AMENDED AND RESTATED OFFICIAL STATEMENT DATED SEPTEMBER 17, 2026*

NEW ISSUE -BOOK-ENTRY-ONLY

RATINGS: AG Insured S&P "AA" (stable outlook), Moody's "A1" (stable outlook);
Underlying Rating: Moody's "Baa2"
See "MUNICIPAL BOND RATINGS" and "BOND INSURANCE"

Delivery of the Bonds is subject to the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel to the District, to the effect that interest on the Bonds is excludable from gross income for federal income tax purposes under statutes, regulations, published rulings, and court decisions existing on the date of such opinion, subject to the matters described under "TAX MATTERS" herein, including the alternative minimum tax on certain corporations.

THE DISTRICT HAS DESIGNATED THE BONDS AS QUALIFIED TAX-EXEMPT OBLIGATIONS. See "TAX MATTERS - Qualified Tax-Exempt Obligations for Financial Institutions" herein.

$2,500,000
WEST WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 2
(A Political Subdivision of the State of Texas Located in Williamson County, Texas)
UNLIMITED TAX BONDS, SERIES 2026A

Dated: September 30, 2026 **Due: September 1, as shown on the inside cover page**

Interest on the $2,500,000 West Williamson County Municipal Utility District No. 2 Unlimited Tax Bonds, Series 2026A (the "Bonds") will accrue from the Date of Initial Delivery, defined below, and is payable March 1, 2027 and each September 1 and March 1 thereafter until the earlier of maturity or redemption, and will be calculated on the basis of a 360-day year composed of twelve 30-day months. 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"), New York, New York, acting as securities depository for the Bonds until DTC resigns or is discharged. The Bonds initially will be available to purchasers in book-entry form only. So long as Cede & Co., as the nominee of DTC, is the registered owner of the Bonds, principal of and interest on the Bonds will be payable by the paying agent to DTC, which will be solely responsible for making such payment to the beneficial owners of the Bonds. The initial paying agent/registrar for the Bonds is UMB Bank, N.A., Austin, Texas (the "Paying Agent" or "Paying Agent/Registrar"). The Bonds are obligations solely of West Williamson County Municipal Utility District No. 2 (the "District") and are not obligations of the City of Leander, Texas; Williamson County, Texas; the State of Texas; or any entity other than the District.

The scheduled payment of principal of and interest on the Bonds, when due, will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by **Assured Guaranty Inc.** (**"AG"**).

MATURITY SCHEDULE, INTEREST RATES, INITIAL YIELDS, REDEMPTION PROVISIONS, AND CUSIP NUMBERS
(see inside cover page)

The Bonds, when issued, will constitute valid and legally binding obligations of the District payable solely from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within the District. See "THE BONDS - Source of and Security for Payment." This cover page contains information for quick reference only and is not a summary of the Bonds. Potential investors must read this entire Official Statement to obtain information essential to making an informed investment decision. INVESTMENT IN THE BONDS IS SUBJECT TO CERTAIN INVESTMENT CONSIDERATIONS DESCRIBED HEREIN. See "INVESTMENT CONSIDERATIONS" herein.

The Bonds are offered by the initial purchaser (the "Initial Purchaser") subject to prior sale, when, as and if issued by the District and accepted by the Initial Purchaser, subject, among other things to the approval of the initial Bond by the Attorney General of Texas and the approval of certain legal matters by McCall, Parkhurst & Horton L.L.P., Austin, Texas, Bond Counsel to the District. Delivery of the Bonds in book-entry form is expected through the facilities of DTC on or about September 30, 2026 (the "Date of Initial Delivery") in Austin, Texas.

***The Official Statement has been amended and restated to correct the CUSIP Suffix for 2031 under the heading "MATURITY SCHEDULE, INTEREST RATES, INITIAL YIELDS, REDEMPTION PROVISIONS, AND CUSIP NUMBERS" on page 2 herein.**

MATURITY SCHEDULE, INTEREST RATES, INITIAL YIELDS, REDEMPTION PROVISIONS, AND CUSIP NUMBERS
(Due September 1)

CUSIP Prefix: 95687D

Due		Principal Amount	Interest Rate [a]	Initial Reoffering Yield [b]	CUSIP Suffix [c]	Due		Principal Amount	Interest Rate [a]	Initial Reoffering Yield [b]	CUSIP Suffix [c]
2027		$ 50,000	6.250%	3.170%	JG7	2038	*	$ 100,000	4.375%	4.470%	JT9
2028		65,000	6.250%	3.220%	JH5	2039	*	105,000	4.500%	4.550%	JU6
2029		65,000	6.250%	3.320%	JJ1	2040	*	110,000	4.500%	4.640%	JV4
2030		70,000	6.250%	3.420%	JK8	2041	*	110,000	4.500%	4.720%	JW2
2031		70,000	6.250%	3.520%	JL6	2042	*	120,000	4.500%	4.790%	JX0
2032		80,000	6.250%	3.620%	JM4	2043	*	120,000	4.500%	4.840%	JY8
2033	*	85,000	6.250%	3.720%	JN2	2044	*	125,000	4.500%	4.890%	JZ5
2034	*	85,000	5.500%	3.800%	JP7	2045	*	130,000	4.500%	4.940%	KA8
2035	*	90,000	5.000%	3.860%	JQ5	2046	*	135,000	4.500%	4.970%	KB6
2036	*	95,000	4.250%	4.320%	JR3	2047	*	140,000	4.500%	5.000%	KC4
2037	*	100,000	4.375%	4.390%	JS1	2048	*	145,000	4.500%	5.020%	KD2

$305,000 5.000%[a] Term Bond due September 1, 2050* Yield 5.000%[b] CUSIP Suffix KF7[c]

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* Redemption Provisions: The District reserves the right to redeem, prior to maturity, in integral multiples of $5,000, those Bonds maturing on and after September 1, 2033, in whole or from time to time in part, on September 1, 2032, or 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. The Bond maturing on September 1, 2050 (the "Term Bond") is also subject to mandatory sinking fund redemption. See "THE BONDS – Redemption."

