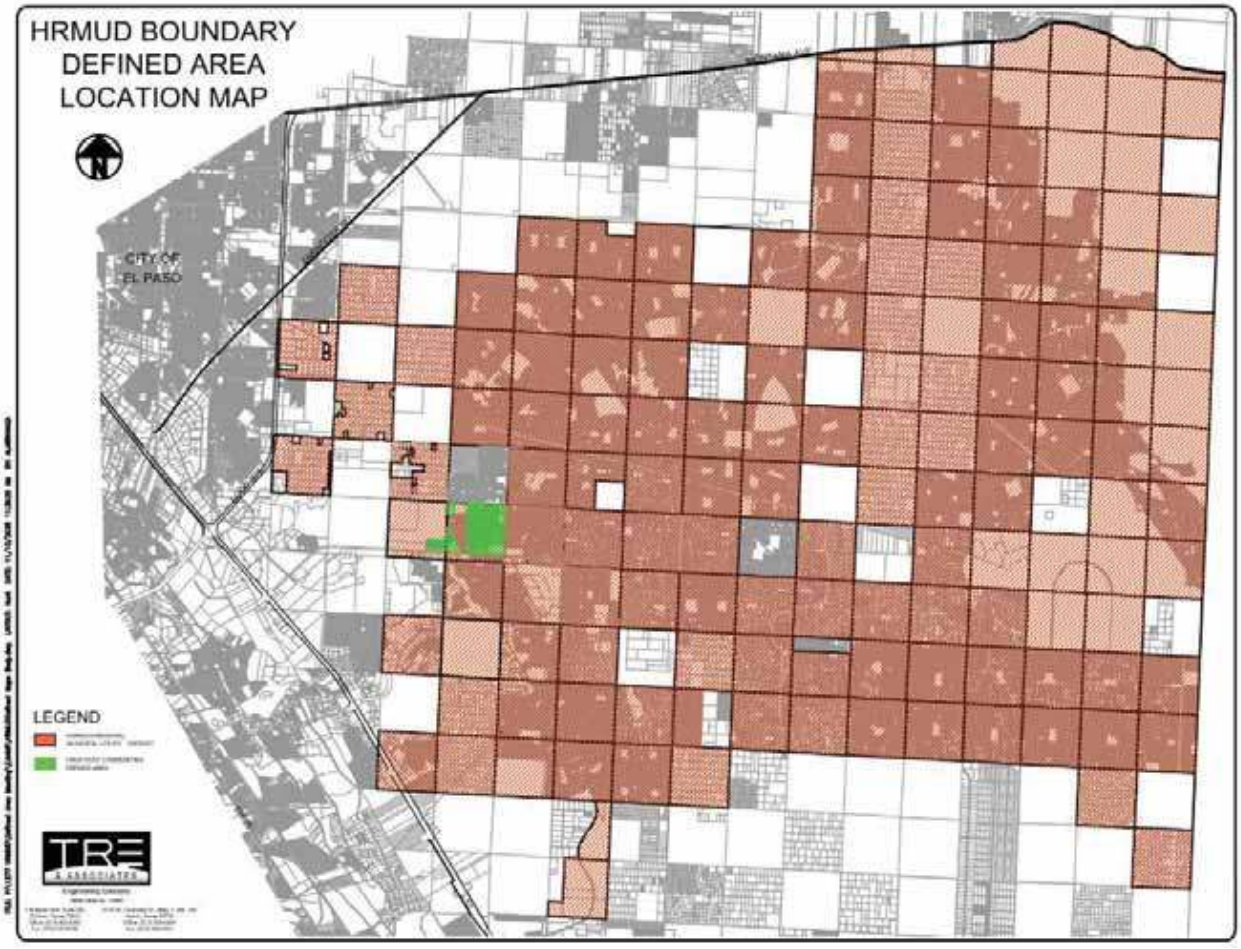
To date, thirteen plats have been filed inside the Hunt Communities Defined Area totaling 1,841 residential lots with 48.241 acres of commercial development. A total of fourteen plats are proposed for this Defined Area at buildout. The residential lots are expected to be constructed with single-family detached homes built and marketed by numerous homebuilders.

Hunt Communities is currently building master-planned communities in El Paso, Texas, in Austin, TX and in Hawaii. The activities of Hunt and its affiliates include development, construction, consulting and advisory.

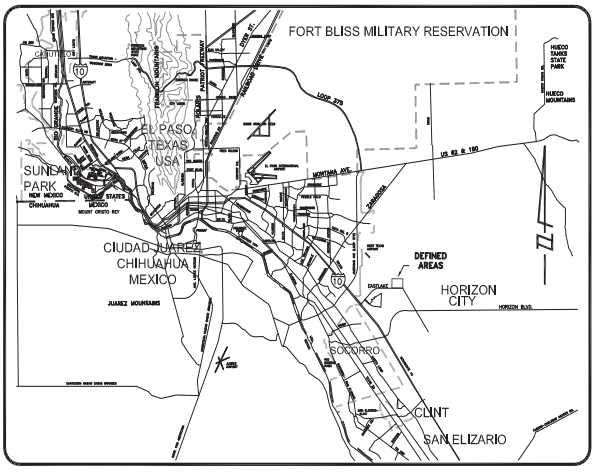
Prospective purchasers of the Bonds should note that the prior real estate experience of a developer should not be construed as an indication that further development within the Defined Area will occur, construction of taxable improvements upon property within the Defined Area will occur, or that marketing or leasing of taxable improvements constructed upon property within the Defined Area will be successful. Circumstances surrounding development within the Defined 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.

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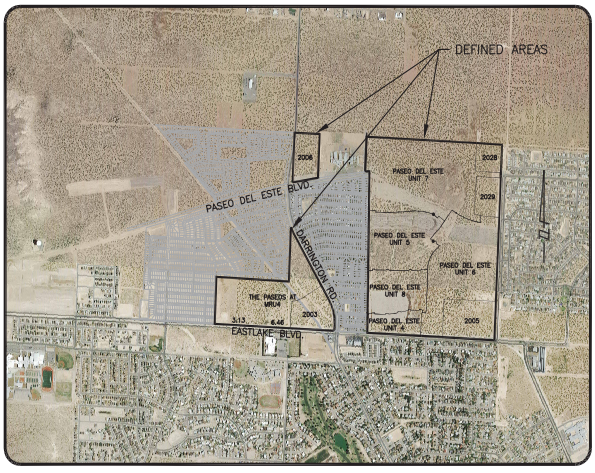
DISTRICT MAPS



DEFINED AREAS
VICINITY & LOCATION MAP



VICINITY MAP
N.T.S.



LOCATION MAP
N.T.S.

ATTACHMENT NO. 2

TRE & ASSOCIATES
Engineering Solutions

FINANCIAL STATEMENT

Assessed Value

2026 Assessed Valuation (100% of estimated market value)	$385,690,133	(a)
Gross Debt Outstanding (after the issuance of the Bonds)	$9,565,000	(b)
Debt Service Fund Balance (Unaudited. As of November 2, 2026)	$1,139,713	(c)
Ratio of Gross Debt to 2026 Assessed Valuation	2.48%	

Estimated as of November 2026 Population: 4,270 (d)

(a) 2026 Certified Taxable Assessed Value within the Defined Area of the District as provided by the El Paso Central Appraisal District ("Appraisal District"). See "TAXING PROCEDURES".

(b) Includes the Bonds. Preliminary, subject to change. See "ESTIMATED DEBT SERVICE REQUIREMENTS".

(c) Unaudited. Included in the sale of Bonds is approximately 12 months of capitalized interest cost estimated at 5.50% of the principal amount of the Bonds (est. $330,000) which will be deposited to the Interest and Sinking Fund upon closing. Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the Interest and Sinking Fund.

(d) Based on 3.5 residents per active single-family connection.

Unlimited Tax Bonds Authorized but Unissued

Date of Authorization	Purpose	Authorized	Issued to Date	Unissued
11/7/2017	Water, Sewer & Drainage	$ 12,130,000	$ 9,630,000 (a)	$ 2,500,000
Total		$ 12,130,000	$ 9,630,000	$ 2,500,000

(a) Including the Bonds. Preliminary; subject to change.

Cash and Investment Balances (Unaudited. As of November 2, 2026)

Operating Fund	$773,634	(a)
Debt Service Fund	$1,139,713	(b)

(a) Funds earning interest while on deposit.

(b) Included in the sale of Bonds is approximately 12 months of capitalized interest cost estimated at 5.50% of the principal amount of the Bonds (est. $330,000) and will be deposited to the Interest and Sinking Fund upon closing. Neither Texas law nor the Bond Order requires the District to maintain any particular sum in the Interest and Sinking Fund.

Investment Authority and Investment Practices of the District

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

Current Investments

The District's funds are currently invested in various Bank Money Market Accounts and Bank CD's in accordance with the Public Funds Investment Act. This investment portfolio is generally representative of the District's investment practices although the District has in the past or may in the future also invest in authorized Government Securities. State law requires the District to mark its investments to market price each calendar quarter and upon the conclusion of each fiscal year, for the purpose of compliance with applicable accounting policies concerning the contents of the District's audited financial statements. The District currently marks its investments to market price monthly.

Estimated Overlapping Debt Statement

The following table indicates the outstanding debt payable from ad valorem taxes of governmental entities within which the District is located, and the estimated percentages and amounts of such indebtedness attributable to property within the District. Debt figures equated herein to outstanding obligations payable from ad valorem taxes 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 District are authorized by Texas law to levy and collect ad valorem taxes for the purposes of operation, maintenance and/or general revenue purposes in addition to taxes for the payment of debt service and the tax burden for operation, maintenance and/or general revenue purposes is not included in these figures. The District has no control over the issuance of debt or tax levies of any such entities.

Taxing Body	Net Debt Amount	As of	% of Overlapping Net Debt	Amount of Overlapping Net Debt
El Paso County	$ 261,819,687	11/1/2026	0.50%	$ 1,309,098
El Paso County CCD	$ 0	11/1/2026	0.49%	$ 0
El Paso County Hospital District	$ 518,595,000	11/1/2026	0.49%	$ 2,541,116
Horizon Regional MUD	$ 214,924,985	11/1/2026	11.03%	$ 23,706,226
Socorro ISD	$ 802,727,665	11/1/2026	2.46%	$ 19,747,101
Total Estimated Overlapping Net Debt				$ 47,303,540
The District (a)	$ 9,565,000(b)	12/22/2026	100%	$ 9,565,000(b)
Total Estimated Direct & Net Overlapping Debt				$ 56,868,540
Ratio of Direct & Overlapping Net Debt to 2026 Assessed Valuation				14.74%

(a) In addition to the interest and sinking fund and maintenance and operation taxes paid as a result of the creation of the Defined Area, the issuance of debt secured by ad valorem tax levied against property within the Defined Area and the operation of facilities within the Defined Area, property owners within the Defined Area also pay separate interest and sinking fund and maintenance and operation taxes to Horizon Regional Municipal Utility District for the issuance of debt secured by ad valorem tax levied against all property within the District and the operation of facilities within the System.
(b) After issuance of the Bonds. Preliminary; subject to change.

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Overlapping Taxes for 2026

Overlapping Entity	2026 Tax Rate Per $100 Assessed Valuation	Average Tax Bill(a)
El Paso County	0.451133	$ 1,240.08
El Paso County CCD	0.110187	302.88
Horizon Regional MUD	0.662800	1,821.91
Socorro ISD	1.050500	2,887.62
The District	0.225000	618.48
Total	2.49962	6,870.98

(a) Based upon 2026 average single-family home value of $274,881.

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ESTIMATED DEBT SERVICE REQUIREMENTS

Horizon Regional Municipal Utility District
Hunt Communities Defined Area
$6,000,000
Unlimited Tax Bonds, Series 2026

Issue Dated: December 1, 2026
First Interest Payment Due: February 1, 2027

Year Ending 12/31	Outstanding Bonds			Series 2026					Total Debt Service Requirement
				Principal	Interest*			Principal	
	Principal	Interest	Total	(Due 02/01)	(Due 02/01)	(Due 08/01)	Total	& Interest	
2027	70,000	172,187	242,187	-	35,750	165,000	200,750	200,750	442,937
2028	75,000	167,022	242,022	$110,000	165,000	161,975	326,975	436,975	678,997
2029	75,000	161,678	236,678	$115,000	161,975	158,813	320,788	435,788	672,466
2030	80,000	156,156	236,156	$120,000	158,813	155,513	314,325	434,325	670,481
2031	80,000	150,456	230,456	$130,000	155,513	151,938	307,450	437,450	667,906
2032	85,000	144,578	229,578	$135,000	151,938	148,225	300,163	435,163	664,741
2033	90,000	138,344	228,344	$145,000	148,225	144,238	292,463	437,463	665,806
2034	95,000	131,931	226,931	$150,000	144,238	140,113	284,350	434,350	661,281
2035	95,000	126,350	221,350	$160,000	140,113	135,713	275,825	435,825	657,175
2036	100,000	121,912	221,912	$170,000	135,713	131,038	266,750	436,750	658,662
2037	105,000	117,684	222,684	$175,000	131,038	126,225	257,263	432,263	654,947
2038	110,000	113,250	223,250	$185,000	126,225	121,138	247,363	432,363	655,612
2039	115,000	108,537	223,537	$195,000	121,138	115,775	236,913	431,913	655,450
2040	120,000	103,544	223,544	$210,000	115,775	110,000	225,775	435,775	659,319
2041	125,000	98,259	223,259	$220,000	110,000	103,950	213,950	433,950	657,209
2042	135,000	92,572	227,572	$230,000	103,950	97,625	201,575	431,575	659,147
2043	140,000	86,469	226,469	$245,000	97,625	90,888	188,513	433,513	659,981
2044	145,000	80,056	225,056	$255,000	90,888	83,875	174,763	429,763	654,819
2045	155,000	73,306	228,306	$270,000	83,875	76,450	160,325	430,325	658,631
2046	165,000	66,106	231,106	$285,000	76,450	68,613	145,063	430,063	661,169
2047	170,000	58,569	228,569	$300,000	68,613	60,363	128,975	428,975	657,544
2048	180,000	50,694	230,694	$320,000	60,363	51,563	111,925	431,925	662,619
2049	190,000	42,369	232,369	$335,000	51,563	42,350	93,913	428,913	661,281
2050	200,000	33,594	233,594	$355,000	42,350	32,588	74,938	429,938	663,531
2051	210,000	24,500	234,500	$375,000	32,588	22,275	54,863	429,863	664,362
2052	220,000	15,094	235,094	$395,000	22,275	11,413	33,688	428,688	663,781
2053	235,000	5,141	240,141	$415,000	11,413	-	11,413	426,413	666,553
	$3,565,000	$2,640,359	$6,205,359	$6,000,000	$2,743,400	$2,707,650	$5,451,050	$11,451,050	$17,656,409

* Interest rate of 5.50% was used for illustrative purposes only.

DEFINED AREA TAX DATA

General

All taxable property within the Defined Area is subject to the assessment, levy and collection by the District of a continuing, direct annual ad valorem tax, without legal limitation as to rate or amount, sufficient to pay principal of and interest on the Bonds, the Outstanding Bonds, and any future tax-supported bonds to be secured by ad valorem taxes levied against property within the District and the Defined Area which may be issued from time to time as may be authorized. Taxes are levied by the District each year against the Defined Area's assessed valuation as of January 1 of that year. Taxes become due October 1 of such year, or when billed, and become delinquent after January 31 of the following year. The Board covenants in the Bond Order to assess and levy for each year that all or any part of the Bonds remain outstanding and unpaid a tax against property in the Defined Area ample and sufficient to produce funds to pay the principal and interest on the Bonds when due. The actual rate of such tax will be determined from year to year as a function of the Defined Area's tax base, its debt service requirements, and available funds.

Debt Service Tax

The Board covenants in the Bond Order to levy and assess, for each year that all or any part of the Bonds remain outstanding and unpaid, a tax adequate to provide funds to pay the principal of and interest on the Bonds. The District has adopted a 2026 tax rate for the Defined Area of $0.2250 of which $0.0650 per $100 of taxable assessed valuation, is allocated to debt service.

Maintenance Tax

The Board of Directors of the District has the statutory authority to levy and collect an annual ad valorem tax for planning, maintaining, repairing and operating of the improvements in the Defined Area, if such maintenance tax is authorized by a vote of the Defined Area's electors. Such tax is an addition to taxes, which the District is authorized to levy for paying principal of and interest on the Bonds, and any tax bonds which may be issued in the future. At an election held within the District on May 8, 2010, voters of the Defined Area of the District authorized the levy of a $1.50 maximum for maintenance tax. As shown below under "Defined Area Tax Rates," the District levied a maintenance and operations tax of $0.1600 per $100 assessed valuation for tax year 2026.