(a) 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 97.00% of par, resulting in a net effective interest rate to the District of 4.923885%.

(b) The initial reoffering yields indicated represent the lower of the yields resulting when priced to maturity or the first redemption 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.

(c) 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 Services provided by CUSIP Global Services. None of the Initial Purchaser, the District, nor Public Finance Group LLC, the District's financial advisor (the "Financial Advisor") is responsible for the selection or correctness of the CUSIP numbers set forth herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part as a result of the procurement of secondary market portfolio insurance or other similar enhancements by investors that is applicable to all or a portion of certain maturities of the Bonds.

ASSURED GUARANTY INC. ("AG") MAKES NO REPRESENTATION REGARDING THE BONDS OR THE ADVISABILITY OF INVESTMENT IN THE BONDS. IN ADDITION, AG HAS NOT INDEPENDENTLY VERIFIED, MAKES NO REPRESENTATION REGARDING, AND DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR THE COMPLETENESS OF THIS OFFICIAL STATEMENT OR ANY INFORMATION OR DISCLOSURE CONTAINED HEREIN, OR OMITTED HEREFROM, OTHER THAN WITH RESPECT TO THE ACCURACY OF THE INFORMATION REGARDING AG AND SUPPLIED BY AG AND PRESENTED UNDER THE HEADINGS "BOND INSURANCE" AND "APPENDIX C – SPECIMEN MUNICIPAL BOND INSURANCE POLICY."

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USE OF INFORMATION IN OFFICIAL STATEMENT

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

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.

The information set forth herein has been obtained from the District and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the Financial Advisor. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinion, or that they will be realized.

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

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 the Financial Advisor, for further information.

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, to the extent that information actually comes to its attention, until delivery of the Bonds to the Initial Purchaser and thereafter only as specified in "OFFICIAL STATEMENT – Updating the Official Statement during Underwriting Period."

NEITHER THE DISTRICT NOR THE FINANCIAL ADVISOR MAKES ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DTC OR ITS BOOK-ENTRY-ONLY SYSTEM.

THE CONTENTS OF THIS OFFICIAL STATEMENT ARE NOT TO BE CONSTRUED AS LEGAL, BUSINESS, OR TAX ADVICE, AND PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN ATTORNEYS AND BUSINESS AND TAX ADVISORS.

SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Bonds, the District has accepted the bid of Robert W. Baird & Co., Inc. (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 97.00% 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 Initial 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 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 or 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 municipal 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

NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC") NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THE BONDS OR PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

No registration statement relating to the offer and sale of the Bonds has been filed with the SEC 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.

The statements contained in this Official Statement, and in other information provided by the District, that are not purely historical, are forward-looking statements, including regarding the District's expectations, hopes, intentions or strategies regarding the future. All forward-looking statements included in this Official Statement are based on information available to the District on the date hereof, and the District assumes no obligation to update any such forward-looking statements. See "INVESTMENT CONSIDERATIONS – Forward-Looking Statements."

MUNICIPAL BOND RATINGS

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") and Moody's Ratings ("Moody's") are expected to assign the insured ratings of "AA" (stable outlook) and "A1" (stable outlook), respectively, to the Bonds as a result of a municipal bond insurance policy to be issued by Assured Guaranty Inc. ("AG"), at the time of delivery of the Bonds. See "BOND INSURANCE" and "INVESTMENT CONSIDERATIONS – Bond Insurance Risks." Additionally, Moody's assigned an underlying rating of "Baa2" to the Bonds.

An explanation of the significance of a rating may be obtained from the company furnishing the rating. The rating reflects only the respective view of such company, and the District makes no representation as to the appropriateness of the rating. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating company, if, in the judgment of such company, circumstance warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

BOND INSURANCE

Bond Insurance Policy

Concurrently, with the issuance of the Bonds, AG will issue its Municipal Bond Insurance Policy (the "Policy") for the Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Bonds, when due, as set forth in the form of the Policy included as an appendix to this Official Statement.

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

Assured Guaranty Inc.

AG is a Maryland domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL" and together with its subsidiaries, "Assured Guaranty"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO." AGL, through its subsidiaries, provides credit enhancement products to the U.S. and non-U.S. public finance (including infrastructure) and structured finance markets, and participates in the asset management business through ownership interests in Sound Point Capital Management, LP and certain of its investment management affiliates, and in the annuity reinsurance business through Assured Life Reinsurance Ltd. Only AG is obligated to pay claims under the insurance policies AG has issued, and not AGL or any of its shareholders or other affiliates.

AG's financial strength is rated "AA" (stable outlook) by S&P "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A1" (stable outlook) by Moody's. Each rating of AG should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security,

and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AG in its sole discretion. In addition, the rating agencies may at any time change AG's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AG. AG only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AG on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On August 3, 2026, KBRA announced that it had affirmed AG's insurance financial strength rating of "AA+" (stable outlook).

On July 27, 2026, Moody's announced that it had affirmed AG's insurance financial strength rating of "A1" (stable outlook).

On July 17, 2026, S&P announced that it had affirmed AG's financial strength rating of "AA" (stable outlook).

AG can give no assurance as to any further ratings action that S&P, Moody's and/or KBRA may take. For more information regarding AG's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

Capitalization of AG

At June 30, 2026:

- The policyholders' surplus of AG was approximately $3,088 million.
- The contingency reserve of AG was approximately $1,569 million.
- The net unearned premium reserves and net deferred ceding commission income of AG and its subsidiaries (as described below) were approximately $2,411 million. Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AG and (ii) the net unearned premium reserves and net deferred ceding commissions of AG's wholly owned subsidiary Assured Guaranty UK Limited ("AGUK"), and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA ("AGE").

The policyholders' surplus, contingency reserve, and net unearned premium reserves and net deferred ceding commission income of AG were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AG are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2025 (filed by AGL with the SEC on February 27, 2026);

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2026 (filed by AGL with the SEC on May 8, 2026); and

(iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2026 (filed by AGL with the SEC on August 7, 2026).

All information relating to AG included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Inc.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AG included herein under the caption "BOND INSURANCE – Assured Guaranty Inc." or included in a document incorporated by reference herein (collectively, the "AG Information") shall be modified or superseded to the extent that any

subsequently included AG Information (either directly or through incorporation by reference) modifies or supersedes such previously included AG Information. Any AG Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

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

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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 to potential investors is made only by means of this entire Official Statement. Potential investors must read this entire Official Statement to obtain information essential to making an informed investment decision. No person is authorized to detach this summary from this Official Statement or to otherwise use it without the entire Official Statement. Investment in the Bonds is subject to certain risk factors. See "INVESTMENT CONSIDERATIONS."

THE DISTRICT

The District..... West Williamson County Municipal Utility District No. 2 (the "District"), a political subdivision of the State of Texas, was created by order of the Texas Commission on Environmental Quality (the "TCEQ" or the "Commission"), effective April 27, 2015, and confirmed pursuant to an election held within the District on November 3, 2015. The District was created for the purpose of providing, operating, and maintaining facilities to control storm water, distribute potable water, and to collect and treat wastewater and operates pursuant to Chapters 49 and 54 of the Texas Water Code, as amended, and Article XVI, Section 59 of the Texas Constitution. The District also has road powers under Section 54.234 of the Texas Water Code. The District contains approximately 437.04 acres. See "THE DISTRICT – General."

Location ..... The District is located entirely within the extraterritorial jurisdiction of the City of Leander, Texas ("Leander" or the "City"), and is situated approximately 5 miles northeast of the City. The District is located between Leander and the City of Georgetown, Texas ("Georgetown") on the southern side of Highway 29 at the intersection with Lively Ranch Road. Highway 29 provides access to the District. See "LOCATION MAP" and "THE DISTRICT - Location."

The Developers ..... The primary developer of land within the District is Hwy 29 Ventures 2015 LP, a Delaware limited partnership ("Hwy 29 Ventures"). The general partner of Hwy 29 Ventures is Sentinel Lively GP, LLC, a Texas limited liability company, which is managed by Thomas J. Reilly. Sentinel Land Company, LLC, a Texas limited liability company and an affiliate of Hwy 29 Ventures, is the operating entity of Thomas Reilly and David Nairne. Hwy 29 Ventures has developed approximately 357 acres within the District as Lively Ranch Phases 1 through IV and currently owns approximately 4.54 acres in the District that are planned for additional residential development.

In March 2025, Lennar Homes of Texas Land and Construction Ltd. ("Lennar" and together with Hwy 29 Ventures, the "Developers") purchased approximately 54.246 acres from Hwy 29 Ventures for the purpose of developing Lively Ranch Phase V. See "THE DEVELOPERS."

Status of Development ..... The District contains approximately 437.04 acres, of which approximately 426.34 acres are developable. As of June 1, 2026, approximately 414.10 acres of land, which includes approximately 64.947 acres of open space, have been developed with utility facilities as the single family residential subdivision Lively Ranch Phase I, Sections 2, 3, 4, 5, 6, 7, 8, 9, and 10, Lively Ranch Phase II, Lively Ranch Phase III, Lively Ranch Phase IV, and Lively Ranch Phase V, which encompass a total of 1,105 single-family lots, which include 907 completed homes, 16 homes under construction, and 182 vacant developed single-family lots. There are approximately 4.54 remaining developable acres for future single-family development. Development within the District additionally includes a 3,000 square foot amenity center, which includes a pool, kitchen, and fitness facilities. Approximately 39.534 acres are designated easements, ROWs, and roads, which are dispersed throughout the District in the developed single-family phase acreage described above. The remaining approximately 18.40 acres are undevelopable and located within the flood plain. See "THE DISTRICT – Historical and Current Status of Development."

Homebuilder..... Lennar is currently the only active homebuilder within the District. New homes in the District range in price from approximately $344,990 to $684,000 with square footage ranging from approximately 1,645 to 3,395. See "THE DEVELOPERS – Homebuilder within the District."