Defined Area Tax Rates

Tax Rate Per $100 A.V.	2026	2025	2024	2023
Maintenance and Operations	0.1600	0.1209	0.1300	0.0750
Interest and Sinking Fund	0.0650	0.1041	0.0950	0.1500
Totals	0.2250	0.2250	0.2250	0.2250

Tax Rate Limitation

The District's tax rate for debt service on the Bonds is legally unlimited as to rate or amount.

Exemptions

As discussed in the section titled "TAXING PROCEDURES," certain property in the District may be exempt from taxation by the District. For tax year 2026, the District has granted a $10,000 exemption for persons who are disabled or 65 years of age or older.

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Defined Area Tax Collections

The following statement of tax collections reflects the historical tax collection experience of the Defined Area. Such summary has been prepared for inclusion herein based upon information from District audits and records of the District Tax Assessor/Collector. Reference is made to such audits and records for further and more complete information. See "Classification of Assessed Valuation" below.

Tax Year	Taxable Assessed Valuation	Tax Rate	% Collections Current	% Collections Total	Year Ending
2022	$64,459,816	0.2250	99.61%	100.01%	12/31/2021
2023	$142,232,680	0.2250	99.35%	99.91%	12/31/2022
2024	$212,974,194	0.2250	98.91%	100.20%	12/31/2023
2025	$318,438,573	0.2250	99.73%	100.19%	12/31/2024
2026	$385,690,133	0.2250	(In process of collection)		12/31/2025[1]

(1) Collections as of September 30, 2026.

Classification of Assessed Valuation (a)

Type of Property	2026 Assessed Valuation	Percent of Total	2025 Assessed Valuation	Percent of Total	2024 Assessed Valuation	Percent of Total
Single Family Residential	$307,060,595	79.61%	$252,251,640	79.22%	$159,627,857	74.95%
Vacant Lots and Land Tracts	2,758,950	0.72%	16,994,983	5.34%	150	0.00%
Colonia Lots and Land Tracts	239,242	0.06%	413,352	0.13%	1,261,829	0.59%
Rural Land	150	0.00%	336,424	0.11%	30,608	0.01%
Commercial Real Property	28,736,982	7.45%	26,241,793	8.24%	13,434,346	6.31%
Commercial Personal Property	7,410,176	1.92%	8,904,421	2.80%	1,815,268	0.85%
Residential Inventory	39,484,038	10.24%	13,295,960	4.18%	36,804,136	17.28%
Total Market Value	$385,690,133	100.00%	$318,438,573	100.00%	$212,974,194	100.00%

(a) Reflects classification of assessed valuation as supplied by the Appraisal District prior to adjustments or exemptions. Such value may differ from the original certified assessed valuation, and any supplements or adjustments thereto, as supplied by the Appraisal District.

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Top Ten Taxpayers

The following list of principal taxpayers was provided by El Paso Appraisal District based on the 2026 tax rolls of the District, which reflect ownership as of January 1, of each year shown.

Taxpayer	Type of Property	2026
ROP Darrington LLC	Commercial	$ 15,972,313
Romity Development LLC	Developer	7,500,000
Albertson's	Commercial	5,649,505
ROP Eastlake Shops LLC	Commercial	2,947,000
Edwards Homes of El Paso LLC	Commercial	2,413,776
Horizon Desert Breeze LLC	Commercial	1,894,608
Hunt Communities Development Co II LLC	Commercial	4,750,980
Hunt Paseo Del Este LLC	Commercial	4,720,255
Bowling Construction LLC	Commercial	1,401,317
Savannah Aguilar Homes LLC	Commercial	1,301,287
Total		$ 48,551,041
Percent of Assessed Valuation		12.59%

Tax Adequacy for Debt Service

The calculations shown below are solely for purposes of illustration only and are based on the certified assessed value for 2026 and utilize tax rates adequate to service the District's total projected debt service requirements, including the Bonds. No available debt service funds are reflected in these computations. See "INVESTMENT CONSIDERATIONS –Maximum Impact on District Tax Rates."

Projected Average Annual Debt Service Requirements on the Outstanding Bonds and the Bonds (2027 through 2053)	$653,941
$0.18 Tax Rate on 2026 Assessed Valuation of $385,690,133 @ 95% collections produces	$659,530
Projected Maximum Annual Debt Service Requirements on the Outstanding Bonds and the Bonds (2028)	$678,997
$0.19 Tax Rate on 2026 Assessed Valuation of $385,690,133 @ 95% collections produces	$696,171

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THE SYSTEM

Regulation

The water, wastewater and storm drainage facilities serving land within the District (the "System") have been designed in conformance with accepted engineering practices and the requirements of certain governmental agencies having regulatory or supervisory jurisdiction over the construction and operation of such facilities including, among others, the TCEQ, El Paso County Engineering Department and the Town of Horizon City. During construction, water and wastewater facilities are subject to inspection by the District's Engineer and the foregoing governmental agencies.

Operation of the District's System is subject to regulation by, among others, the United States Environmental Protection Agency, the TCEQ and the Town of Horizon City. In many cases, regulations promulgated by these agencies have become effective only recently and are subject to further development and revision.

Description of the System

Following is a description of the components of the District's System.

Water System
The District's potable water supply is supported by groundwater. The District owns and operates a reverse osmosis water treatment plant (the "RO Plant") which currently treats and delivers 8.0 million gallons of water per day (mgd) into the supply system. The RO Plant treats water supplied by 10 wells with a total yield of approximately 13.1 mgd. The District also owns and maintains 10 wells with a yield of approximately 1.25 mgd which meet the United States Environmental Protection Agency and TCEQ water quality standards for supply with minimal treatment.

Wastewater System
Wastewater collection and treatment is being provided to residential and other customers within an approximate 5,100 acre area within the District. The District's wastewater treatment capacity is 3.0 mgd which is provided by a complete mix plant. The wastewater collection system includes 20 lift stations.

Stormwater Drainage
Stormwater drainage throughout the District is captured in stormwater retention ponds or discharged for conveyance through a series of man-made and naturally occurring "arroyos" or channels. No District funds have been expended on stormwater drainage, nor are any expected to be.

TAXING PROCEDURES

Authority to Levy Taxes

The Board is authorized to levy an annual ad valorem tax, without legal limitation as to rate or amount, on all taxable property within the District in an amount sufficient to pay the principal of and interest on the Bonds, the Outstanding Bonds, and any additional bonds payable from taxes which the District may hereafter issue (see "INVESTMENT CONSIDERATIONS — FUTURE DEBT") and to pay the expenses of assessing and collecting such taxes. The District agrees in the Bond Order to levy such a tax from year-to-year as described more fully herein under "THE BONDS — SOURCE OF PAYMENT." Under Texas law, the Board may also levy and collect an annual ad valorem tax for the operation and maintenance of the District and its water and wastewater system. See "DEFINED AREA TAX DATA — DEBT SERVICE TAX" and "— MAINTENANCE TAX."

Property Tax Code and County-Wide Appraisal District

Title I of the Texas Tax Code (the "Property Tax Code") specifies the taxing procedures of all political subdivisions of the State of Texas, including the District. Provisions of the Property Tax Code are complex and are not fully summarized here. The Property Tax Code requires, among other matters, county-wide appraisal and equalization of taxable property values and establishes in each county of the State of Texas an appraisal district with the responsibility for recording and appraising property for all taxing units within a county and an appraisal review board with responsibility for reviewing and equalizing the values established by the appraisal district. The El Paso Central Appraisal District (the "Appraisal District") has the responsibility of appraising property for all taxing units within El Paso County, Texas, including the District. Such appraisal values will be subject to review and change by the El Paso County Appraisal Review Board (the "Appraisal Review Board").

Property Subject to Taxation by the District

Except for certain exemptions provided by Texas law, all real property, tangible personal property held or used for the production of income, mobile homes and certain categories of intangible personal property with a tax situs in the District are subject to taxation by the District. Principal categories of exempt property include, but are not limited to: property owned by the State of Texas or its political subdivisions, if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies and personal effects; certain goods, wares, and merchandise in transit; certain farm products owned by the producer; certain property of charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; and most individually-owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons 65 years or older and certain disabled persons, to the extent deemed advisable by the Board of Directors of the District. The District may be required to offer such exemptions if a majority of voters approve same at an election. The District would be required to call an election upon petition by twenty percent (20%) of the number of qualified voters who voted in the preceding election. The District is authorized by statute to disregard exemptions for the disabled and elderly if granting the exemption would impair the District's obligation to pay tax supported debt incurred prior to adoption of the exemption by the District. The District currently grants no exemption to residential homesteads of persons 65 years or older and certain disabled persons within the Defined Area.

Furthermore, the District must grant exemptions to disabled veterans or the surviving spouse or children of a deceased veteran who died while on active duty in the armed forces, if requested, but only to the maximum extent of between $5,000 and $12,000 depending upon the disability rating of the veteran claiming the exemption. A veteran who receives a disability rating of 100% is entitled to an exemption for the full value of the veteran's residence 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. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran who is entitled to an exemption for the full value of the veteran's residence homestead is also entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if the residence homestead was donated by a charitable organization. This exemption will also apply to a residence homestead that was donated by a charitable organization at some cost to such veterans. Also, the surviving spouse of a member of the armed forces who was killed in action is 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 service member's death and said property was the service member's residence homestead at the time of death. Such exemption may 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.

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 twenty percent (20%) of the appraised market value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption may be considered each year, but must be adopted before July 1. See "DEFINED AREA TAX DATA." The District currently grants no percentage homestead exemption within the Defined Area.

Freeport Goods and Goods-in-Transit Exemption: 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 for less than 175 days. Although certain taxing units may take official action to tax such property in transit and negate such exemption, the District does not have such an option. A "Goods-in-Transit" Exemption is applicable to the same categories of tangible personal property which are

covered by the Freeport Exemption, if, for tax year 2013 and prior applicable years, such property is acquired in or imported into Texas for assembling, storing, manufacturing, processing, or fabricating purposes and is subsequently forwarded to another location inside or outside of Texas not later than 175 days after acquisition or importation, and the location where said property is detained during that period is not directly or indirectly owned or under the control of the property owner. For tax year 2012 and subsequent years, such Goods-in-Transit Exemption includes tangible personal property acquired in or imported into Texas for storage purposes only if such property is stored under a contract of bailment by a public warehouse operator at one or more public warehouse facilities in Texas that are not in any way owned or controlled by the owner of such property for the account of the person who acquired or imported such property. A property owner who receives the Goods-in-Transit Exemption is not eligible to receive the Freeport Exemption for the same property. Local taxing units such as the District may, by official action and after public hearing, tax goods-in-transit 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.

Tax Abatement

El Paso County, Texas, may designate all or part of the area within the District as a reinvestment zone. Thereafter, the County and the District, at the option and discretion of each entity, may enter into tax abatement agreements with owners of property within the zone. Prior to entering into a tax abatement agreement, each entity must adopt guidelines and criteria for establishing tax abatement which each entity will follow in granting tax abatement to owners of property. The tax abatement agreements may exempt from ad valorem taxation by each of the applicable taxing jurisdictions, including the District, for a period of up to ten (10) years, all or any part of any increase in the assessed valuation of property covered by the agreement over its assessed valuation in the year in which the agreement is executed on the condition that the property owner make specified improvements or repairs to the property in conformity with the terms of the tax abatement. As of September 1, 1999, each taxing jurisdiction has discretion to determine terms for its tax abatement agreements without regard to the terms approved by the other taxing jurisdictions. To date, El Paso County, Texas, has not designated any part of the area within the District as a reinvestment zone.

Valuation for Property Taxation

Generally, property in the District must be appraised by the Appraisal District at market value as of January 1 of each year. Once an appraisal roll is prepared and finally approved by the Appraisal Review Board, it is used by the District in establishing its tax rolls and tax rate. Assessments under the Property Tax Code are to be based on one hundred percent (100%) of market value, as such is defined in the Property Tax Code. Nevertheless, certain land may be appraised at less than market value, as such is defined in the Property Tax Code. The Texas Constitution limits increases in the appraised value of residence homesteads 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 of such property would bring if sold as a unit to a purchaser who would continue the business. Provisions of the Property Tax Code are complex and are not fully summarized here. Landowners wishing to avail themselves of the agricultural use, open space or timberland designation or residential real property inventory designation must apply for the designation and the appraiser is required by the Property Tax Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by 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 District can collect taxes based on the new use, including taxes for the previous three years for agricultural use and taxes for the previous five years for open space land and timberland.

The Property Tax Code requires the Appraisal District to implement a plan for periodic reappraisal of property to update appraisal values. The plan must provide for appraisal of all real property in the Appraisal District at least once every three (3) years. It is not known what frequency of reappraisals will be utilized by the Appraisal District or whether reappraisals will be conducted on a zone or county-wide basis. The District, however, at its expense, has the right to obtain from the Appraisal District a current estimate of appraised values within the District or an estimate of any new property or improvements within the District. While such current estimate of appraised values may serve to indicate the rate and extent of growth of taxable values within the District, it cannot be used for establishing a tax rate

within the District until such time as the Appraisal District chooses to formally include such values on its appraisal roll.

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

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 (collectively, the "Appraisal Cap"). 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.

District and Taxpayer Remedies

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

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

Levy and Collection of Taxes

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

early payment and the postponement of the delinquency date of taxes under certain circumstances which, at the option of the District, may be rejected. Additionally, the owner of a residential homestead property that is a person sixty-five (65) years of age or older is entitled by law to pay current taxes on a residential homestead in installments or to defer the payment of taxes without penalty during the time of ownership.

Rollback of Operation and Maintenance Tax Rate

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

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

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

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

The District: A determination as to a district's status as a Special Taxing Unit, Developed District, or Developing District will be made on an annual basis, at the time a district sets its tax rate, beginning with the 2020 tax rate. The Board determined the Defined Area to be a "Developing District" for purposes of setting the 2026 tax rate. The District cannot give any assurances as to what its classification will be at any point in time or whether the District's future tax rates will result in a total tax rate that will reclassify the District into a new classification and new rollback election calculation.

District's Rights in the Event of Tax Delinquencies

Taxes levied by the District are a personal obligation of the owner of the property as of January 1 of the year 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 the District, having power to tax the property. The District's tax lien is on a parity with tax liens of such other taxing units. See "FINANCIAL STATEMENT— Overlapping Taxes." A tax lien on real property takes priority over the claim of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien; however, whether a lien of the United States is on a parity with or takes priority over a tax lien of the District is determined by applicable federal law. Personal property under certain circumstances is subject to seizure and sale for the payment of delinquent taxes, penalty, and interest.

At any time after taxes on property become delinquent, the District may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the District must join other taxing units that have claims for delinquent taxes against all or part of the same property. Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, by taxpayer redemption rights or by bankruptcy proceedings which restrict the collection of taxpayer debts. A taxpayer may redeem property within six (6) months for commercial property and two (2) years for residential and all other types of property after the purchaser's deed issued at the foreclosure sale is filed in the county records. See "INVESTMENT CONSIDERATIONS — General" and "— Tax Collections and Foreclosure Remedies."

The Effect of FIRREA on Tax Collections of the District

The Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA") contains certain provisions which affect the time for protesting property valuations, the fixing of tax liens and the collection of penalties and interest on delinquent taxes on real property owned by the Federal Deposit Insurance Corporation ("FDIC") when the FDIC is acting as the conservator or receiver of an insolvent financial institution.

Under FIRREA, real property held by the FDIC is still subject to ad valorem taxation, but such act states (i) that no real property of the FDIC shall be subject to foreclosure or sale without the consent of the FDIC and no involuntary liens shall attach to such property, (ii) the FDIC shall not be liable for any penalties, interest, or fines, including those arising from the failure to pay any real or personal property tax when due, and (iii) notwithstanding failure of a person to challenge an appraisal in accordance with state law, such value shall be determined as of the period for which such tax is imposed.

To the extent that the FDIC attempts to enforce the same, these provisions may affect the timeliness of collection of taxes on property, if any, owned by the FDIC in the District and may prevent the collection of penalties and interest on such taxes or may affect the valuation of such property.

LEGAL MATTERS

Legal Opinions

Issuance of the Bonds is subject to the approving legal opinion of the Attorney General of Texas to the effect that the Bonds are valid and binding obligations of the District secured by the proceeds of an ad valorem tax levied, without limit as to rate or amount, upon all taxable property in the Defined Area and, based upon examination of the transcript of the proceedings incident to authorization and issuance of the Bonds, the legal opinion of Bond Counsel to the effect that (1) the Bonds are valid and legally binding obligations of the District payable from the sources and enforceable in accordance with the terms and conditions described therein, except to the extent that the enforceability thereof may be affected by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with general principles of equity, and (2) are payable from annual ad valorem taxes, which are not limited by applicable law in rate or amount, levied against all property within the Defined Area which is not exempt from taxation by or under applicable law. 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.

Legal Review

Bond Counsel has reviewed the information appearing in this Official Statement under the sections captioned: "THE BONDS", "THE DISTRICT--Authority," "TAXING PROCEDURES--Authority to Levy Taxes," "LEGAL MATTERS - Legal Opinions," "LEGAL MATTERS–Legal Review," "TAX MATTERS," and "CONTINUING DISCLOSURE OF INFORMATION" (except the subsection "--Compliance with Prior Undertakings") solely to determine whether such information fairly summarizes matters of law with respect to 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 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 of the information contained herein, other than the matters discussed immediately above.