THE BONDS

Description	The $2,500,000 West Williamson County Municipal Utility District No. 2 Unlimited Tax Bonds, Series 2026A (the "Bonds") mature serially in varying amounts on September 1 of each year from 2027 through 2048, inclusive, and as a term Bond which matures on September 1, 2050 (the "Term Bond"), as set forth on the inside cover page hereof. Interest accrues from the Date of Initial Delivery (on or about September 30, 2026) at the rates per annum set forth on the inside cover page hereof and is payable March 1, 2027, and each September 1 and March 1 thereafter until maturity or earlier redemption. The Bonds are offered in fully registered form in integral multiples of $5,000 for any one maturity. See "THE BONDS - General Description."
Redemption	The District reserves the right to redeem, prior to maturity, in integral multiples of $5,000, those Bonds maturing on and after September 1, 2033, in whole or from time to time in part, on September 1, 2032, or 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. Additionally, the Term Bond is also subject to mandatory sinking fund redemption. See "THE BONDS - Redemption."
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 upon all taxable property within the District. See "TAXING PROCEDURES." **The Bonds are obligations solely of the District and are not obligations of the City of Leander, Texas; Williamson County, Texas; the State of Texas; or any entity other than the District.** See "THE BONDS - Source of and Security for Payment."
Payment Record	The Bonds constitute the nineth (9th) installment of new money unlimited tax bonds issued by the District. The District has never defaulted on the timely payment of principal of and interest on its previously issued obligations, entitled: "$2,600,000 Unlimited Tax Bonds, Series 2019," "$4,000,000 Unlimited Tax Bonds, Series 2020," "$2,350,000 Unlimited Tax Bonds, Series 2021," "$6,325,000 Unlimited Tax Bonds, Series 2022," "4,425,000 Unlimited Tax Bonds, Series 2023," "$5,500,000 Unlimited Tax Bonds, Series 2024," "$4,975,000 Unlimited Tax Bonds, Series 2025," and "$6,000,000 Unlimited Tax Bonds, Series 2026," the proceeds of which included up to twenty-four (24) months of capitalized interest. As of the Date of Delivery, $35,215,000 aggregate principal amount of such previously issued bonds will remain outstanding (the "Outstanding Bonds"). See "FINANCIAL STATEMENT - Outstanding Bonds – Table 6."
Authority for Issuance	The Bonds are issued pursuant to Article XVI, Section 59 of the Texas Constitution and the general laws of the State of Texas including Chapters 49 and 54 of the Texas Water Code, as amended; a bond election held within the District on November 3, 2015; the approving order of the TCEQ; and an order adopted by the Board of Directors of the District authorizing the issuance of the Bonds on the date of the sale of the Bonds (the "Bond Order"). See "THE BONDS - Authority for Issuance."
Use of Proceeds…….……	The proceeds of the Bonds will be used to finance: (i) water and wastewater impact fees and (ii) a portion of the water, wastewater, and drainage facilities to serve Lively Tract Phase 4. The remaining Bond proceeds will be used to: (i) capitalize approximately eleven (11) months' interest requirements on the Bonds; (ii) pay developer interest; (iii) pay certain engineering costs; and (iv) pay other costs associated with the issuance of the Bonds. See "USE AND DISTRIBUTION OF BOND PROCEEDS."
Bonds Authorized But Unissued.....	At an election held within the District on November 3, 2015, voters within the District authorized a total of $98,700,000 in aggregate principal amount of unlimited tax bonds for the purpose of acquiring or constructing water, wastewater, and drainage facilities. The Bonds constitute the nineth (9th) installment of bonds issued by the District for such purposes. After the issuance of the Bonds, the District will have $60,025,000 aggregate principal amount of remaining authorized but unissued unlimited tax bonds for water, wastewater, and drainage facilities. Additionally, at the election held in the District on November 3, 2015, the voters within the District approved the issuance of unlimited tax bonds in the aggregate principal amount of $18,610,000 for the purpose of acquiring or constructing park and recreational facilities; $8,745,000 in aggregate principal amount of unlimited tax bonds for the purpose of acquiring or constructing road facilities; and $189,082,500 in aggregate principal amount of unlimited tax bonds for refunding purposes, all of which remains authorized but unissued. See "FINANCIAL STATEMENT - Outstanding Bonds – Table 6" and "THE BONDS – Issuance of Additional Debt."

Municipal Bond Ratings and Bond Insurance.....	S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") and Moody's Ratings ("Moody's") are expected to assign the insured ratings of "AA" (stable outlook) and "A1" (stable outlook), respectively, to the Bonds as a result of a municipal bond insurance policy to be issued by Assured Guaranty Inc. ("AG"), at the time of delivery of the Bonds. See "BOND INSURANCE" and "INVESTMENT CONSIDERATIONS – Bond Insurance Risks." Additionally, Moody's assigned an underlying rating of "Baa2" to the Bonds.
Qualified Tax-Exempt Obligations	The District has designated the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended, and has represented that the total amount of tax-exempt obligations (including the Bonds) issued by it during calendar year 2026 is not reasonably expected to exceed $10,000,000. See "TAX MATTERS - Qualified Tax-Exempt Obligations for Financial Institutions."
General Counsel	Armbrust & Brown, PLLC., Austin, Texas.
Bond Counsel and Disclosure Counsel	McCall, Parkhurst & Horton L.L.P., Austin, Texas.
Financial Advisor	Public Finance Group LLC, Austin, Texas.
Engineer.....	Jones-Heroy & Associates, Inc., Austin, Texas.
Paying Agent / Registrar	UMB Bank, N.A., Austin, 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 investment in the Bonds.

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SELECTED FINANCIAL INFORMATION
(Unaudited)

2025 Certified Assessed Valuation		$ 303,576,481	(a)
2026 Certified Assessed Valuation		$ 342,769,633	(b)
Estimated Assessed Valuation as of June 1, 2026		$ 348,437,000	(c)
Gross Debt Outstanding (after issuance of the Bonds)		$ 37,715,000	(d)
Ratio of Gross Debt to 2025 Certified Assessed Valuation		12.42%	
Ratio of Gross Debt to 2026 Certified Assessed Valuation		11.00%	
Ratio of Gross Debt to Estimated Assessed Valuation as of June 1, 2026		10.82%	
2026 Tax Rate			
Debt Service	$ 0.6250		
Maintenance	0.1335		
Total 2026 Tax Rate		$ 0.7585	(e)
Debt Service Fund Balance (as of September 9, 2026)		$ 1,750,981	(f)
Percentage of current tax collections (Tax Years 2016-2025)		99.93%	(g)
Percentage of total tax collections (Tax Years 2016-2025)		99.93%	(g)
Average Annual Debt Service Requirement of the Bonds and the Outstanding Bonds ("Average Requirement") (2026 -2050, inclusive)		$ 2,447,671	(h)
Tax Rate required to pay Average Requirement based upon 2025 Certified Assessed Valuation at 95% collections		$ 0.85	/$100 AV
Tax Rate required to pay Average Requirement based upon 2026 Certified Assessed Valuation at 95% collections		$ 0.76	/$100 AV
Tax Rate required to pay Average Requirement based upon the Estimated Assessed Valuation as of June 1, 2026 at 95% collections		$ 0.74	/$100 AV
Maximum Annual Debt Service Requirement of the Bonds and the Outstanding Bonds ("Maximum Requirement") (2028)		$ 2,501,741	(h)
Tax Rate required to pay Maximum Requirement based upon 2025 Certified Assessed Valuation at 95% collections		$ 0.87	/$100 AV
Tax Rate required to pay Maximum Requirement based upon 2026 Certified Assessed Valuation at 95% collections		$ 0.77	/$100 AV
Tax Rate required to pay Maximum Requirement based upon the Estimated Assessed Valuation as of June 1, 2026 at 95% collections		$ 0.76	/$100 AV
Number of active connections as of June 1, 2026			
Single Family - Complete & Occupied	907		
Single Family - Builder & Vacant	16		
Total Number of Active Connections		**923**	
Estimated Population as of June 1, 2026		1,635	(i)