The legal fees paid to Bond Counsel for services rendered in connection with the issuance of the Bonds are based upon a percentage of the Bonds actually issued, sold and delivered and, therefore, such fees are contingent upon the sale and delivery of the Bonds.

TAX MATTERS

Opinion

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income of the owners thereof for federal income tax purposes under existing law, and interest on the Bonds is not subject to the alternative minimum tax on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in section 59(k) of the Code for purposes of determining the alternative minimum tax imposed on corporations.

Section 103 of the Code of 1986 establishes certain requirements that must be met at and subsequent to the issuance of the Bonds in order for interest on the Bonds to be and remain excludable from federal gross income. Included among these continuing requirements are certain restrictions and prohibitions on the use of bond proceeds, yield and other restrictions on the investment of gross proceeds and other amounts, and the arbitrage rebate requirement that certain earnings on gross proceeds be rebated to the federal government. Failure to comply with these continuing requirements may cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactively to the date of their issuance. The District has covenanted to comply with certain procedures and has made certain representations and certifications designed to assure compliance with these Code requirements. In rendering its opinion, Bond Counsel will rely on these covenants, on representations and certifications of the District relating to matters solely within its knowledge (which Bond Counsel has not independently verified) and will assume continuing compliance by the District.

The statutes, regulations, published rulings, and court decisions on which Bond Counsel has based its opinion are subject to change by Congress, as well as to subsequent judicial and administrative interpretation by courts and the Internal Revenue Service (the "Service"). No assurance can be given that such law or its interpretation will not change in a manner that would adversely affect the tax treatment of receipt or accrual of interest on, or the acquisition, ownership, market value, or disposition of, the Bonds. No ruling concerning the tax treatment of the Bonds has been sought from the Service, and the opinion of Bond Counsel is not binding on the Service. The Service has an ongoing audit program of tax-exempt obligations to determine whether, in the Service's view, interest on such tax-exempt obligations is excludable from gross income for federal income tax purposes. No assurance can be given regarding whether or not the Service will commence an audit of the Bonds. If such an audit were to be commenced, under current procedures, the Service would treat the District as the taxpayer, and owners of the Bonds would have no right to participate in the audit process. In this regard, in responding to or defending an audit with respect to the Bonds, the District might have different or conflicting interests from those of the owners of the Bonds.

In rendering the foregoing opinions, Bond Counsel will rely upon the representations and certifications of the District made in a certificate dated the date of delivery of the Bonds pertaining to the use, expenditure, and investment of the proceeds of the Bonds and will assume continuing compliance with the provisions of the Bond Order subsequent to the issuance of the Bonds. The Bond Order contains covenants by the District with respect to, among other matters, the use of the proceeds of the Bonds, the manner in which the proceeds of the Bonds are to be invested, the reporting

of certain information to the United States Treasury and rebating any arbitrage profits to the United States Treasury. Failure to comply with any of these covenants would cause interest on the Bonds to be includable in the gross income of the owners thereof from date of the issuance of the Bonds.

The opinions set forth above are based on existing law and Bond Counsel's knowledge of relevant facts on the date of issuance of the Bonds. Such opinions are an expression of professional judgment and are not a guarantee of result. Except as stated above, Bond Counsel expresses no opinion regarding any other federal, state, or local tax consequences under current law or proposed legislation resulting from the receipt or accrual of interest on, or the acquisition, ownership, or disposition of, the Bonds. Further, Bond Counsel assumes no obligation to update or supplement its opinions to reflect any facts or circumstances that may come to its attention or any changes in law that may occur after the issuance date of the Bonds. In addition, Bond Counsel has not undertaken to advise in the future whether any events occurring after the issuance date of the Bonds may affect the tax-exempt status of interest on the Bonds.

Original Issue Discount

Certain of the Bonds (the "Discount Bonds") may be offered and sold to the public at an "original issue discount" ("OID"). OID is the excess of the stated redemption price at maturity (the principal amount) over the "issue price" of such Bonds. In general, the issue price of Discount Bonds is the first price at which a substantial amount of Discount Bonds of the same maturity are sold to the public (other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers).

For federal income tax purposes, OID accrues to the owner of a Discount Bond over such Discount Bond's period to maturity based on the constant interest rate method, compounded semiannually (or over a shorter permitted compounding interval selected by the owner). Bond Counsel is of the opinion that the portion of OID that accrues during the ownership period of a Discount Bond (i) is interest excludable from the owner's gross income for federal income tax purposes to the same extent, and subject to the same considerations discussed above, as is other interest on the Bonds, and (ii) is added to the owner's tax basis for purposes of determining gain or loss on the maturity, redemption, sale, or other disposition of that Discount Bond. OID may be treated as continuing to accrue even if payment of the Discount Bonds becomes doubtful in the event that the District encounters financial difficulties, and it is treated as interest earned by cash-basis owners, even though no cash corresponding to the accrual is received in the year of accrual. An owner's adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Discount Bond.

The federal income tax consequences of the acquisition, ownership, redemption, sale, or other disposition of Discount Bonds not purchased in the initial offering at the initial offering price may be determined according to rules different from those described above. Owners of such Discount Bonds should consult their tax advisors regarding the federal, state, and local income tax treatment and consequences of acquisition, ownership, redemption, sale, or other disposition of such Discount Bonds.

Original Issue Premium

Certain maturities of the Bonds (the "Premium Bonds") may be offered and sold to the public at prices greater than their stated redemption prices (the principal amount) payable at maturity ("Bond Premium"). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner's yield over the remaining term of the Premium Bond determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

Collateral Tax Consequences Summary

The following discussion is a brief discussion of certain collateral federal income tax consequences resulting from the purchase, ownership, or disposition of the Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Bond. This discussion is based on existing statutes, regulations, published rulings, and court decisions, all of which are subject to change or modification, retroactively. Prospective investors should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

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

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

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

State, Local, and Foreign Taxes

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

Changes in Law

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under federal or state law or otherwise prevent Owners of the Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Bonds.

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

Qualified Tax-Exempt Obligations for Financial Institutions

The District will designate the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b) of the Code.

REGISTRATION AND QUALIFICATION UNDER SECURITIES LAWS

The offer and sale of the Bonds have not been registered or qualified 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; and the Bonds have not been registered

or qualified under the securities laws of any other jurisdiction. The District assumes no responsibility for registration or qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated 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 provisions.

NO MATERIAL ADVERSE CHANGE

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

NO-LITIGATION CERTIFICATE

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

CONTINUING DISCLOSURE OF INFORMATION

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

Annual Reports

The District will provide certain financial information and operating data to the MSRB. The financial information and operating data which will be provided with respect to the District includes all quantitative financial information and operating data of the general type included in this Official Statement under the headings "THE SYSTEM," "FINANCIAL STATEMENT" (except for "Estimated Overlapping Debt Statement"), "DEFINED AREA TAX DATA," and APPENDIX A (the District's Annual Financial Report and Supplemental Schedules). The District will update and provide this information to EMMA within six months after the end of each of its fiscal years ending in or after 2025. Any information so provided shall be prepared in accordance with generally accepted auditing standards or other such principles as the District may be required to employ from time to time pursuant to state law or regulation, and audited if the audit report is completed within the period during which it must be provided.

The District may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by SEC Rule 15c2-12 (the "Rule"). The updated information will include audited financial statements, if the District commissions an audit and the audit is completed by the required time. If the audit of such financial statements is not complete within such period, then the District will provide unaudited financial information and operating data which is customarily prepared by the District by the required time, and audited financial statements when and if such audited financial statements become available. Any such financial statements will be prepared in accordance with the accounting principles described in the Bond Order or such other accounting principles as the District may be required to employ from time to time pursuant to state law or regulation.

The District's current fiscal year end is September 30. Accordingly, it must provide updated information by March 31, in each year, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify MSRB of the change.

Specified Event Notices

The District will provide timely notices of certain events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten business days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other events affecting the tax-exempt status of the Bonds; (7) modifications to rights of Beneficial Owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District or other obligated person within the meaning of CFR § 240.15c2-12 (the "Rule"); (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person within the meaning of the Rule or the sale of all or substantially all of the assets of the District or other obligated person within the meaning of the Rule, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or other obligated person, any of which affect Beneficial Owners of the Bonds, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District or other obligated person, any of which reflect financial difficulties. The terms "financial obligation" and "material" when used in this paragraph shall have the meanings ascribed to them under federal securities laws. Neither the Bonds nor the Bond Order makes any provision for debt service reserves or liquidity enhancement. In addition, the District will provide timely notice of any failure by the District to provide information, data, or financial statements in accordance with its agreement described above under "Annual Reports."

Availability of Information from MSRB

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

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

Except as stated herein, the District has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule. On July 16, 2026, the District filed a material events notice disclosing its failure to timely file its annual report of financial information and operating data relating to its fiscal year ended September 30, 2025. The District and its attorney have implemented procedures to ensure timely filing of all future submission.

MUNICIPAL ADVISOR

The Official Statement was compiled and edited under the supervision of SAMCO Capital Markets, Inc. (the "Municipal Advisor"), which firm was employed in 2008 as Municipal Advisor to the District. The fees paid the Municipal Advisor for services rendered in connection with the issuance and sale of the Bonds are based on a percentage of the Bonds actually issued, sold and delivered, and therefore such fees are contingent on the sale and delivery of the Bonds.

OFFICIAL STATEMENT

Preparation

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

Experts

In approving this Official Statement, the District has relied upon the following experts in addition to the Municipal Advisor.

The Engineer: The information contained in the Official Statement relating to engineering matters and to the description of the System and, in particular, that information included in the sections entitled "THE DISTRICT" and "THE SYSTEM," has been provided by TRE & Associates, LLC, El Paso, Texas and has been included in reliance upon the authority of said firm as experts in the field of civil engineering.

Appraisal District: The information contained in the Official Statement relating to the certified assessed valuation of property in the District and, in particular such information contained in the sections captioned "FINANCIAL STATEMENT" and "DEFINED AREA TAX DATA" has been provided by the Appraisal District, in reliance upon the authority as experts in appraising and tax assessing.

Tax Assessor/Collector: The information contained in this Official Statement relating to tax collection rates has been provided by the office of the City of El Paso Tax Assessor/Collector in reliance upon her authority as an expert in the field of tax assessing and collecting.

Auditor: The information contained in Appendix A in this Official Statement has been provided by McCall Gibson Swedlund Barfoot Ellis PLLC, the District's current auditor.

Updating the Official Statement During Underwriting Period

If, subsequent to the date of the Official Statement to and including the date the Initial Purchaser is no longer required to provide an Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) 90 days from the "end of the underwriting period" (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from a nationally recognized repository but in no case less than 25 days after the "end of the underwriting period"), the District learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Initial Purchaser of any adverse event which causes

any of the key representations in the Official Statement to be materially misleading, the District will promptly prepare and supply to the Initial Purchaser a supplement to the Official Statement which corrects such representation to the reasonable satisfaction of the Initial Purchaser, unless the Initial Purchaser elects to terminate its obligation to purchase the Bonds as described below. The obligation of the District to update or change the Official Statement will terminate when the District delivers the Bonds to the Initial Purchaser (the "end of the underwriting period" within the meaning of the Rule), unless the Initial Purchaser provides written notice the District that less than all the Bonds have been sold to ultimate customers on or before such date, in which case the 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 District delivers the Bonds).

Certification as to Official Statement

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

Official Statement "Deemed Final"

For purposes of compliance with the Rule, this document, as the same may be supplemented or corrected by the District from time to time, may be treated as an Official Statement with respect to the Bonds described herein "deemed final" by the District as of the date hereof (or of any such supplement or correction) except for the omission of certain information referred to in the succeeding paragraph.

The Official Statement, when further supplemented by adding information specifying the interest rates and certain other information relating to the Bonds, shall constitute a "FINAL OFFICIAL STATEMENT" of the District with respect to the Bonds, as that term is defined in the Rule.

This Official Statement was approved by the Board of Directors of Horizon Regional Municipal Utility District, as of the date shown on the first page hereof.

_____
President, Board of Directors
Horizon Regional Municipal Utility District

_____
Secretary, Board of Directors
Horizon Regional Municipal Utility District

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PHOTOGRAPHS

The homes shown in the photographs are representative of the type of construction presently located within the District, and these photographs are presented solely to illustrate such construction. The District makes no representation that any additional construction such as that as illustrated in the following photographs will occur in the District. See "THE DISTRICT."

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Albertsons





APPENDIX A
District Audited Financial Statements

The information contained in this appendix has been excerpted from the audited financial statements of Horizon Regional Municipal Utility District for the fiscal year ended September 30, 2025. Certain information not considered to be relevant to this financing has been omitted; however, complete audit reports are available upon request.

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HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT

EL PASO COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2025

McCALL GIBSON SWEDLUND BARFOOT ELLIS PLLC
Certified Public Accountants

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TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4-9
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET	10-13
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	14
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES	15-16
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES	17
NOTES TO THE FINANCIAL STATEMENTS	18-39
REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND	41
SUPPLEMENTARY INFORMATION	
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS	43-44
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS	45-46
SUPPLEMENTARY INFORMATION REQUIRED BY THE WATER DISTRICT FINANCIAL MANAGEMENT GUIDE	
NOTES REQUIRED BY THE WATER DISTRICT FINANCIAL MANAGEMENT GUIDE (Included in the notes to the financial statements)	
SERVICES AND RATES	48-50
GENERAL FUND EXPENDITURES	51-52
INVESTMENTS	53
TAXES LEVIED AND RECEIVABLE	54-55
LONG-TERM DEBT SERVICE REQUIREMENTS	56-70
CHANGES IN LONG-TERM BOND DEBT	71-74
COMPARATIVE SCHEDULES OF REVENUES AND EXPENDITURES GENERAL FUND AND DEBT SERVICE FUND - FIVE YEARS	75-78
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS	79-80

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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
Horizon Regional Municipal Utility District
El Paso County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Horizon Regional Municipal Utility District (the "District"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of September 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Board of Directors
Horizon Regional Municipal Utility District

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 25, 2026

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Management's discussion and analysis of Horizon Regional Municipal Utility District's (the "District") financial performance provides an overview of the District's financial activities for the fiscal year ended September 30, 2025. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

The Statement of Activities reports how the District's net position changed during the 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 eleven governmental fund types. The General Fund accounts for resources not accounted for in another fund, customer service revenues, 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. The District has eight nonmajor funds aggregated together into a single column labeled Defined Area Non Major Funds and are restricted to expenditures for specific purposes.

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 Fund 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. 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, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $54,055,711 as of September 30, 2025.

A portion of the District's net position reflects its net investment in capital assets (land, buildings and equipment as well as water and wastewater systems less any debt used to acquire those assets that is still outstanding).

The following is a comparative analysis of government-wide changes in net position:

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Summary of Changes in the Statement of Net Position

	2025	2024	Change Positive (Negative)
Current and Other Assets	$ 163,397,331	$ 170,910,431	$ (7,513,100)
Right-of-Use Assets (Net of Accumulated Amortization)	56,089	74,786	(18,697)
Capital Assets (Net of Accumulated Depreciation)	130,563,768	109,108,826	21,454,942
Total Assets	$ 294,017,188	$ 280,094,043	$ 13,923,145
Deferred Outflows of Resources	$ 1,160,861	$ 1,385,103	$ (224,242)
Long-Term Liabilities	$ 214,982,203	$ 220,074,876	$ 5,092,673
Due to Developers	11,130,165	3,214,480	(7,915,685)
Other Liabilities	14,983,659	14,724,477	(259,182)
Total Liabilities	$ 241,096,027	$ 238,013,833	$ (3,082,194)
Deferred Inflows of Resources	$ 26,311	$ 9,191	$ (17,120)
Net Position:			
Net Investment in Capital Assets	$ 31,612,659	$ 24,709,632	$ 6,903,027
Restricted	11,544,978	9,637,223	1,907,755
Unrestricted	10,898,074	9,109,267	1,788,807
Total Net Position	$ 54,055,711	$ 43,456,122	$ 10,599,589

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

Summary of Changes in the Statement of Activities

	2025	2024	Change Positive (Negative)
Revenues:			
Property Taxes	$ 19,603,235	$ 13,926,179	$ 5,677,056
Charges for Services	14,348,627	13,483,401	865,226
Sprayfield Golf Course Revenue	1,763,103	1,381,438	381,665
Other Revenues	7,871,215	5,727,554	2,143,661
Total Revenues	$ 43,586,180	$ 34,518,572	$ 9,067,608
Expenses for Services	32,986,591	31,332,019	(1,654,572)
Change in Net Position	$ 10,599,589	$ 3,186,553	$ 7,413,036
Net Position, Beginning of Year	43,456,122	40,269,569	3,186,553
Net Position, End of Year	$ 54,055,711	$ 43,456,122	$ 10,599,589

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of September 30, 2025, were $154,033,331, a decrease of $7,573,143 from the prior year.

The General Fund fund balance increased by $1,729,847, primarily due to property tax collections and service revenues exceeding operating, capital outlay and debt expenditures.

The Debt Service Fund fund balance increased by $638,121, primarily due to the timing difference between property tax collections and scheduled debt service payments.

The Capital Projects Fund fund balance decreased by $10,748,466, primarily due to capital outlay exceeding investment revenues.

The Hunt Properties Defined Area Special Revenue Fund fund balance decreased by $3,273 due to operating expenditures exceeding property tax collections.

The Rancho Desierto Bello Defined Area Special Revenue Fund fund balance increased by $86,435 due to property tax collections exceeding operating expenditures.

The Rancho Desierto Bello Defined Area Debt Service Fund decreased by $7,597 due to operating expenditures exceeding property tax collections.

The Ravenna Defined Area Special Revenue Fund fund balance increased by $106,330 due to property tax collections exceeding operating expenditures.

The Ravenna Defined Area Debt Service Fund increased by $160,905 due to property tax collections exceeding operating expenditures.

The Hunt Communities Defined Area Special Revenue Fund fund balance increased by $258,113 due to property tax collections exceeding operating expenditures.

The Hunt Communities Defined Area Debt Service Fund increased by $207,010 due to property tax collections exceeding operating expenditures.

The Summer Sky North Defined Area Special Revenue Fund fund balance decreased by $568 due to operating expenditures exceeding property tax collections.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors did not amend the budget during the fiscal year. Actual revenues were $1,904,178 more than budgeted revenues. Actual expenditures were $279,635 more than budgeted expenditures. This resulted in a positive budget variance of $1,624,543. See the budget to actual comparison for additional analysis.

CAPITAL ASSETS

Capital assets as of September 30, 2025, total $130,563,768 (net of accumulated depreciation) and include land, buildings and equipment as well as water and wastewater systems. 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

	2025	2024	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land and Land Improvements	$ 4,531,594	$ 4,531,594	$
Construction in Progress	22,632,875	8,357,109	14,275,766
Capital Assets, Net of Accumulated Depreciation:			
Water System	60,192,282	56,516,810	3,675,472
Wastewater System	41,762,509	38,174,412	3,588,097
Buildings	1,426,087	1,485,411	(59,324)
Machinery, Equipment and Other	18,421	43,490	(25,069)
Total Net Capital Assets	$ 130,563,768	$ 109,108,826	$ 21,454,942

In accordance with the requirements of GASB Statement No. 87, the District has classified certain capital assets to right-of-use assets. Right-of-use assets consisted of equipment which totaled $447,920, had current year amortization expense of $18,697, and had an accumulated amortization balance of $391,831 as of September 30, 2025.

LONG-TERM DEBT ACTIVITY

At the end of the current fiscal year, the District had total long-term bond debt payable of $221,639,985. The changes in the debt position of the District during the fiscal year ended September 30, 2025, are summarized as follows:

Bond Debt Payable, October 1, 2024	$ 225,969,985
Less: Bond Principal Paid	4,330,000
Bond Debt Payable, September 30, 2025	$ 221,639,985

LONG-TERM DEBT ACTIVITY (Continued)

The bonds are rated at the higher of the underlying rating or the insured rating. The Series 2014 Refunding Bonds, Series 2014 Bonds, Series 2015 Refunding Bonds, Series 2016 Refunding Bonds, Series 2017 Bonds, Series 2019 Bonds, Series 2020 Bonds, Series 2021 Refunding Bonds, Series 2022 Bonds, Series 2023 Bonds and Series 2024 Bonds carry an underlying rating of "A3" from Moody's Investor Service ("Moody's"). The Series 2020A Bonds are not rated. The Series 2012 Revenue Refunding Bonds and Series 2020A Bonds were not insured. The Series 2014 Refunding Bonds, Series 2014 Bonds, Series 2016 Refunding Bonds, Series 2019 Bonds, Series 2020, Series 2021 Refunding Bonds, Series 2022 Bonds, Series 2024 Bonds and Rancho Desierto Bello Defined Area Series 2024 Bonds have an insured rating of "AA" from S&P based on policy issued by Build America Mutual Assurance Company. The Series 2015 Refunding and Series 2023 Bonds have an insured rating of "AA" from S&P based on a policy issued by Assured Guaranty. The Series 2017 Bonds carried an insured rating of "Baa3" from S&P based on a policy issued by National Public Finance Guarantee prior to the rating being withdrawn.

At the end of the current fiscal year, the District had total long-term leases and note payable of $45,397. The changes during the fiscal year ended September 30, 2025, are summarized as follows:

Leases and Notes Payable, October 1, 2024	$	93,356
Less: Lease Principal Paid		47,959
Leases and Note Payable, September 30, 2025	$	45,397

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 Horizon Regional Municipal Utility District, 14100 Horizon Boulevard, Horizon City, TX 79928.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2025

	General Fund	Debt Service Fund
ASSETS		
Cash	$ 9,809,494	$ 2,139,687
Investments	27,157	7,199,724
Receivables:		
Property Taxes	528,509	996,952
Penalty and Interest on Delinquent Taxes		
Service Accounts (Net of Allowance for Doubtful Accounts of $60,000)	2,977,795	
Other	5,979	
Due from Other Funds	679,779	25,307
Prepaid Costs	100,819	
Land		
Construction in Progress		
Right-of-Use Assets (Net of Accumulated Amortization)		
Capital Assets (Net of Accumulated Depreciation)		
TOTAL ASSETS	$ 14,129,532	$ 10,361,670
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charges on Refunding Bonds	$ - 0 -	$ - 0 -
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 14,129,532	$ 10,361,670

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

Capital Projects Fund	Defined Areas Nonmajor Funds	Total	Adjustments	Statement of Net Position
$ 487,912	$ 1,767,752	$ 14,204,845	$	$ 14,204,845
136,318,806		143,545,687		143,545,687
	7,331	1,532,792		1,532,792
			993,693	993,693
		2,977,795		2,977,795
		5,979		5,979
4,250	184,587	893,923	(893,923)	
		100,819	35,721	136,540
			4,531,594	4,531,594
			22,632,875	22,632,875
			56,089	56,089
			103,399,299	103,399,299
$ 136,810,968	$ 1,959,670	$ 163,261,840	$ 130,755,348	$ 294,017,188
$ - 0 -	$ - 0 -	$ - 0 -	$ 1,160,861	$ 1,160,861
$ 136,810,968	$ 1,959,670	$ 163,261,840	$ 131,916,209	$ 295,178,049

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

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2025

	General Fund	Debt Service Fund
LIABILITIES		
Accounts Payable	$ 1,135,302	$ 85,825
Accrued Interest Payable		
Due to Developers	805,715	
Due to Other Funds	39,465	4,250
Security Deposits	1,260,386	
Interest Payable on Compound Interest Bonds		
Long-Term Liabilities:		
Leases Payable Within One Year		
Leases Payable After One Year		
Notes Payable Within One Year		
Bonds Payable Within One Year		
Bonds Payable After One Year		
TOTAL LIABILITIES	$ 3,240,868	$ 90,075
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	$ 528,509	$ 996,952
Golf Course Credits	24,683	
Golf Course Merchandise	1,628	
TOTAL DEFERRED INFLOWS OF RESOURCES	$ 554,820	$ 996,952
FUND BALANCES		
Nonspendable:		
Prepaid Costs	$ 100,819	$
Restricted for Authorized Construction		
Restricted for Debt Service		9,274,643
Restricted for Defined Areas		
Assigned to 2026 Budget Deficit	16,538	
Unassigned	10,216,487	
TOTAL FUND BALANCES	$ 10,333,844	$ 9,274,643
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 14,129,532	$ 10,361,670
NET POSITION		
Net Investment in Capital Assets		
Restricted for Debt Service		
Restricted for Defined Areas		
Unrestricted		
TOTAL NET POSITION		

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

Capital Projects Fund	Defined Areas Nonmajor Funds	Total	Adjustments	Statement of Net Position
$ 3,473,777	$ 14,478	$ 4,709,382	$	$ 4,709,382
			1,495,324	1,495,324
		805,715	10,324,450	11,130,165
680,030	170,178	893,923	(893,923)	
		1,260,386		1,260,386
			2,378,479	2,378,479
			32,903	32,903
			5,309	5,309
			7,185	7,185
			5,100,000	5,100,000
			214,976,894	214,976,894
$ 4,153,807	$ 184,656	$ 7,669,406	$ 233,426,621	$ 241,096,027
$	$ 7,331	$ 1,532,792	$ (1,532,792)	$
		24,683		24,683
		1,628		1,628
$ - 0 -	$ 7,331	$ 1,559,103	$ (1,532,792)	$ 26,311
$	$	$ 100,819	$ (100,819)	$
132,657,161		132,657,161	(132,657,161)	
		9,274,643	(9,274,643)	
	1,767,683	1,767,683	(1,767,683)	
		16,538	(16,538)	
		10,216,487	(10,216,487)	
$ 132,657,161	$ 1,767,683	$ 154,033,331	$ (154,033,331)	$ - 0 -
$ 136,810,968	$ 1,959,670	$ 163,261,840		
			$ 31,612,659	$ 31,612,659
			9,769,964	9,769,964
			1,775,014	1,775,014
			10,898,074	10,898,074
			$ 54,055,711	$ 54,055,711

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

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HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2025

Total Fund Balances - Governmental Funds		$ 154,033,331
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Bond insurance premiums paid at closing are amortized over the term of the refunding bonds.		35,721
Capital assets and right-of-use assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		130,619,857
The difference between the net carrying amount of the refunded bonds and the reaquisition price is recorded as a deferred outflow of resources in the governmental activities and systematically charged to interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter.		1,160,861
Deferred inflows of resources related to property tax revenues and penalty and interest receivables on delinquent taxes for the 2024 and prior tax levies became part of recognized revenues in the governmental activities of the District.		2,526,485
Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year-end consist of:		
Due to Developer	$ (10,324,450)	
Accrued Interest Payable	(1,495,324)	
Interest Payable on Compound Interest Bonds	(2,378,479)	
Leases Payable Within One Year	(32,903)	
Leases Payable After One Year	(5,309)	
Notes Payable Within One Year	(7,185)	
Bonds Payable Within One Year	(5,100,000)	
Bonds Payable After One Year	(214,976,894)	(234,320,544)
Total Net Position - Governmental Activities		$ 54,055,711

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

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	$ 5,549,277	$ 12,807,361
Water Service	6,398,372	
Wastewater Service	3,321,937	
Garbage Service Revenues	3,864,328	
Sprayfield Golf Course Revenue	1,763,103	
Penalty and Interest	481,708	115,759
Tap Connection and Inspection Fees	108,190	
Investment Revenues	73,412	323,769
Miscellaneous Revenues	921,978	5,622
TOTAL REVENUES	$ 22,482,305	$ 13,252,511
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	$ 573,449	$
Contracted Services	8,377,595	6,700
Utilities	2,075,391	
Repairs and Maintenance	5,055,755	
Effluent Sprayfield	1,203,522	
Depreciation/Amortization		
Other	2,096,246	10,700
Capital Outlay	680,174	
Debt Service:		
Lease Principal	30,715	
Lease Interest	3,797	
Note Principal	17,244	
Bond Principal	605,000	3,695,000
Bond Interest	33,570	8,901,990
TOTAL EXPENDITURES/EXPENSES	$ 20,752,458	$ 12,614,390
NET CHANGE IN FUND BALANCES	$ 1,729,847	$ 638,121
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - OCTOBER 1, 2024	8,603,997	8,636,522
FUND BALANCES/NET POSITION - SEPTEMBER 30, 2025	$ 10,333,844	$ 9,274,643

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

Capital Projects Fund	Defined Areas Nonmajor Funds	Total	Adjustments	Statement of Activities
$	$ 953,261	$ 19,309,899	$ 293,336	$ 19,603,235
		6,398,372		6,398,372
		3,321,937		3,321,937
		3,864,328		3,864,328
		1,763,103		1,763,103
	2,870	600,337	55,463	655,800
		108,190		108,190
6,530,747	11,227	6,939,155		6,939,155
	4,460	932,060		932,060
$ 6,530,747	$ 971,818	$ 43,237,381	$ 348,799	$ 43,586,180
$	$ 45,775	$ 619,224	$	$ 619,224
	20,849	8,405,144		8,405,144
		2,075,391		2,075,391
147,987		5,203,742		5,203,742
		1,203,522		1,203,522
			3,606,055	3,606,055
	2,868	2,109,814		2,109,814
17,131,226		17,811,400	(17,241,470)	569,930
		30,715	(30,715)	
		3,797		3,797
		17,244	(17,244)	
	30,000	4,330,000	(4,330,000)	
	64,971	9,000,531	189,441	9,189,972
$ 17,279,213	$ 164,463	$ 50,810,524	$ (17,823,933)	$ 32,986,591
$ (10,748,466)	$ 807,355	$ (7,573,143)	$ 7,573,143	$
			10,599,589	10,599,589
143,405,627	960,328	161,606,474	(118,150,352)	43,456,122
$ 132,657,161	$ 1,767,683	$ 154,033,331	$ (99,977,620)	$ 54,055,711

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

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED SEPTEMBER 30, 2025

Net Change in Fund Balances - Governmental Funds	$ (7,573,143)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report tax revenues when collected. However, in the government-wide financial statements, revenues are recorded in the accounting period for which the taxes are levied.	293,336
Governmental funds report penalty and interest revenues on delinquent property taxes when collected. However, in the government-wide financial statements, revenues are recorded when penalty and interest are assessed.	55,463
Governmental funds do not account for depreciation and amortization. However, in the government-wide financial statements, capital assets are depreciated/amortized and depreciation/amortization expense is recorded in the Statement of Activities.	(3,606,055)
Governmental funds report capital asset costs as expenditures in the period purchased. However, in the government-wide financial statements, capital assets are increased by new purchases that meet the District's threshold for capitalization, and are owned and maintained by the District. All other capital asset purchases are expensed in the Statement of Activities.	17,241,470
Governmental funds report principal payments on long-term debt as expenditures. However, in the government-wide financial statements, principal payments decrease long-term liabilities and the Statement of Activities is not affected.	4,377,959
Governmental funds report interest payments on long-term debt as expenditures in the year paid. However, in the government-wide financial statements, interest is accrued on the debt through fiscal year-end.	(189,441)
Change in Net Position - Governmental Activities	$ 10,599,589

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

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 1. CREATION OF DISTRICT

Horizon Regional Municipal Utility District (the "District") was originally a conservation and reclamation district created on August 8, 1961 by the 57 Legislature of the State of Texas pursuant to Article XVI, Section 59 of the Texas Constitution. On June 12, 1989, the District was converted to a municipal utility district and currently operates under Chapters 49 and 54 of the Texas Water Code. On September 4, 2003, the Texas Commission on Environmental Quality approved a change in the District's name from the El Paso County Water Authority to Horizon Regional Municipal Utility District.

The District is empowered to purchase, construct, operate, acquire, own, and maintain all water and wastewater facilities and improvements and improvements to control and divert storm water. The District is additionally empowered to establish, operate and maintain a fire department, independently or with one or more other conservation and reclamation districts.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

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

Financial Statement Presentation

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

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

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

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

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

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

Government-Wide Financial Statements

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

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

The Statement of Activities is reported by adjusting the governmental fund types to report only items related to current year revenues and expenditures. Items such as capital outlay are allocated over their estimated useful lives as depreciation expense. Internal activities between governmental funds, if any, are eliminated by adjustment to obtain net total revenues and expenses in 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 Governmental Funds Balance Sheet and a Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

Governmental Funds

The District has three governmental funds considered to be major funds.

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

The District also has eight nonmajor funds that are restricted for specific purposes.

Basis of Accounting

The District uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both "measurable and available." Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. The District considers revenues reported in 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 revenues 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.

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets and Right-of-Use Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the government-wide Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as 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. 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 of $5,000 or more and a useful life of at least two years. Depreciation is calculated on each class of depreciable property using no salvage value and the straight-line method of depreciation. Estimated useful lives are as follows:

	Years
Buildings	20-40
Water System	7-50
Wastewater System	5-50
Machinery and Equipment	5-7
Other	3-40

In accordance with GASB Statement No. 87, the District records leased equipment as a right-of-use asset (see Note 10). Right-of-use assets are being amortized over the same term as the lease using the straight-line method of amortization.

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 and revised budget amounts compared to the actual amounts of revenues and expenditures for the current year.

Pensions

The District has not established a pension plan as the District does not have employees. The Internal Revenue Service determined that fees of office received by Directors are wages subject to federal income tax withholding for payroll tax purposes only.

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, liabilities, and deferred inflows and outflows of resources 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 Governmental Funds 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. The District has assigned $16,538 of the General Fund fund balance towards the 2026 budget.