[Footnotes appear on the following page]

(a) The certified assessed valuation as of January 1, 2025, as provided by the Williamson Central Appraisal District ("WCAD"). See "TAXING PROCEDURES."
(b) The certified assessed valuation as of January 1, 2026, as provided by WCAD. See "TAXING PROCEDURES."
(c) The estimated assessed valuation as of June 1, 2026, as provided by WCAD, is included solely for purposes of illustration. No taxes will be levied on this estimated assessed valuation unless it is certified by WCAD. See "TAXING PROCEDURES."
(d) Includes the Bonds.
(e) The District's Board, at its meeting in September 2026, levied a total tax rate of $0.7585, including a $0.6250 debt service tax rate and a $0.1335 maintenance and operations tax rate. See "TAX DATA."
(f) Unaudited as of September 9, 2026. Does not include approximately eleven (11) months of capitalized interest ($118,750 at an interest rate of 4.923885%) included in the Bond proceeds, to be deposited into the District's Debt Service Fund upon closing. Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the District's Debt Service Fund.
(g) See "TAX DATA – Tax Collections."
(h) See "DEBT SERVICE REQUIREMENTS – TABLE 3."
(i) Based upon 3.0 residents per completed and occupied single family home.

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OFFICIAL STATEMENT
relating to

$2,500,000
West Williamson County Municipal Utility District No. 2
(A Political Subdivision of the State of Texas Located in Williamson County, Texas)
UNLIMITED TAX BONDS, SERIES 2026A

INTRODUCTION

This Official Statement provides certain information in connection with the issuance by West Williamson County Municipal Utility District No. 2 (the "District"), a political subdivision of the State of Texas (the "State"), of its $2,500,000 Unlimited Tax Bonds, Series 2026A (the "Bonds").

The Bonds are issued pursuant to an order adopted by the Board of Directors of the District on the date of the sale of the Bonds authorizing the issuance of the Bonds (the "Bond Order"); Article XVI, Section 59 of the Constitution and the general laws of the State, including Chapters 49 and 54 of the Texas Water Code, as amended; a bond election held within the District on November 3, 2015; and the approving order of the Texas Commission on Environmental Quality (the "TCEQ" or the "Commission").

Unless otherwise indicated, capitalized terms used in this Official Statement have the same meaning assigned to such terms in the Bond Order.

Included in this Official Statement are descriptions of the Bonds, the Developers (defined herein), and certain information about the District and its finances. ALL DESCRIPTIONS OF DOCUMENTS CONTAINED HEREIN ARE SUMMARIES ONLY AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO EACH SUCH DOCUMENT. Copies of such documents may be obtained from the District c/o Armbrust & Brown, PLLC, 100 Congress Avenue, Suite 1300, Austin, Texas 78701, or from the District's Financial Advisor, Public Finance Group LLC, P O Box 81849, Austin, Texas 78708, upon payment of reasonable copying, mailing and handling charges.

This Official Statement speaks only as of its date, and the information contained herein is subject to change. A copy of this Official Statement will be submitted to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (EMMA) system. See "CONTINUING DISCLOSURE OF INFORMATION" and "OFFICIAL STATEMENT – Updating the Official Statement during Underwriting Period" for a description of the District undertaking to provide certain information on a continuing basis.

THE BONDS

General Description

The Bonds will bear interest from the Date of Initial Delivery (on or about September 30, 2026) and will mature on September 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 March 1, 2027 and each September 1 and March 1 thereafter 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 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"), New York, New York, acting as securities depository for the Bonds until DTC resigns or is discharged. The Bonds initially will be available to purchasers in book-entry form only. So long as Cede & Co., as the nominee of DTC, is the registered owner of the Bonds, principal of and interest on the Bonds will be payable by the paying agent to DTC, which will be solely responsible for making such payment to the beneficial owners of the Bonds. The initial paying agent and registrar for the Bonds is UMB Bank, N.A., Austin, Texas (the "Paying Agent" or "Paying Agent/Registrar").

Redemption

Optional Redemption… The District reserves the right to redeem, prior to maturity, in integral multiples of $5,000, those Bonds maturing on and after September 1, 2033, in whole or from time to time in part, on September 1, 2032, or 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.

Mandatory Sinking Fund Redemption…. In addition to being subject to optional redemption, as provided above, the Bond maturing on September 1, 2050 (the "Term Bond") is subject to mandatory sinking fund redemption prior to maturity in the following amounts, on the following dates and at a price of par plus accrued interest to the redemption date from amounts required to be deposited in the Debt Service Fund:

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$305,000 Term Bond Maturing September 1, 2050	
Mandatory Redemption Date	Principal Amount
2049	$ 150,000
2050*	155,000

*Stated Maturity

The principal amount of the Bonds required to be redeemed pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the District, by the principal amount of any Bonds of the stated maturity which, at least 50 days prior to a mandatory redemption date, (1) shall have been acquired by the District, at a price not exceeding the principal amount of such Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent for cancellation, (2) shall have been purchased and cancelled by the Paying Agent at the request of the District, with monies in the Debt Service Fund at a price not exceeding the principal amount of the Bonds plus accrued interest to the date of purchase thereof, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory sinking fund redemption requirement.