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 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

	Revenue Refunding Series 2012**	Refunding Series 2014
Amount Outstanding – September 30, 2025	$ 630,000	$ 7,750,000
Interest Rates	3.60%	3.00% - 4.00%
Maturity Dates – Beginning/Ending	March 1, 2026	February 1, 2026/2032
Interest Payment Dates	March 1/September 1	February 1/August 1
Callable Dates	N/A	August 1, 2022*

	Series 2014	Refunding Series 2015
Amount Outstanding – September 30, 2025	$ 1,975,000	$ 6,315,000
Interest Rates	3.75% - 4.00%	3.00% - 4.00%
Maturity Dates – Beginning/Ending	February 1, 2035/2038	February 1, 2026/2032
Interest Payment Dates	February 1/August 1	February 1/August 1
Callable Dates	August 1, 2022*	February 1, 2023*

* On any date thereafter, in whole or in part, at the option of the District, at par plus accrued interest to the date of redemption. The Series 2014 Refunding term bonds maturing February 1, 2026 are subject to mandatory redemption beginning February 1, 2023.

** Direct Placement Bonds

NOTE 3. LONG-TERM DEBT (Continued)

	Series 2016 Refunding	
	Current Interest Bonds	Compound Interest Bonds
Amount Outstanding – September 30, 2025	$ 9,395,000	$ 99,985
Interest Rates	2.50% - 3.25%	4.05%
Maturity Dates – Beginning/Ending	February 1, 2026/2033	February 1, 2034
Interest Payment Dates	February 1/August 1	At Maturity
Callable Dates	February 1, 2024*	Non-Callable**

	Series 2017	Series 2019
Amount Outstanding – September 30, 2025	$ 8,610,000	$ 18,810,000
Interest Rates	3.00% - 3.75%	3.00% - 5.00%
Maturity Dates – Beginning/Ending	February 1, 2026/2039	February 1, 2026/2044
Interest Payment Dates	February 1/August 1	February 1/August 1
Callable Dates	February 1, 2024*	February 1, 2026*

	Series 2020	Series 2020A
Amount Outstanding – September 30, 2025	$ 11,090,000	$ 505,000
Interest Rates	3.00%	0%
Maturity Dates – Beginning/Ending	February 1, 2026/2045	February 1, 2026/2042
Interest Payment Dates	February 1/August 1	N/A
Callable Dates	February 1, 2026*	Non-Callable

* On any date thereafter, in whole or in part, at the option of the District, at par plus accrued interest to the date of redemption. Series 2020 term bonds maturing February 1, 2026, February 1, 2030, February 1, 2034 and February 1, 2045 are subject to mandatory redemption beginning February 1, 2023, February 1, 2027, February 1, 2031 and February 1, 2035, respectively.

** The Series 2016 Compound Interest Bonds are non-callable. The par value of these bonds is $99,985 and the maturity value is $3,485,000. Interest on these bonds will be paid at maturity. As of September 30, 2025, the accreted value of these bonds is approximately $2,478,464. Accrued interest of $2,378,479 has been recorded as a liability in the Statement of Net Position.

NOTE 3. LONG-TERM DEBT (Continued)

	Refunding Series 2021	Series 2022	Series 2023
Amount Outstanding – September 30, 2025	$ 8,460,000	$ 18,695,000	$ 38,505,000
Interest Rates	2.00% - 3.00%	4.00% - 5.00%	4.00% - 8.00%
Maturity Dates – Beginning/Ending	February 1, 2026/2038	February 1, 2026/2047	February 1, 2026/2051
Interest Payment Dates	February 1/ August 1	February 1/ August 1	February 1/ August 1
Callable Dates	February 1, 2028*	August 1, 2028*	August 1, 2029*

	Series 2024
Amount Outstanding – September 30, 2025	$ 89,185,000
Interest Rates	4.00% - 8.00%
Maturity Dates – Beginning/Ending	February 1, 2026/2054
Interest Payment Dates	February 1/ August 1
Callable Dates	August 1, 2030*

* On any date thereafter, in whole or in part, at the option of the District, at par plus accrued interest to the date of redemption. Series 2021 Refunding term bonds maturing February 1, 2035 are subject to mandatory redemption beginning February 1, 2031. Series 2022 term bonds maturing February 1, 2047 are subject to mandatory redemption beginning February 1, 2043. Rancho Desierto Bello Defined Area Series 2024 term bonds maturing February 1, 2034, 2037, 2039, 2042, 2045, 2047, 2049, 2051 and 2053 are subject to mandatory redemption beginning February 1, 2032, 2035, 2038, 2040, 2043, 2046, 2048, 2050 and 2052, respectively.

NOTE 3. LONG-TERM DEBT (Continued)

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

	October 1, 2024	Additions	Retirements	September 30, 2025
Bonds Payable-General Bonds	$ 223,089,985	$	$ 3,695,000	$ 219,394,985
Bonds Payable-Direct Placement Bond	1,235,000		605,000	630,000
Unamortized Discounts	(3,658,110)		(154,852)	(3,503,258)
Unamortized Premiums	2,027,748		113,655	1,914,093
Bonds Payable, Net	$ 222,694,623	$ -0-	$ 4,258,803	$ 218,435,820

Amount Due Within One Year	$ 5,070,000
Amount Due After One Year	213,365,820
Bonds Payable, Net	$ 218,435,820

At an election held on May 1, 2021, voters of the District approved the authorization of an additional $225,000,000 in tax bonds and $225,000,000 in refunding bonds.

At September 30, 2025, the District had authorized but unissued original bonds in the amount of $97,700,000 in tax bonds and $224,475,000 in refunding bonds.

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

Fiscal Year	Principal	Interest	Total
2026	$ 5,100,000	$ 8,793,160	$ 13,997,629
2027	4,630,000	8,569,007	13,305,835
2028	4,800,000	8,340,226	13,244,210
2029	4,980,000	8,098,863	13,180,004
2030	5,170,000	7,845,751	13,114,048
2031-2035	25,364,985	38,903,484	64,268,469
2036-2040	33,505,000	30,380,119	63,885,119
2041-2045	40,150,000	23,732,058	63,882,058
2046-2050	48,855,000	15,118,304	63,973,304
2051-2054	47,470,000	4,033,893	51,503,893
	$ 220,024,985	$ 153,814,865	$ 374,354,569

NOTE 3. LONG-TERM DEBT (Continued)

The bonds are payable from the proceeds of an ad valorem tax levied upon all property subject to taxation within the District, without limitation as to rate or amount. The Series 2012 Revenue Refunding Bonds are payable from and secured by a lien and pledge of the net revenues to be received from the operation of the District's waterworks and sewer system.

During the year ended September 30, 2025, the District levied an ad valorem debt service tax at the rate of $0.462807 per $100 of assessed valuation, which resulted in a tax levy of $13,083,395 on the adjusted taxable valuation of $2,820,167,065 for the 2024 tax year. The bond order 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 maintenance 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 ORDERS AND LEGAL REQUIREMENTS

The bond orders state that any profits realized from or interest accruing on investments shall belong to the fund from which the monies for such investments were taken; provided, however, that at the discretion of the Board of Directors the profits realized from and interest accruing on investments made from any fund may be transferred to the Debt Service Fund.

The bond orders state that the District is required to provide continuing disclosure of certain general financial information and operating data to the Municipal Securities Rulemaking Board via the Electronic Municipal Market Access ("EMMA") system. This information is of the general type included in the audited annual financial statements, is to be provided within six months after the end of each fiscal year and shall continue to be provided through the life of the bonds.

The bond orders state that the District should 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 5th year anniversary of each issue.

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 $14,204,845 and the bank balance was $17,248,938. The District was not subject to custodial credit risk at year-end.

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

	Cash
GENERAL FUND	$ 9,809,494
DEBT SERVICE FUND	2,139,687
CAPITAL PROJECTS FUND	487,912
DEFINED AREAS	1,767,752
TOTAL DEPOSITS	$ 14,204,845

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.

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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

The District invests in LOGIC, an external investment pool that is not SEC-registered. The State Comptroller of Public Accounts of the State of Texas has oversight of the pool. FirstSouthwest and JPMorgan Chase manage the daily operations of the pool under a contract with the Comptroller. LOGIC measures all of its portfolio assets at amortized cost. As a result, the District also measures its investments in LOGIC at amortized cost for financial reporting purposes. There are no limitations or restrictions on withdrawals from LOGIC.

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

Fund and Investment Type	Fair Value	Maturities of Less Than 1 Year
GENERAL FUND		
LOGIC	$ 27,157	$ 27,157
DEBT SERVICE FUND		
LOGIC	7,199,724	7,199,724
CAPITAL PROJECTS FUND		
LOGIC	135,329,301	135,329,301
Money Market Mutual Funds	989,505	989,505
TOTAL INVESTMENTS	$ 143,545,687	$ 143,545,687

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At September 30, 2025, the District's investment in LOGIC was rated AAA and the money market mutual funds 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 investments in LOGIC and money market mutual funds 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 is a significant change in value.

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

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 of capital assets.

All cash and investments of the Special Revenue Funds for the Defined Areas are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for a specific purpose.

NOTE 6. CAPITAL ASSETS

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

	October 1, 2024	Increases	Decreases	September 30, 2025
Capital Assets Not Being Depreciated				
Land and Land Improvements	$ 4,531,594	$	$	$ 4,531,594
Construction in Progress	8,357,109	25,042,300	10,766,534	22,632,875
Total Capital Assets Not Being Depreciated	$ 12,888,703	$ 25,042,300	$ 10,766,534	$ 27,164,469
Capital Assets Subject to Depreciation				
Water System	$ 82,864,990	$ 5,833,177	$	$ 88,698,167
Wastewater System	54,759,781	4,933,357		59,693,138
Buildings	2,418,853			2,418,853
Machinery, Equipment and Other	1,868,659			1,868,659
Total Capital Assets Subject to Depreciation	$ 141,912,283	$ 10,766,534	$ - 0 -	$ 152,678,817
Accumulated Depreciation				
Water System	$ 26,348,180	$ 2,157,705	$	$ 28,505,885
Wastewater System	16,585,369	1,345,260		17,930,629
Buildings	933,442	59,324		992,766
Machinery, Equipment and Other	1,825,169	25,069		1,850,238
Total Accumulated Depreciation	$ 45,692,160	$ 3,587,358	$ - 0 -	$ 49,279,518
Total Depreciable Capital Assets, Net of Accumulated Depreciation	$ 96,220,123	$ 7,179,176	$ - 0 -	$ 103,399,299
Total Capital Assets, Net of Accumulated Depreciation	$ 109,108,826	$ 32,221,476	$ 10,766,534	$ 130,563,768

The District has financed drainage facilities which have been conveyed to other entities for maintenance.

NOTE 7. MAINTENANCE TAX

On July 14, 1970, the voters of the District approved the levy and collection of a maintenance tax not to exceed $1.50 per $100 of assessed valuation of taxable property within the District. The maintenance tax is to be used by the General Fund to pay expenditures of operating the District. During the current fiscal year, the District levied an ad valorem maintenance tax at the rate of $0.199981 per $100 of assessed valuation, which resulted in a tax levy of $5,653,394 on the adjusted taxable valuation of $2,820,167,065 for the 2024 tax year.

NOTE 8. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The District carries commercial insurance for its director bonds and participates in the Texas Municipal League Intergovernmental Risk Pool ("TML") to provide property, general liability, automobile liability, cyber liability, boiler and machinery, and errors and omissions. The District, along with other participating entities, contributes annual amounts determined by TML's management. As claims arise, they are submitted and paid by TML. There have been no significant changes in coverage from the prior year and settlements have not exceeded coverage in the past three years.

NOTE 9. PROFESSIONAL SERVICE CONTRACT

Effective January 9, 2013, the District entered into a professional service contract with Severn Trent Environmental Services, Inc. ("Severn Trent"), now known as Inframark LLC ("Inframark"). The terms of the contract call for Inframark to fully assume the management, operations, maintenance and repair of the District. The initial term was for 5 years.

On February 22, 2018, the District entered into a new contract with Inframark with a commencement date of March 1, 2018. The District will be charged a base monthly fee plus compensation for authorized additional services. Annual adjustments to the base fee will be made according to changes to the Consumer Price Index. The contract shall remain in full force and effect for 5 years from the commencement date unless terminated for cause provided for in the agreement. Thereafter, the contract will automatically renew for successive 1-year periods unless cancelled in writing by either party at least 60 days prior to the expiration of the then current term.

NOTE 10. LEASES

On September 21, 2023, the District entered in a Lease Purchase Agreement with John Deere Financial in the amount of $58,245 to fund the purchase of a Precision Cut Fairway Mower. The equipment is recorded as an asset of the District and is being depreciated over the life of the asset. Amortization expense in the current year totaled $11,648. Lease payments and related interest of $1,796 are due monthly beginning October 21, 2023 and ending September 21, 2026. The incremental borrowing rate is 6.90%.

On March 22, 2024, the District entered in a Lease Purchase Agreement with John Deere Financial in the amount of $35,239 to fund the purchase of a riding mower and gator. The equipment is recorded as an asset of the District and is being depreciated over the life of the asset. Amortization expense in the current year totaled $7,048. Lease payments and related interest of $1,080 are due monthly beginning March 22, 2024 and ending February 22, 2027. The incremental borrowing rate is 6.90%.

In accordance with the requirements of GASB Statement No. 87, which was required to be implemented in the prior fiscal year, the District reclassified certain capital assets to right-of-use assets. Right-of-use assets, current year amortization expense, and accumulated amortization is summarized below:

	October 1, 2024	Increases	Decreases	September 30, 2025
Right-of-use Asset Subject to Amortization				
Equipment	$ 447,920	$ - 0 -	$ - 0 -	$ 447,920
Less Accumulated Amortization				
Equipment	$ 373,134	$ 18,697	$ - 0 -	$ 391,831
Right-of-use Asset, Net of Accumulated Amortization	$ 74,786	$ (18,697)	$ - 0 -	$ 56,089

The following is a schedule of future minimum lease payments under the leases as of September 30, 2025:

Fiscal Year	Principal	Interest	Total
2026	$ 32,903	$ 1,609	$ 34,512
2027	5,309	92	5,401
	$ 38,212	$ 1,701	$ 39,913

Leases Payable, October 1, 2024	$ 68,927
Less: Principal Paid	30,715
Leases Payable, September 30, 2025	$ 38,212

NOTE 11. NOTES PAYABLE

On May 28, 2024, the District entered into a note with KS StateBank in the amount of $34,488. Monthly note payments are due the fifteenth day of each month in the amount of $1,437 through May 15, 2026. The District made total payments in the amount of $17,244.

The following is a schedule of future minimum lease payments under the leases as of September 30, 2025:

Fiscal Year	Principal
2026	7,185

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

Notes Payable, October 1, 2024	$	24,429
Less: Principal Paid		17,244
Notes Payable, September 30, 2025	$	7,185

NOTE 12. INTERFUND BALANCES

At September 30, 2025, the Capital Projects Fund owed the General Fund $676,182 for capital and bond issuance costs. The General Fund owes the Debt Service Fund $21,459 due to an incorrect transfer between funds less any paying agent fees and debt related expenses. The Debt Service Fund owes the Capital Projects Fund $4,250. The Capital Projects Fund owed the Debt Service Fund for an erroneous transfer of $3,848. The General Fund owes the Defined Area Funds $18,006 for operating expenses. The Defined Area Fund owe the General Fund $3,597 for operating paid in error.

NOTE 13. PRINCIPAL FORGIVENESS AGREEMENT

On June 16, 2020, the District entered into a principal forgiveness agreement with the Texas Water Development Board (the "TWDB"). The District submitted an application to the TWDB for financial assistance in the amount of $1,226,880 from the Clean Water State Revolving Fund to finance the planning and design of certain system improvements for the project. The TWDB determined that the District qualifies for principal forgiveness in the amount of $606,880. These funds will remain in escrow until applicable requirements and conditions are met per this agreement.

NOTE 14. DEFINED AREAS

Pursuant to the provisions of Subchapter J of Chapter 54 of the Texas Water Code, as amended, the District is authorized to define areas or designate certain property of the District to pay for improvements, facilities or services that primarily benefit that area.

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.

The Hunt Communities Defined Area

At an election held within the Defined Area of the District on November 7, 2017, the voters the District created the Hunt Communities Defined Area encompassing 438.032 acres, authorized $12,130,000 principal amount of bonds to finance water, wastewater and drainage improvements and 12,130,000 in refunding bonds within the Hunt Communities Defined Area. Any bonds issued for the Defined Area shall be payable solely from a tax levied within the boundaries of the Defined Area and not on any other part of the District.

During the year ended September 30, 2025, the Hunt Communities levied an ad valorem debt service tax rate at a rate of $0.0950 per $100 of assessed valuation, which resulted in a tax levy of $202,058 on the adjusted taxable valuation of $212,570,084.