Notice of Redemption . . . At least 30 calendar days prior to the date fixed for any optional redemption of Bonds or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent by United States mail, first-class postage prepaid, to the registered owner of each Bond to be redeemed at its address as it appeared on the 45th calendar day prior to such redemption date and to major securities depositories and bond information services.

The Bonds of a denomination larger than $5,000 may be redeemed in part ($5,000 or any multiple thereof). Any Bond to be partially redeemed must be surrendered in exchange for one or more new Bonds of the same maturity for the unredeemed portion of the principal of the Bonds so surrendered.

With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Bond Order have been met and money sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed have been received by the Paying Agent prior to the giving of such notice of redemption, such notice will state that said redemption may, at the option of the District, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not fulfilled, such notice will be of no force and effect, the District will not redeem such Bonds, and the Paying Agent will give notice in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

Selection of Bonds for Redemption

If less than all of the Bonds are called for redemption, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the District, and if less than all of a maturity, or sinking fund installment in the case of the Term Bond, is to be redeemed, the Paying Agent/Registrar shall determine by lot or other customary random method the Bonds, or portions thereof within such maturity to be redeemed (provided that a portion of a Bond may be redeemed only in integral multiples of $5,000 principal amount); provided, that during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity, or sinking fund installment in the case of the Term Bond, and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity, such interest rate and such sinking fund installment in the case of the Term Bond shall be selected in accordance with the arrangements between the District and the securities depository.

DTC Redemption Provision

The Paying Agent/Registrar and the District, so long as a book-entry-only system is used for the Bonds, will send any notice of optional redemption, notice of proposed amendment to the Bond Order or other notices with respect to the Bonds only to DTC. Any failure by DTC to advise any DTC Participant, as herein defined, or of any Direct Participant or Indirect Participant, as herein defined, to notify the beneficial owner, shall not affect the validity of the redemption of Bonds called for redemption or any other action premised on any such notice. Redemption of portions of the Bonds by the District will reduce the outstanding principal amount of such Bonds held by DTC. In such event, DTC may implement, through its book-entry-only system, a redemption of such Bonds held for the account of DTC Participants in accordance with its rules or other agreements with DTC Participants and then Direct Participants and Indirect Participants may implement a redemption of such Bonds and such redemption will not be conducted by the District or the Paying Agent/Registrar. Neither the District nor the Paying Agent/Registrar will have any responsibility to the DTC Participants, Indirect Participants, or the persons for whom DTC Participants act as nominees, with respect to the payments on the Bonds or the providing of notice to Direct Participants, Indirect Participants, or beneficial owners of the selection of portions of the Bonds for redemption.

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Termination of Book-Entry-Only System

The District is initially utilizing the book-entry-only system of DTC ("Book-Entry-Only System"). 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 upon presentation and surrender of the Bonds to the Paying Agent at the designated office for payment of the Paying Agent in Austin, Texas (the "Designated Payment/Transfer Office"). Interest on the Bonds will be payable by check or draft, dated as of the applicable interest payment date, sent by the Paying Agent by United States mail, first-class, postage prepaid, to the registered owners at their respective addresses shown on such records, or by such other method acceptable to the Paying Agent requested by registered owner at the risk and expense of the registered owner. If the date for the payment of the principal of or interest on the Bonds falls on a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent is located are required or authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the original date that 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 only upon presentation and surrender thereof to the Paying Agent 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, 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. Transfer and exchange of Bonds will be without expense or service charge 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 to the registered owner, at the Designated Payment/Transfer Office of the Paying Agent 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 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 fifteenth (15th) calendar day of the month (whether or not a business day) 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 will provide a replacement Bond in exchange for the mutilated bond. If a Bond is destroyed, lost, or stolen, the Paying Agent will provide a replacement Bond upon (i) the filing by the registered owner with the Paying Agent of evidence satisfactory to the Paying Agent 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 of indemnification in an amount satisfactory to hold the District and the Paying Agent 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.

Authority for Issuance

At an election held within the District on November 3, 2015, voters within the District authorized a total of $98,700,000 in aggregate principal amount of unlimited tax bonds for the purpose of acquiring or constructing water, wastewater, and drainage facilities. The Bonds constitute the nineth (9th) installment of bonds issued by the District for such purposes. After the issuance of the Bonds, the District will have $60,025,000 aggregate principal amount of remaining authorized but unissued unlimited tax bonds for the purpose of acquiring and constructing water, wastewater, and drainage facilities to serve the District. Additionally, at the election on November 3, 2015, the voters within the District approved the issuance of unlimited tax bonds in the aggregate principal amount of $18,610,000 for the purpose of acquiring or constructing park and recreational facilities; $8,745,000 in aggregate principal amount of unlimited tax bonds for the purpose of acquiring or constructing road facilities; and $189,082,500 in aggregate principal amount of unlimited tax bonds for refunding purposes, all of which remains authorized but unissued. Pursuant to the Consent and Development Agreement, defined herein, the total principal amount of new money bonds issued by the District cannot exceed $70,000,000 without prior approval of the City of Leander, Texas (the "City" or "Leander").

The Bonds are issued pursuant to the election held within the District on November 3, 2015; the terms and provisions of the Bond Order; Chapters 49 and 54 of the Texas Water Code, as amended; and Article XVI, Section 59 of the Texas Constitution. The issuance of the Bonds has been approved by an order of the TCEQ.