At an election held within the Hunt Community Defined Area of the District on November 7, 2017, the voters of the District approved a maximum maintenance tax of $1.00 per $100 valuation of taxable property within the Defined Area. During the year ended September 30, 2025, the Hunt Communities Defined Area levied an ad valorem maintenance tax rate of $0.13 per $100 of assessed valuation, which resulted in a tax levy of $276,501 on the adjusted taxable valuation of $212,570,084.

The Ravena Defined Area

At an election held within the Defined Area of the District on November 6, 2018, the voters of the District created the Ravena Defined Area encompassing 119.42 acres, authorized $5,560,000 principal amount of bonds to finance water, wastewater and drainage improvements and $8,340,000 in refunding bonds within the Ravenna Defined Area

During the year ended September 30, 2025, the Ravenna Defined Area levied an ad valorem debt service tax at a rate of $0.1266 per $100 of assessed valuation, which resulted in a tax levy of $159,023 on the adjusted taxable valuation of $125,610,472.

NOTE 14. DEFINED AREAS (Continued)

The Ravena Defined Area

At an election held within the Ravenna Defined Area Defined Area of the District on November 6, 2018, the voters of the District approved a maximum maintenance tax of $1.00 per $100 valuation of taxable property within the Defined Area. During the year ended September 30, 2025, the Ravenna Defined Area levied an ad valorem maintenance tax rate of $0.0984 per $100 of assessed valuation, which resulted in a tax levy of $123,601 on the adjusted taxable valuation of $125,610,472.

Subsequent to year-end, as an election held within with the Ravenna Defined Area Defined Area of the District on November 4, 2025, the voters of the District approved to reduce the maximum maintenance tax of $1.00 per $100 valuation to an amount of 0.20 per $100 valuation of taxable property within the Defined Area.

The Rancho Desierto Bello Defined Area

At an election held within the Defined Area of the District on November 6, 2018, the voters of the District created the Rancho Desierto Bello Defined Area encompassing 266.012 acres, authorized $7,500,000 principal amount of bonds to finance water, wastewater and drainage improvements and $7,500,000 in refunding bonds within the Rancho Desierto Bello Defined Area. Any bonds issued for the Defined Area shall be payable solely from a tax levied within the boundaries of the Defined Area and not on any other part of the District.

During the year ended September 30, 2025, the Rancho Desierto Bello Defined Area levied an ad valorem debt service tax at a rate of $0.1070 per $100 of assessed valuation, which resulted in a tax levy of $86,307 on the adjusted taxable valuation of $80,661,188.

At an election held within the Rancho Desierto Bello Defined Area Defined Area of the District on November 6, 2018, the voters of the District approved a maximum maintenance tax of $1.00 per $100 valuation of taxable property within the Defined Area. During the year ended September 30, 2025, the Rancho Desierto Bello Defined Area levied an ad valorem maintenance tax rate of $0.118 per $100 of assessed valuation, which resulted in a tax levy of $95,180 on the adjusted taxable valuation of $80,661,188.

NOTE 14. DEFINED AREAS (Continued)

The Rancho Desierto Bello Defined Area

	Rancho Desierto Bello Defined Area Series 2024
Amount Outstanding – September 30, 2025	$ 1,615,000
Interest Rates	4.125% - 8.125%
Maturity Dates – Beginning/Ending	February 1, 2026/2053
Interest Payment Dates	February 1/ August 1
Callable Dates	August 1, 2030*

* On any date thereafter, in whole or in part, at the option of the District, at par plus accrued interest to the date of redemption. Rancho Desierto Bello Defined Area Series 2024 term bonds maturing February 1, 2034, 2037, 2039, 2042, 2045, 2047, 2049, 2051 and 2053 are subject to mandatory redemption beginning February 1, 2032, 2035, 2038, 2040, 2043, 2046, 2048, 2050 and 2052, respectively.

The following is a summary of transactions regarding the Rancho Desierto Bello Defined Area bonds payable for the year ended September 30, 2025:

	October 1, 2024	Additions	Retirements	September 30, 2025
Bonds Payable-Defined Area Bonds	$ 1,645,000	$	$ 30,000	$ 1,615,000
Unamortized Discounts	(15,360)		(548)	(14,812)
Unamortized Premiums	42,401		1,515	40,886
Bonds Payable, Net	$ 1,672,041	$ -0-	$ 30,967	$ 1,641,074

Amount Due Within One Year	$ 30,000
Amount Due After One Year	1,611,074
Bonds Payable, Net	$ 1,641,074

NOTE 14. DEFINED AREAS (Continued)

As of September 30, 2025, the Rancho Desierto Bello Defined Area debt service requirements on the bonds outstanding were as follows:

The Rancho Desierto Bello Defined Area

Fiscal Year	Principal	Interest	Total
2026	$ 30,000	$ 74,469	$ 12,886,690
2027	35,000	71,828	12,894,685
2028	35,000	68,984	12,901,697
2029	35,000	66,141	12,910,632
2030	35,000	63,297	12,920,656
2031-2035	205,000	281,447	486,447
2036-2040	250,000	234,138	484,138
2041-2045	310,000	177,007	487,007
2046-2050	395,000	104,047	499,047
2051-2053	285,000	18,594	303,594
	$ 1,615,000	$ 1,159,952	$ 66,774,593

Hunt Properties Defined Area

At an election held withing the Defined Area of the District on November 3, 2020, the voters of the District approved the creation of the Hunt Properties defined area encompassing 779.121 acres. They also authorized $19,100,000 principal amount of bonds to finance water, wastewater and drainage improvements and $19,100,000 in refunding bonds. Any bonds issued for the Defined Area shall be payable solely from a tax levied within the boundaries of the Defined Area and not on any other part of the District.

At an election held withing the Hunt Properties Defined Area of the District on November 3, 2020, the voters of the District approved a maximum maintenance tax of $0.2250 per $100 valuation of taxable property within the Defined Area. During the year ended September 30, 2025, the Hunt Properties Defined Area levied an valorem maintenance tax rate of $0.225 per $100 of assessed valuation, which resulted in a tax levy of $14,477 on the adjusted taxable valuation of $6,434,092.

Subsequent to year-end, at an election held within the Hunt Properties Defined Area of the District on November 4, 2025, the voters of District approved to increase the maximum maintenance tax to $0.50 per $100 valuation of taxable property within the Defined Area. They also authorized $49,970,000 principal amount of bonds to finance water, wastewater and drainage improvements and $49,970,000 in refunding bonds.

NOTE 14. DEFINED AREAS (Continued)

Defined Area No. 6 (Previously known as Summer Sky North Defined Area)

At an election held within the Defined Area of the District on May 7, 2022, the District approved the creation of the Summer Sky North defined area encompassing 159.909 acres. They also authorized $4,200,000 principal amount of bonds to finance water, wastewater and drainage improvements and $4,200,000 in refunding bonds. Any bonds issued for the Defined Area shall be payable solely from a tax levied within the boundaries of the Defined Area and not on any other part of the District.

At an election held within the Summer Sky North Defined Area of the District on May 7, 2022, the voters of District approved a maximum maintenance tax of $0.50 per $100 valuation of taxable property within the Defined Area.

At an election held within the Defined Area of the District on November 5, 2024, the District approved the creation of a Defined Area No. 6, replacing Summer Sky North Defined Area. They also authorized $8,500,000 principal amount of bonds to finance water, wastewater and drainage improvements and $8,500,000 in refunding bonds. Any bonds issued for the Defined Area shall be payable solely from a tax levied within the boundaries of the Defined Area and not on any other part of the District.

At an election held within the Defined Area No. 6 of the District on November 5, 2024, the voters of District approved a maximum maintenance tax of $0.50 per $100 valuation of taxable property within the Defined Area.

During the year ended September 30, 2025, the Summer Sky North Defined Area levied an ad valorem maintenance tax rate of $0.225 per $100 of assessed valuation, which resulted in a tax levy of $767 on the adjusted taxable valuation of $340,986.

NOTE 15. PENDING BOND SALE

Subsequent to year-end, on December 18, 2025, the District issued $3,630,000 of Hunt Communities Defined Area Unlimited Tax Bonds, Series 2025. Proceeds from the bonds will be used to reimburse a Developer for construction and engineering costs for water and wastewater facility improvements to serve Paseo at Mission Ridge Unit 4 and Darrington Eastlake Commercial Units 3 and 4, Darrington Eastlake Commercial lift station and force main and Painted Desert at Mission Ridge Unit 3 lift station and force main. Additional proceeds will be used to pay capitalized interest and pay for issuance costs of the bonds.

NOTE 16. UNREIMBURSED COSTS

The District has entered into certain financing and reimbursement agreements with Developers within the Defined Areas of the District which provides for the Developers to make payments on behalf of the District for various projects. 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 $2,523,620 for projects as of September 30, 2025. The actual amounts owed, including developer interest, will be calculated at the time debt is issued to reimburse the Developers. The current year activity is as follows:

Due to Developers, beginning of year	$ 2,523,620
Additions	7,800,830
Due to Developers, end of year	$ 10,324,450

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2025

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Original and Final Budget	Actual	Variance Positive (Negative)
REVENUES			
Property Taxes	$ 5,416,777	$ 5,549,277	$ 132,500
Water Service	6,000,000	6,880,080	880,080
Wastewater Service	3,000,000	3,321,937	321,937
Garbage Service Revenues	4,000,000	3,864,328	(135,672)
Sprayfield Golf Course Revenue	1,266,350	1,763,103	496,753
Tap Connection and Inspection Fees	80,000	108,190	28,190
Investment Revenues	5,000	73,412	68,412
Miscellaneous Revenues	810,000	921,978	111,978
TOTAL REVENUES	$ 20,578,127	$ 22,482,305	$ 1,904,178
EXPENDITURES			
Service Operations:			
Professional Fees	$ 660,000	$ 573,449	$ 86,551
Contracted Services	7,975,000	8,377,595	(402,595)
Utilities	2,400,000	2,075,391	324,609
Repairs and Maintenance	5,300,000	5,055,755	244,245
Effluent Sprayfield	1,018,863	1,203,522	(184,659)
Other	2,266,540	2,096,246	170,294
Capital Outlay	245,000	680,174	(435,174)
Debt Service:			
Lease Principal and Interest		34,512	(34,512)
Note Principal and Interest		17,244	(17,244)
Bond Principal and Interest	607,420	638,570	(31,150)
TOTAL EXPENDITURES	$ 20,472,823	$ 20,752,458	$ (279,635)
NET CHANGE IN FUND BALANCE	$ 105,304	$ 1,729,847	$ 1,624,543
FUND BALANCE - OCTOBER 1, 2024	8,603,997	8,603,997	
FUND BALANCE - SEPTEMBER 30, 2025	$ 8,709,301	$ 10,333,844	$ 1,624,543

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT

SUPPLEMENTARY INFORMATION

SEPTEMBER 30, 2025

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Hunt Properties Defined Area Special Revenue Fund	Rancho Desierto Bello Defined Area Special Revenue Fund	Rancho Desierto Bello Defined Area Debt Service Fund
ASSETS			
Cash	$ 28,330	$ 227,092	$ 83,585
Receivables:			
Property Taxes		162	147
Due from Other Funds		18,006	162,837
TOTAL ASSETS	$ 28,330	$ 245,260	$ 246,569
LIABILITIES			
Accounts Payable	$ 5,387	$ 2,530	$
Due to Other Funds	31	162,837	
TOTAL LIABILITIES	$ 5,418	$ 165,367	$ - 0 -
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	$ - 0 -	$ 162	$ 147
FUND BALANCES			
Nonspendable Prepaid Costs	$	$	$
Restricted	22,912	79,731	246,422
TOTAL FUND BALANCES	$ 22,912	$ 79,731	$ 246,422
TOTAL DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 28,330	$ 245,260	$ 246,569

See accompanying independent auditor's report.

Ravenna Defined Area Special Revenue Fund	Ravenna Defined Area Debt Service Fund	Hunt Communities Defined Area Special Revenue Fund	Hunt Communities Defined Area Debt Service Fund	Summer Sky North Defined Area Special Revenue Fund	Total Defined Areas Nonmajor Funds
181,360	$ 320,376	$ 512,275	$ 414,523	$ 211	$ 1,767,752
911	1,457	2,599	2,055		7,331
506			3,238		184,587
$ 182,777	$ 321,833	$ 514,874	$ 419,816	$ 211	$ 1,959,670
$ 3,967	$	$ 2,594	$	$	$ 14,478
534	506	4,460		1,810	170,178
$ 4,501	$ 506	$ 7,054	$ - 0 -	$ 1,810	$ 184,656
$ 911	$ 1,457	$ 2,599	$ 2,055	$ - 0 -	$ 7,331
$	$	$	$	$	$
177,365	319,870	505,221	417,761	(1,599)	1,767,683
$ 177,365	$ 319,870	$ 505,221	$ 417,761	$ (1,599)	$ 1,767,683
$ 182,777	$ 321,833	$ 514,874	$ 419,816	$ 211	$ 1,959,670

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Hunt Properties Defined Area Special Revenue Fund	Rancho Desierto Bello Defined Area Special Revenue Fund	Rancho Desierto Bello Defined Area Debt Service Fund
REVENUES			
Property Taxes	$ 14,477	$ 94,838	$ 86,174
Penalty and Interest		192	196
Investment Revenues	239	1,478	665
Miscellaneous Revenues		605	339
TOTAL REVENUES	$ 14,716	$ 97,113	$ 87,374
EXPENDITURES			
Service Operations:			
Professional Fees	$ 17,686	$ 6,659	
Contracted Services	303	3,970	
Other		49	
Debt Service:			
Bond Principal			30,000
Bond Interest			64,971
TOTAL EXPENDITURES/EXPENSES	$ 17,989	$ 10,678	$ 94,971
NET CHANGE IN FUND BALANCES	$ (3,273)	$ 86,435	$ (7,597)
FUND BALANCES OCTOBER 1, 2024	$ 26,185	$ (6,704)	$ 254,019
FUND BALANCES SEPTEMBER 30, 2025	$ 22,912	$ 79,731	$ 246,422

See accompanying independent auditor's report.

Ravenna Defined Area Special Revenue Fund	Ravenna Defined Area Debt Service Fund	Hunt Communities Defined Area Special Revenue Fund	Hunt Communities Defined Area Debt Service Fund	Summer Sky North Defined Area Special Revenue Fund	Total Defined Areas Nonmajor Funds
122,973	158,697	$ 274,379	$ 200,956	$ 767	$ 953,261
160	327	1,066	929		2,870
1,227	1,881	3,265	2,472		11,227
410			2,653	453	4,460
$ 124,770	$ 160,905	$ 278,710	$ 207,010	$ 1,220	$ 971,818
$ 12,415	$	$ 7,235	$	$ 1,780	$ 45,775
6,025		10,543		8	20,849
		2,819			2,868
					30,000
					64,971
$ 18,440	$ - 0 -	$ 20,597	$ - 0 -	$ 1,788	$ 164,463
$ 106,330	$ 160,905	$ 258,113	$ 207,010	$ (568)	$ 807,355
$ 71,035	$ 158,965	$ 247,108	$ 210,751	$ (1,031)	$ 960,328
$ 177,365	$ 319,870	$ 505,221	$ 417,761	$ (1,599)	$ 1,767,683

See accompanying independent auditor's report.

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HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT

SUPPLEMENTARY INFORMATION REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

SEPTEMBER 30, 2025

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HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
SCHEDULE OF SERVICES AND RATES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

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

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

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

2. RETAIL SERVICE PROVIDERS

a. RETAIL RATES FOR A 3/4" METER (OR EQUIVALENT):

Based on the rate order effective July 1, 2025.

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1,000 Gallons over Minimum Use	Usage Levels
WATER:	$ 20.85	3,000	N	$ 1.58	3,001 to 6,000
				$ 1.98	6,001 to 10,000
				$ 2.47	10,001 to 15,000
				$ 3.09	15,001 to 25,000
				$ 3.86	25,001 to 50,000
				$ 4.82	50,001 to 100,000
				$ 6.03	100,001 to 250,000
				$ 7.53	250,001 to 400,000
				$ 9.42	400,001 to 1,000,000
				$ 11.77	Over 1,000,000
WASTEWATER:	$ 18.68	3,000	N	$ 1.05	3,001 to 6,000
				$ 1.31	6,001 to 10,000
				$ 1.64	10,001 to 15,000
				$ 2.05	15,001 to 25,000
				$ 2.56	25,001 to 50,000
				$ 3.20	50,001 to 100,000
				$ 4.01	100,001 to 250,000
				$ 5.01	250,001 to 400,000
				$ 6.26	400,001 to 1,000,000
				$ 7.82	Over 1,000,000
BASE SERVICE:	$ 25.05		Y		

District employs winter averaging for wastewater usage?	Yes	X No

Total charges per 10,000 gallons usage: Water: $33.51 Wastewater: $27.07 Base Charge: $25.05 Total: $85.63

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
SCHEDULE OF SERVICES AND RATES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

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"	15,207	14,652	x 1.0	14,652
1"	134	123	x 2.5	308
1½"	61	53	x 5.0	265
2"	97	88	x 8.0	704
3"	15	15	x 15.0	225
4"	20	20	x 25.0	500
6"	1	1	x 50.0	50
8"			x 80.0	
10"			x 115.0	
Total Water Connections	15,535	14,952		16,704
Total Wastewater Connections	12,665	12,249	x 1.0	12,249

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

Gallons pumped into system:	2,477,829,000	Water Accountability Ratio: 54.07% (Gallons billed and sold/Gallons pumped and purchased)
Gallons billed to customers:	1,339,674,000	

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
SCHEDULE OF SERVICES AND RATES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

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

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

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

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes X No _____

County or Counties in which District is located:

El Paso County, Texas

Is the District located within a city?

Entirely _____ Partly X Not at all _____

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

Entirely _____ Partly X Not at all _____

ETJ's in which District is located:

City of El Paso, Texas; City of Socorro, Texas; and Town of Horizon City, Texas

Are Board Members appointed by an office outside the District?

Yes _____ No X

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

PROFESSIONAL FEES:		
Auditing	$	44,000
Engineering		193,739
Legal		255,160
Delinquent Tax Attorney		80,550
TOTAL PROFESSIONAL FEES	$	573,449
CONTRACTED SERVICES:		
Appraisal District	$	299,587
Bookkeeping		167,481
Management and Operations		4,064,160
Tax Assessor/Collector		80,550
TOTAL CONTRACTED SERVICES	$	4,611,778
UTILITIES	$	2,075,391
REPAIRS AND MAINTENANCE	$	5,055,755
ADMINISTRATIVE EXPENDITURES:		
Director Fees	$	26,200
Dues		4,736
Election Costs		5,171
Insurance		87,880
Legal Notices		3,481
Office Supplies and Postage		2,316
Payroll Taxes		2,004
Travel and Meetings		4,545
Other		31,375
TOTAL ADMINISTRATIVE EXPENDITURES	$	167,708
CAPITAL OUTLAY	$	680,174

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2025

SOLID WASTE DISPOSAL	$	3,765,817
EFFLUENT SPRAYFIELD	$	1,203,522
OTHER EXPENDITURES:		
Arbitrage Rebate	$	135,487
Chemicals		1,102,561
Fuel, Gasoline and Oil		46,440
Laboratory Fees		100,800
Permit Fees		233,829
Inspection Fees		2,379
Regulatory Assessment		46,756
Sludge Hauling		145,738
Other		114,548
TOTAL OTHER EXPENDITURES	$	1,928,538
DEBT SERVICE:		
Bond Principal	$	605,000
Bond Interest		33,570
Lease Principal		30,715
Lease Interest		3,797
Note Principal		17,244
TOTAL DEBT SERVICE	$	690,326
TOTAL EXPENDITURES	$	20,752,458

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
INVESTMENTS
SEPTEMBER 30, 2025

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
GENERAL FUND					
LOGIC	XXXX4010	Varies	Daily	$ 27,157	$ - 0 -
DEBT SERVICE FUND					
LOGIC	XXXX4020	Varies	Daily	$ 7,199,724	$ - 0 -
CAPITAL PROJECTS FUND					
LOGIC	XXXX4050	Various	Daily	$ 49,544,960	$
LOGIC	XXXX4060	Various	Daily	85,784,341	
Money Market Mutual Fund	XXXX4991	Various	Daily	602,686	
Money Market Mutual Fund	XXXX5001	Various	Daily	386,819	
TOTAL CAPITAL PROJECTS FUND				$ 136,318,806	$ - 0 -
TOTAL - ALL FUNDS				$ 143,545,687	$ - 0 -

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Maintenance Taxes	Debt Service Taxes
TAXES RECEIVABLE - OCTOBER 1, 2024	$ 463,596	$ 775,860
2024 Tax Levy - District	5,653,394	13,083,395
2024 Tax Levy - Hunt Communities Defined Area	276,501	202,058
2024 Tax Levy - Ravenna Defined Area	123,601	159,023
2024 Tax Levy - Rancho Desierto Bello Defined Area	95,180	86,307
2024 Tax Levy - Hunt Properties Defined Area	14,477	
2024 Tax Levy - Summer Sky North Defined Area	767	
Adjustments to Prior Year Levies	(38,623)	(52,843)
TOTAL TO BE ACCOUNTED FOR	$ 6,125,297	$ 13,477,940
TAX COLLECTIONS:		
Current Year - District	$ 5,549,277	$ 12,807,361
Current Year - Hunt Communities Defined Area	274,380	200,957
Current Year - Ravenna Defined Area	122,973	158,697
Current Year - Rancho Desierto Bello Defined Area	94,838	86,174
Current Year - Hunt Properties Defined Area	14,477	
Current Year - Summer Sky North Defined Area	767	
TOTAL COLLECTIONS	$ 6,056,712	$ 13,253,189
TAXES RECEIVABLE - SEPTEMBER 30, 2025	$ 532,181	$ 1,000,611
TAXES RECEIVABLE BY YEAR:		
2024	$ 161,145	$367,954
2023	80,044	134,400
2022	48,974	69,623
2021	35,209	52,409
2020	27,433	47,919
2019	23,460	45,266
2018 and prior	155,916	283,040
TOTAL	$ 532,181	$ 1,000,611
TAXES RECEIVABLE BY FUND		
District	$ 528,509	$ 996,952
Hunt Communities Defined Area	2,599	2,055
Ravenna Defined Area	911	1,457
Ranch Desierto Bello Defined Area	162	147
TOTAL	$ 532,181	$ 1,000,611

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	2024	2023	2022	2021
TOTAL PROPERTY VALUATIONS	$ 2,820,167,065	$ 2,474,579,942	$ 2,027,654,843	$ 1,716,739,332
TAX RATES PER $100 VALUATION:				
Debt Service	$ 0.462807	$ 0.338173	$ 0.300000	$ 0.329557
Maintenance**	0.199981	0.201829	0.211024	0.221400
TOTAL TAX RATES PER $100 VALUATION	$ 0.662788	$ 0.540002	$ 0.511024	$ 0.550957
ADJUSTED TAX LEVY*	$ 18,736,789	$ 13,375,645	$ 10,379,975	$ 9,472,289
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	97.21 %	98.40 %	98.86 %	99.08 %

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

** Maintenance Tax – Maximum tax rate of $1.50 per $100 of assessed valuation was approved by Horizon MUD voters on July 14, 1970. Voters within the Defined Areas of the District approved a maximum tax rate of $1.00 per $100 of assessed valuation on November 6, 2018.

The 2024 real property valuations for Hunt Communities Defined Areas are $212,570,084, Ravenna Defined Area are $125,610,472, Rancho Desierto Bello Defined Area are $80,661,188, Hunt Properties Defined Area are $6,434,092 and Summer Sky North Defined Area are $340,986.

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2025

	REFUNDING SERIES-2012		
Due During Fiscal Years Ending September 30	Principal Due March 1	Interest Due March 1/ September 1	Total
2026	$ 630,000	$ 11,340	$ 641,340
2027			
2028			
2029			
2030			
2031			
2032			
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	$ 630,000	$ 11,340	$ 641,340

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2025

	REFUNDING SERIES-2014		
Due During Fiscal Years Ending September 30	Principal Due February 1	Interest Due February 1/ August 1	Total
2026	$ 955,000	$ 276,225	$ 1,231,225
2027	990,000	247,050	1,237,050
2028	1,045,000	211,300	1,256,300
2029	1,100,000	168,400	1,268,400
2030	1,155,000	123,300	1,278,300
2031	1,220,000	75,800	1,295,800
2032	1,285,000	25,700	1,310,700
2033			
2034			
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	$ 7,750,000	$ 1,127,775	$ 8,877,775

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2025

	SERIES-2014		
Due During Fiscal Years Ending September 30	Principal Due February 1	Interest Due February 1/ August 1	Total
2026	$	$ 76,713	$ 76,713
2027		76,712	76,712
2028		76,713	76,713
2029		76,712	76,712
2030		76,713	76,713
2031		76,712	76,712
2032		76,713	76,713
2033		76,712	76,712
2034		76,713	76,713
2035	435,000	68,556	503,556
2036	480,000	51,400	531,400
2037	510,000	32,200	542,200
2038	550,000	11,000	561,000
2039			
2040			
2041			
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2054			
	$ 1,975,000	$ 853,569	$ 2,828,569

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2025

Due During Fiscal Years Ending September 30	REFUNDING SERIES-2015		
	Principal Due February 1	Interest Due February 1/ August 1	Total
2026	$ 835,000	$ 210,925	$ 1,045,925
2027	860,000	184,963	1,044,963
2028	875,000	157,306	1,032,306
2029	895,000	128,544	1,023,544
2030	920,000	95,600	1,015,600
2031	955,000	58,100	1,013,100
2032	975,000	19,500	994,500
2033			
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	$ 6,315,000	$ 854,938	$ 7,169,938

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2025

	REFUNDING SERIES-2016		
Due During Fiscal Years Ending September 30	Principal Due February 1	Interest Due February 1/ August 1	Total
2026	$ 770,000	$ 281,525	$ 1,051,525
2027	800,000	259,900	1,059,900
2028	825,000	235,525	1,060,525
2029	855,000	210,325	1,065,325
2030	885,000	184,225	1,069,225
2031	910,000	156,163	1,066,163
2032	950,000	125,938	1,075,938
2033	3,400,000	55,250	3,455,250
2034	99,985	3,385,015	3,485,000
2035			
2036			
2037			
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2054			
	$ 9,494,985	$ 4,893,866	$ 14,388,851

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2025

	SERIES-2017		
Due During Fiscal Years Ending September 30	Principal Due February 1	Interest Due February 1/ August 1	Total
2026	$ 60,000	$ 309,375	$ 369,375
2027	50,000	307,725	357,725
2028	40,000	306,375	346,375
2029	35,000	305,250	340,250
2030	30,000	304,256	334,256
2031	20,000	303,463	323,463
2032	15,000	302,894	317,894
2033		302,650	302,650
2034		302,650	302,650
2035	1,025,000	284,712	1,309,712
2036	1,060,000	248,225	1,308,225
2037	1,105,000	210,338	1,315,338
2038	1,150,000	170,875	1,320,875
2039	4,020,000	75,375	4,095,375
2040			
2041			
2042			
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2054			
	$ 8,610,000	$ 3,734,163	$ 12,344,163

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2025

	SERIES-2019		
Due During Fiscal Years Ending September 30	Principal Due February 1	Interest Due February 1/ August 1	Total
2026	$ 70,000	$ 674,144	$ 744,144
2027	70,000	670,644	740,644
2028	75,000	667,769	742,769
2029	75,000	665,519	740,519
2030	80,000	663,194	743,194
2031	80,000	660,794	740,794
2032	85,000	658,266	743,266
2033	25,000	656,531	681,531
2034		656,125	656,125
2035	160,000	653,425	813,425
2036	165,000	647,941	812,941
2037	165,000	642,269	807,269
2038	160,000	636,581	796,581
2039	160,000	630,981	790,981
2040	3,215,000	571,919	3,786,919
2041	3,345,000	455,028	3,800,028
2042	3,480,000	331,325	3,811,325
2043	3,625,000	202,547	3,827,547
2044	3,775,000	68,422	3,843,422
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
2054			
	$ 18,810,000	$ 10,813,424	$ 29,623,424

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2025

	SERIES-2020		
Due During Fiscal Years Ending September 30	Principal Due February 1	Interest Due February 1/ August 1	Total
2026	$ 10,000	$ 332,550	$ 342,550
2027	15,000	332,175	347,175
2028	15,000	331,725	346,725
2029	15,000	331,275	346,275
2030	15,000	330,825	345,825
2031	15,000	330,375	345,375
2032	10,000	330,000	340,000
2033	15,000	329,625	344,625
2034	10,000	329,250	339,250
2035	15,000	328,875	343,875
2036	10,000	328,500	338,500
2037	10,000	328,200	338,200
2038	15,000	327,825	342,825
2039	10,000	327,450	337,450
2040	1,125,000	310,425	1,435,425
2041	1,140,000	276,450	1,416,450
2042	1,160,000	241,950	1,401,950
2043	1,175,000	206,925	1,381,925
2044	1,190,000	171,450	1,361,450
2045	5,120,000	76,800	5,196,800
2046			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
2054			
	$ 11,090,000	$ 5,902,650	$ 16,992,650

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2025

	SERIES-2020A		
Due During Fiscal Years Ending September 30	Principal Due February 1	Interest Due February 1/ August 1	Total
2026	$ 30,000	$	$ 30,000
2027	30,000		30,000
2028	35,000		35,000
2029	35,000		35,000
2030	30,000		30,000
2031	30,000		30,000
2032	30,000		30,000
2033	30,000		30,000
2034	30,000		30,000
2035	30,000		30,000
2036	30,000		30,000
2037	30,000		30,000
2038	30,000		30,000
2039	30,000		30,000
2040	35,000		35,000
2041	25,000		25,000
2042	15,000		15,000
2043			
2044			
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2053			
2054			
	$ 505,000	$ - 0 -	$ 505,000

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2025

	SERIES-2021 REFUNDING		
Due During Fiscal Years Ending September 30	Principal Due February 1	Interest Due February 1/ August 1	Total
2026	$ 45,000	$ 170,975	$ 215,975
2027	50,000	169,550	219,550
2028	50,000	168,050	218,050
2029	50,000	166,550	216,550
2030	50,000	165,050	215,050
2031	55,000	163,750	218,750
2032	55,000	162,650	217,650
2033	55,000	161,550	216,550
2034	55,000	160,450	215,450
2035	1,965,000	140,250	2,105,250
2036	1,985,000	100,750	2,085,750
2037	2,010,000	60,800	2,070,800
2038	2,035,000	20,350	2,055,350
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
2054			
	$ 8,460,000	$ 1,810,725	$ 10,270,725

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2025

Due During Fiscal Years Ending September 30	SERIES-2022 Principal Due February 1	Interest Due February 1/ August 1	Total
2026	$ 310,000	$ 749,400	$ 1,059,400
2027	310,000	733,900	1,043,900
2028	315,000	718,275	1,033,275
2029	325,000	703,900	1,028,900
2030	340,000	690,600	1,030,600
2031	345,000	676,900	1,021,900
2032	360,000	662,800	1,022,800
2033	365,000	648,300	1,013,300
2034	380,000	633,400	1,013,400
2035	390,000	618,000	1,008,000
2036	400,000	602,200	1,002,200
2037	415,000	585,900	1,000,900
2038	425,000	569,100	994,100
2039	290,000	554,800	844,800
2040	295,000	543,100	838,100
2041	320,000	530,800	850,800
2042	345,000	517,500	862,500
2043	375,000	503,100	878,100
2044	390,000	487,800	877,800
2045	410,000	471,800	881,800
2046	5,705,000	349,500	6,054,500
2047	5,885,000	117,700	6,002,700
2048			
2049			
2050			
2051			
2052			
2053			
2054			
	$ 18,695,000	$ 12,668,775	$ 31,363,775

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2025

	SERIES-2023		
Due During Fiscal Years Ending September 30	Principal Due February 1	Interest Due February 1/ August 1	Total
2026	$ 215,000	$ 1,660,494	$ 1,875,494
2027	230,000	1,642,694	1,872,694
2028	250,000	1,623,494	1,873,494
2029	265,000	1,602,894	1,867,894
2030	275,000	1,581,294	1,856,294
2031	295,000	1,558,494	1,853,494
2032	305,000	1,534,494	1,839,494
2033	325,000	1,512,544	1,837,544
2034	340,000	1,492,594	1,832,594
2035	355,000	1,473,519	1,828,519
2036	375,000	1,457,144	1,832,144
2037	395,000	1,441,744	1,836,744
2038	415,000	1,425,544	1,840,544
2039	435,000	1,408,544	1,843,544
2040	460,000	1,390,644	1,850,644
2041	480,000	1,371,844	1,851,844
2042	505,000	1,352,144	1,857,144
2043	530,000	1,331,444	1,861,444
2044	555,000	1,309,744	1,864,744
2045	585,000	1,286,944	1,871,944
2046	635,000	1,262,147	1,897,147
2047	720,000	1,234,200	1,954,200
2048	6,895,000	1,077,141	7,972,141
2049	7,215,000	786,122	8,001,122
2050	7,550,000	481,594	8,031,594
2051	7,900,000	162,937	8,062,937
2052			
2053			
2054			
	$ 38,505,000	$ 34,462,396	$ 72,967,396