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Source of and Security for Payment

The Bonds will be payable from and secured by a pledge of 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 District. While the Bonds or any part of the principal thereof or interest thereon remain outstanding and unpaid, the District covenants to levy an annual ad valorem tax and will undertake to collect such a tax against all taxable property within the District at a rate from year to year sufficient, full allowance being made for anticipated delinquencies, together with revenues and receipts from other sources which are legally available for such purposes, to pay interest on the Bonds as it becomes due, to provide a sinking fund for the payment of principal of the Bonds when due or the redemption price at any earlier required redemption date, to pay when due any other contractual obligations of the District payable in whole or in part from taxes, and to pay the expenses of assessing and collecting such tax. The net proceeds from taxes levied to pay debt service on the Bonds and the Outstanding Bonds (defined herein) are required to be placed in a special account of the District designated its "Debt Service Fund" for the Bonds. The Bond Order provides for the termination of the pledge of taxes when and if the City annexes and dissolves the District and assumes all debts and liabilities of the District. See "THE BONDS – Annexation."

The Bonds are obligations solely of the District and are not obligations of the City; Williamson County, Texas; the State of Texas; or any political subdivision or entity other than the District.

Payment Record

The Bonds constitute the nineth (9th) installment of unlimited tax bonds issued by the District. The District has never defaulted on the timely payment of principal of and interest on its previously issued obligations, entitled: "$2,600,000 Unlimited Tax Bonds, Series 2019," "$4,000,000 Unlimited Tax Bonds, Series 2020," "$2,350,000 Unlimited Tax Bonds, Series 2021," "$6,325,000 Unlimited Tax Bonds, Series 2022," "$4,425,000 Unlimited Tax Bonds, Series 2023," "$5,500,000 Unlimited Tax Bonds, Series 2024," "$4,975,000 Unlimited Tax Bonds, Series 2025," and "$6,000,000 Unlimited Tax Bonds, Series 2026," the proceeds of which included up to twenty-four (24) months of capitalized interest. As of the Date of Delivery, $35,215,000 aggregate principal amount of such previously issued bonds will remain outstanding (the "Outstanding Bonds"). See "FINANCIAL STATEMENT – Outstanding Bonds – Table 6."

Flow of Funds

The Bond Order creates or confirms a Debt Service Fund and a Capital Projects Fund.

Each fund shall be kept separate and apart on the books and record of the District from all other funds of the District. The Debt Service Fund shall constitute a trust fund which shall be held in trust for the benefit of the registered owners of the Bonds.

Any cash balance in any fund must be continuously secured by a valid pledge to the District of securities eligible under the laws of the State of Texas to secure the funds of municipal utility districts having an aggregate market value, exclusive of accrued interest, at all times equal to the cash balance in the fund to which such securities are pledged.

Debt Service Fund… The Bond Order establishes the Debt Service Fund to be used to pay principal and interest on and Paying Agent fees in respect to the Bonds and the Outstanding Bonds. The Bond Order requires that the District deposit to the credit of the Debt Service Fund (i) from the delivery of the Bonds to the Initial Purchaser the amount received from proceeds of the Bonds representing capitalized interest on the Bonds, (ii) District ad valorem taxes (and penalties and interest thereon) levied to pay debt service requirements on (or fees and expenses of the Paying Agent with respect of) the Bonds, and (iii) such other funds as the Board shall, at its option, deem advisable. The Bond Order requires that the Debt Service Fund be applied solely to provide for the payment of the principal or redemption price of and interest on the Bonds when due, and to pay fees to Paying Agent when due.

Capital Projects Fund… The Capital Projects Fund is the capital improvements fund of the District. The Bond Order requires the District to deposit to the credit of the Capital Projects Fund the balance of the proceeds of the Bonds remaining after the deposits to the Debt Service Fund provided in the Bond Order. The Capital Projects Fund may be applied solely to (i) pay the costs necessary or appropriate to accomplish the purposes for which the Bonds are issued, (ii) pay the costs of issuing the Bonds and (iii) to the extent the proceeds of the Bonds and investment income attributable thereto are in excess of the amounts required to acquire and construct water, wastewater and drainage facilities as approved by TCEQ, then in the discretion of the Board of Directors of the District to transfer such unexpended proceeds or income to the Debt Service Fund or to utilize such funds as otherwise authorized by the TCEQ.

Paying Agent/Registrar

Principal of and semiannual interest on the Bonds will be paid by the initial Paying Agent/Registrar, UMB Bank, N.A., having an office for payment in Austin, Texas. Any Paying Agent must be either a bank, trust company, financial institution, or other entity duly qualified and equally authorized to serve and perform the duties as paying agent and registrar for the Bonds.

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Provision is made in the Bond Order for the District to replace the Paying Agent by a resolution of the District giving notice to the Paying Agent of the termination of the appointment, stating the effective date of the termination and appointing a successor Paying Agent. If the Paying Agent is replaced by the District, the new Paying Agent shall be required to accept the previous Paying Agent's records and act in the same capacity as the previous Paying Agent. Any successor paying agent/registrar selected by the District shall be subject to the same qualification requirements as the Paying Agent. The successor paying agent/registrar, if any, shall be determined by the Board of Directors and written notice thereof, specifying the name and address of such successor paying agent/registrar will be sent by the District or the successor paying agent/registrar to each registered owner by first-class mail, postage prepaid.

Defeasance of Outstanding Bonds

General . . .The Bond Order provides for the defeasance of the Bonds and the termination of the pledge of taxes and all other general defeasance covenants in the Bond Order under certain circumstances. Any Bond and the interest thereon shall be deemed to be paid, retired, and no longer outstanding within the meaning of the Bond Order (a "Defeased Bond"), except to the extent provided below for the Paying Agent to continue payments, when the payment of all principal and interest payable with respect to such Bond to the due date or dates thereof (whether such due date or dates be by reason of maturity, upon redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption) or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent or an eligible trust company or commercial bank for such payment (1) lawful money of the United States of America sufficient to make such payment, (2) Defeasance Securities (defined below) that mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment, or (3) any combination of (1) and (2) above, and when proper arrangements have been made by the District with the Paying Agent or an eligible trust company or commercial bank for the payment of its services until after all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes levied and pledged, as provided in the Bond Order and such principal and interest shall be payable solely from such money or Defeasance Securities, and shall not be regarded as outstanding under the Bond Order and the District will have no further responsibility with respect to the payment of such Defeased Bonds including any insufficiency to receive payments when due on the Defeased Securities.