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2025

Due During Fiscal Years Ending September 30	SERIES-2024 Principal Due February 1	Interest Due February 1/ August 1	Total
2026	$ 1,170,000	$ 4,039,494	$ 5,209,494
2027	1,225,000	3,943,694	5,168,694
2028	1,275,000	3,843,694	5,118,694
2029	1,330,000	3,739,494	5,069,494
2030	1,390,000	3,630,694	5,020,694
2031	1,445,000	3,517,294	4,962,294
2032	1,510,000	3,406,644	4,916,644
2033	1,575,000	3,302,606	4,877,606
2034	1,635,000	3,218,719	4,853,719
2035	1,700,000	3,152,019	4,852,019
2036	1,760,000	3,082,819	4,842,819
2037	1,830,000	3,011,019	4,841,019
2038	1,900,000	2,936,419	4,836,419
2039	1,970,000	2,859,019	4,829,019
2040	2,045,000	2,778,719	4,823,719
2041	2,135,000	2,695,119	4,830,119
2042	2,220,000	2,606,631	4,826,631
2043	2,315,000	2,513,097	4,828,097
2044	2,415,000	2,414,031	4,829,031
2045	2,520,000	2,309,163	4,829,163
2046	2,630,000	2,199,725	4,829,725
2047	2,745,000	2,085,506	4,830,506
2048	2,855,000	1,966,506	4,821,506
2049	2,955,000	1,843,044	4,798,044
2050	3,065,000	1,715,119	4,780,119
2051	3,175,000	1,582,519	4,757,519
2052	11,575,000	1,269,081	12,844,081
2053	12,125,000	765,456	12,890,456
2054	12,695,000	253,900	12,948,900
	$ 89,185,000	$ 76,681,244	$ 165,866,244

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2025

Due During Fiscal Years Ending September 30	RANCHO DESIERTO BELLO DEFINED AREA SERIES-2024 Principal Due February 1	Interest Due February 1/ August 1	Total
2026	$ 30,000	$ 74,469	$ 104,469
2027	35,000	71,828	106,828
2028	35,000	68,984	103,984
2029	35,000	66,141	101,141
2030	35,000	63,297	98,297
2031	40,000	60,250	100,250
2032	40,000	57,800	97,800
2033	40,000	56,150	96,150
2034	40,000	54,500	94,500
2035	45,000	52,747	97,747
2036	45,000	50,891	95,891
2037	50,000	48,931	98,931
2038	50,000	46,869	96,869
2039	50,000	44,806	94,806
2040	55,000	42,641	97,641
2041	55,000	40,372	95,372
2042	60,000	38,000	98,000
2043	60,000	35,525	95,525
2044	65,000	32,947	97,947
2045	70,000	30,163	100,163
2046	70,000	27,275	97,275
2047	75,000	24,284	99,284
2048	80,000	21,038	101,038
2049	85,000	17,531	102,531
2050	85,000	13,919	98,919
2051	90,000	10,200	100,200
2052	95,000	6,269	101,269
2053	100,000	2,125	102,125
2054			
	$ 1,615,000	$ 1,159,952	$ 2,774,952

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
LONG-TERM DEBT SERVICE REQUIREMENTS
SEPTEMBER 30, 2025

Due During Fiscal Years Ending September 30	ANNUAL REQUIREMENTS FOR ALL SERIES		
	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2026	$ 5,130,000	$ 8,867,629	$ 13,997,629
2027	4,665,000	8,640,835	13,305,835
2028	4,835,000	8,409,210	13,244,210
2029	5,015,000	8,165,004	13,180,004
2030	5,205,000	7,909,048	13,114,048
2031	5,410,000	7,638,095	13,048,095
2032	5,620,000	7,363,399	12,983,399
2033	5,830,000	7,101,918	12,931,918
2034	2,589,985	10,309,416	12,899,401
2035	6,120,000	6,772,103	12,892,103
2036	6,310,000	6,569,870	12,879,870
2037	6,520,000	6,361,401	12,881,401
2038	6,730,000	6,144,563	12,874,563
2039	6,965,000	5,900,975	12,865,975
2040	7,230,000	5,637,448	12,867,448
2041	7,500,000	5,369,613	12,869,613
2042	7,785,000	5,087,550	12,872,550
2043	8,080,000	4,792,638	12,872,638
2044	8,390,000	4,484,394	12,874,394
2045	8,705,000	4,174,870	12,879,870
2046	9,040,000	3,838,647	12,878,647
2047	9,425,000	3,461,690	12,886,690
2048	9,830,000	3,064,685	12,894,685
2049	10,255,000	2,646,697	12,901,697
2050	10,700,000	2,210,632	12,910,632
2051	11,165,000	1,755,656	12,920,656
2052	11,670,000	1,275,350	12,945,350
2053	12,225,000	767,581	12,992,581
2054	12,695,000	253,900	12,948,900
	$ 221,639,985	$ 154,974,817	$ 376,614,802

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Description	Original Bonds Issued	Bonds Outstanding October 1, 2024
Horizon Regional Municipal Utility District Waterworks and Sewer System Revenue Refunding Bonds - Series 2012	$ 6,660,000	$ 1,235,000
Horizon Regional Municipal Utility District Unlimited Tax Refunding Bonds - Series 2014	7,935,000	7,770,000
Horizon Regional Municipal Utility District Unlimited Tax Bonds - Series 2014	1,975,000	1,975,000
Horizon Regional Municipal Utility District Unlimited Tax Refunding Bonds - Series 2015	9,535,000	6,765,000
Horizon Regional Municipal Utility District Unlimited Tax Refunding Bonds - Series 2016	15,164,985	10,244,985
Horizon Regional Municipal Utility District Unlimited Tax Bonds - Series 2017	9,575,000	8,760,000
Horizon Regional Municipal Utility District Unlimited Tax Bonds - Series 2019	19,200,000	18,880,000
Horizon Regional Municipal Utility District Unlimited Tax Bonds - Series 2020	11,110,000	11,100,000
Horizon Regional Municipal Utility District Unlimited Tax Bonds - Series 2020A	620,000	530,000
Horizon Regional Municipal Utility District Unlimited Tax Refunding Bonds - Series 2021	13,085,000	9,680,000
Horizon Regional Municipal Utility District Unlimited Tax Bonds - Series 2022	19,590,000	18,995,000
Horizon Regional Municipal Utility District Unlimited Tax Bonds - Series 2023	38,710,000	38,710,000
Horizon Regional Municipal Utility District Unlimited Tax Bonds - Series 2024	89,680,000	89,680,000

See accompanying independent auditor's report.

Current Year Transactions				
	Retirements			
Bonds Sold	Principal	Interest	Bonds Outstanding September 30, 2025	Paying Agent
$	$ 605,000	$ 33,570	$ 630,000	Southside Bank Tyler, TX
	20,000	290,850	7,750,000	Bank of Texas Austin, TX
		76,713	1,975,000	Bank of Texas Austin, TX
	450,000	230,200	6,315,000	BOKF, N.A. Austin, TX
	750,000	300,525	9,494,985	BOKF, N.A. Austin, TX
	150,000	312,525	8,610,000	BOKF, N.A. Austin, TX
	70,000	677,643	18,810,000	UMB Bank, N.A. Austin, TX
	10,000	332,850	11,090,000	UMB Bank, N.A. Austin, TX
	25,000		505,000	UMB Bank, N.A. Austin, TX
	1,220,000	189,950	8,460,000	UMB Bank, N.A. Austin, TX
	300,000	764,650	18,695,000	UMB Bank, N.A. Austin, TX
	205,000	1,677,294	38,505,000	UMB Bank, N.A. Austin, TX
	495,000	4,048,790	89,185,000	UMB Bank, N.A. Austin, TX

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED SEPTEMBER 30, 2025

Description	Original Bonds Issued	Bonds Outstanding October 1, 2024
Horizon Regional Municipal Utility District		
Rancho Desierto Bello Defined Area		
Unlimited Tax Bonds - Series 2024	1,645,000	1,645,000
	$ 244,484,985	$ 225,969,985

Bond Authority:	Tax Bonds	Refunding Bonds
Amount Authorized by Voters	$ 355,000,000	$ 292,500,000
Amount Issued	257,300,000	68,025,000
Remaining to be Issued	$ 97,700,000	$ 224,475,000

Debt Service Fund cash and investment balances (including defined areas) as of September 30, 2025:	$ 10,157,895
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 12,986,717

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

See accompanying independent auditor's report.

Current Year Transactions				
	Retirements			
Bonds Sold	Principal	Interest	Bonds Outstanding September 30, 2025	Paying Agent
				UMB Bank, N.A. Austin, TX
	30,000	64,971	1,615,000	
$ - 0 -	$ 4,330,000	$ 9,000,531	$ 221,639,985	

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND – FIVE YEARS

	Amounts		
	2025	2024	2023
REVENUES			
Property Taxes	$ 5,549,277	$ 4,902,166	$ 4,231,425
Water Service	6,398,372	5,978,857	5,717,904
Wastewater Service	3,321,937	3,124,882	2,890,644
Garbage Service Revenues	3,864,328	3,781,891	3,414,249
Sprayfield Golf Course Revenue	1,763,103	1,381,438	1,049,388
Penalty and Interest	481,708	468,555	433,173
Tap Connection and Inspection Fees	108,190	72,490	80,573
Investment Revenues	73,412	13,574	7,548
Miscellaneous Revenues	921,978	1,261,220	942,808
TOTAL REVENUES	$ 22,482,305	$ 20,985,073	$ 18,767,712
EXPENDITURES			
Professional Fees	$ 573,449	$ 632,371	$ 530,942
Contracted Services	8,377,595	7,256,722	6,509,789
Utilities	2,075,391	2,104,153	2,124,028
Repairs and Maintenance	5,055,755	4,492,597	4,616,779
Effluent Sprayfield	1,203,522	961,899	890,281
Other	2,096,246	1,783,316	1,851,331
Capital Outlay	680,174	879,339	
Debt Service:			
Bond Issuance Costs			
Principal	652,959	617,932	682,686
Interest	37,367	58,335	78,410
TOTAL EXPENDITURES	$ 20,752,458	$ 18,786,664	$ 17,284,246
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 1,729,847	$ 2,198,409	$ 1,483,466
OTHER FINANCING SOURCES (USES)			
Lease Proceeds	$	$ 93,484	$
Note Proceeds		34,488	
TOTAL OTHER FINANCING SOURCES (USES)	$ - 0 -	$ 127,972	$ - 0 -
NET CHANGE IN FUND BALANCE	$ 1,729,847	$ 2,326,381	$ 1,483,466
BEGINNING FUND BALANCE	8,603,997	6,277,616	4,794,150
ENDING FUND BALANCE	$ 10,333,844	$ 8,603,997	$ 6,277,616

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2022	2021	2025	2024	2023	2022	2021
$ 3,766,925	$ 3,126,950	24.6 %	23.3 %	22.5 %	21.6 %	20.9 %
5,208,692	4,517,404	28.6	28.6	30.6	30.1	29.8
2,621,573	2,434,917	14.8	14.9	15.4	15.1	16.1
3,100,721	2,864,993	17.2	18.0	18.2	17.9	19.0
1,231,304	1,124,960	7.8	6.6	5.6	7.1	7.4
374,019	201,953	2.1	2.2	2.3	2.2	1.3
66,895	62,208	0.5	0.3	0.4	0.4	0.4
3,732	2,796	0.3	0.1			
964,607	772,983	4.1	6.0	5.0	5.6	5.1
$ 17,338,468	$ 15,109,164	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
$ 485,374	$ 324,131	2.6 %	3.0 %	2.8 %	2.8 %	2.1 %
5,762,056	5,347,252	37.3	34.6	34.7	33.2	35.4
2,392,128	1,682,245	9.2	10.0	11.3	13.8	11.1
3,251,029	2,956,922	22.5	21.4	24.6	18.8	19.6
838,687	768,541	5.4	4.6	4.7	4.8	5.1
1,518,571	1,205,731	9.3	8.5	9.9	8.8	8.0
456,897	283,914	3.0	4.2		2.6	1.9
	2,344					
747,028	786,904	2.9	2.9	3.6	4.3	5.2
110,289	159,760	0.2	0.3	0.4	0.6	1.1
$ 15,562,059	$ 13,517,744	92.4 %	89.5 %	92.0 %	89.7 %	89.5 %
$ 1,776,409	$ 1,591,420	7.6 %	10.5 %	8.0 %	10.3 %	10.5 %
$	$ 81,438					
$ - 0 -	$ 81,438					
$ 1,776,409	$ 1,672,858					
3,017,741	1,344,883					
$ 4,794,150	$ 3,017,741					

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUNDS - FIVE YEARS

	Amounts		
	2025	2024	2023
REVENUES			
Property Taxes	$ 12,807,361	$ 8,208,252	$ 6,029,972
Penalty and Interest	115,759	73,278	74,717
Investment Revenues	323,769	366,088	298,406
Miscellaneous Revenues	5,622		
TOTAL REVENUES	$ 13,252,511	$ 8,647,618	$ 6,403,095
EXPENDITURES			
Tax Collection Expenditures	$ 10,700	$ 4,249	$ 3,250
Debt Service Principal	3,695,000	2,915,000	2,835,000
Debt Service Interest and Fees	8,908,690	4,855,871	3,266,567
Bond Issuance Costs			
TOTAL EXPENDITURES	$ 12,614,390	$ 7,775,120	$ 6,104,817
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ 638,121	$ 872,498	$ 298,278
OTHER FINANCING SOURCES (USES)			
Long-Term Debt Issued	$	$	$
Payment to Refunded Bond Escrow Agent			
Bond Premium			
TOTAL OTHER FINANCING SOURCES (USES)	$ - 0 -	$ - 0 -	$ - 0 -
NET CHANGE IN FUND BALANCE	$ 638,121	$ 872,498	$ 298,278
BEGINNING FUND BALANCE	8,636,522	7,764,024	7,465,746
ENDING FUND BALANCE	$ 9,274,643	$ 8,636,522	$ 7,764,024
TOTAL ACTIVE RETAIL WATER CONNECTIONS	14,952	14,145	13,382
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	12,249	13,905	13,325

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2022	2021	2025	2024	2023	2022	2021
$ 5,623,871	$ 5,469,874	96.7 %	95.0 %	94.1 %	97.9 %	98.6 %
74,665	68,846	0.9	0.8	1.2	1.3	1.2
48,158	8,723	2.4	4.2	4.7	0.8	0.2
$ 5,746,694	$ 5,547,443	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
$ 8,150	$ 6,500	0.1 %	%	0.1 %	0.1 %	0.1 %
2,470,000	2,320,000	27.9	33.7	44.3	43.0	41.8
2,634,775	2,697,877	67.2	56.2	51.0	45.8	48.6
	374,659					6.8
$ 5,112,925	$ 5,399,036	95.2 %	89.9 %	95.4 %	88.9 %	97.3 %
$ 633,769	$ 148,407	4.8 %	10.1 %	4.6 %	11.1 %	2.7 %
$	$ 13,085,000					
	(12,812,301)					
	103,054					
$ - 0 -	$ 375,753					
$ 633,769	$ 524,160					
6,831,977	6,307,817					
$ 7,465,746	$ 6,831,977					
12,722	12,219					
9,764	9,200					

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
SEPTEMBER 30, 2025

District Mailing Address - Horizon Regional Municipal Utility District
14100 Horizon Boulevard
Horizon City, TX 79928

District Telephone Number - (915) 852-3917

Board Members	Term of Office (Elected or Appointed)	Fees of Office for the year ended September 30, 2025	Expense Reimbursements for the year ended September 30, 2025	Title
Gordon Jarvis	05/25 05/29 (Elected)	$ 7,400	$ 1,832	President
Carl Dean Hulsey	05/23 05/27 (Elected)	$ 5,400	$ -0-	Vice President
Mike Barton	05/23 05/27 (Elected)	$ 7,200	$ 1,312	Secretary
Florence Thomas	05/23 05/27 (Elected)	$ 6,200	$ -0-	Treasurer
Ralph Padilla, Jr.	05/25 05/29 (Appointed)	$ -0-	$ 1,401	Assistant Secretary

Note: No Director has any business or family relationships with major landowners in the District, with the District's developer or with any of the District's consultants.

Submission date of most recent District Registration Form: May 30, 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 20, 2003.

See accompanying independent auditor's report.

HORIZON REGIONAL MUNICIPAL UTILITY DISTRICT
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
SEPTEMBER 30, 2025

Consultants:	Date Hired	Fees for the year ended September 30, 2025	Title
Johnson Petrov LLP	03/97	$ 304,992	General Counsel
McCall Gibson Swedlund Barfoot Ellis PLLC	09/24/15	$ 44,000	Audit Related
Inframark, LLC	01/09/13	$ 4,120,970	District Manager and Operations
Carr, Riggs & Ingram, LLC	06/27/24	$ 58,201	Bookkeeper
TRE & Associates, LLC	12/01/11	$ 1,614,533	Engineer
Blitch Associates, Inc.	05/04/15	$ -0-	Financial Advisor
El Paso County Tax Assessor/Collector	03/97	$ 98,818	Tax Assessor/ Collector
Delgado Acosta Spencer Linebarger & Perez, LLP	01/01/06	$ 80,550	Delinquent Tax Attorney

See accompanying independent auditor's report.

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MUNICIPAL ADVISORY SERVICES

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