Any money so deposited with or made available to the Paying Agent or an eligible trust company or commercial bank also may be invested at the written direction of the District in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent or an eligible trust company or commercial bank that is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, shall be remitted to the District or deposited as directed in writing by the District.

Until all Defeased Bonds shall have become due and payable, the Paying Agent shall perform the services of Registrar for such Defeased Bonds the same as if they had not been defeased, and the District shall make proper arrangements to provide and pay for such services as required by the Bond Order.

For purposes of these provisions, "Defeasance Securities" means (i) direct non-callable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (ii) non-callable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the Board of Directors adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provides for the funding of an escrow to effect the defeasance of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, (iii) non-callable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the Board of Directors adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provides for the funding of an escrow to effect the defeasance of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent and (iv) any other then authorized securities or obligations under applicable State law that may be used to defease obligations such as the Bonds.

Any such obligations must be certified by an independent public accounting firm of national reputation to be of such maturities and interest payment dates and bear such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient to provide all debt service payments on the Bonds.

There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made without amounts deposited to defease the Bonds. Because the Bond Order does not contractually limit such investments, registered owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used as Defeasance Securities or those for any other Defeasance Securities will be maintained at any particular rating category.

Retention of Rights . . . To the extent that, upon the defeasance of any Defeased Bond to be paid at its maturity, the District retains the right under Texas law to later call the Defeased Bond for redemption in accordance with the provisions of the order authorizing its issuance, the District may call such Defeased Bond for redemption upon complying with the provisions of Texas law and upon satisfaction of the

provisions set forth above regarding such Defeased Bond as though it was being defeased at the time of the exercise of the option to redeem the Defeased Bond and the effect of the redemption is taken into account in determining the sufficiency of the provisions made for the payment of the Defeased Bond.

Investments . . . Any escrow agreement or other instrument entered into between the District and the Paying Agent or an eligible trust company or commercial bank pursuant to which money and/or Defeasance Securities are held by the Paying Agent or an eligible trust company or commercial bank for the payment of Defeased Bonds may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of certain requirements. All income from such Defeasance Securities received by the Paying Agent or an eligible trust company or commercial bank which is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, will be remitted to the District or deposited as directed in writing by the District.

Record Date

The Record Date for payment of the interest on Bonds on any regularly scheduled interest payment date is defined as the close of business on the fifteenth (15th) calendar day of the month (whether or not a business day) preceding such interest payment date.

Issuance of Additional Debt

The District may issue bonds or other obligations necessary to provide those improvements and facilities for which the District was created, with the approval of the TCEQ, if applicable, and, in the case of bonds payable from taxes, the District's voters. At an election held within the District on November 3, 2015, voters within the District authorized a total of $98,700,000 in aggregate principal amount of unlimited tax bonds for the purpose of acquiring or constructing water, wastewater, and drainage facilities. After issuance of the Bonds, the District will have $60,025,000 aggregate principal amount of remaining authorized but unissued unlimited tax bonds for such purposes. Additionally, at an election on November 3, 2015, the voters within the District approved the issuance of unlimited tax bonds in the aggregate principal amount of $18,610,000 for the purpose of acquiring or constructing park and recreational facilities; $8,745,000 in aggregate principal amount of unlimited tax bonds for the purpose of acquiring or constructing road facilities; and $189,082,500 in aggregate principal amount of unlimited tax bonds for refunding purposes, all of which remains authorized but unissued.

The District is also authorized by statute to engage in fire-fighting activities, including the issuing of bonds payable from taxes for such purposes, subject to certain conditions. The amount of unlimited tax bonds issued by the District is limited by the Consent and Development Agreement, defined herein, which provides that the total principal amount of unlimited tax new money bonds to be issued by the District is limited to $70,000,000, unless otherwise agreed to by the City. See "THE DISTRICT – Consent and Development Agreement with the City of Leander." The principal amount of park bonds sold by the District is limited to 1% of the District's assessed valuation, however, if the District meets certain financial feasibility requirements under TCEQ rules, the outstanding principal amount of such bonds issued by the District may exceed an amount equal to 1% but not greater than 3% of the value of the taxable property in the District. Before the District could issue park bonds payable from taxes, the following actions would be required: (a) approval of the bonds by the TCEQ; and (b) approval of the bonds by the Attorney General of Texas. Neither Texas law nor the Bond Order imposes a limitation on the amount of additional bonds which may be issued by the District. Any additional bonds issued by the District may dilute the security for the Bonds.

The District does not employ any formula with respect to assessed valuations, tax collections or otherwise to limit the amount of parity bonds which it may issue. The issuance of additional bonds is subject to approval of the TCEQ pursuant to its rules regarding issuance and feasibility of bonds. In addition, future changes in health or environmental regulations could require the construction and financing of additional improvements without any corresponding increases in taxable value in the District.

Legal Investment and Eligibility to Secure Public Funds in Texas

Pursuant to Section 49.186 of the Texas Water Code, bonds, notes or other obligations issued by a municipal utility 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." Additionally, Section 49.186 of the Texas Water Code provides that bonds, notes or other obligations issued by a municipal utility district are eligible and lawful security for all deposits of public funds of the State and all agencies, subdivisions and instrumentalities of the State. For political subdivisions in Texas which have adopted investment policies and guidelines in accordance with the Public Funds Investment Act (Texas Government Code, Chapter 2256), the Bonds may have to be assigned a rating of not less than "A" or its equivalent as to investment quality by a national rating agency before such obligations are eligible investments for sinking funds and other public funds. See "MUNICIPAL BOND RATINGS" and "BOND INSURANCE."

The Bonds are rated and the District makes no representation that the Bonds will be acceptable to banks, savings and loan associations, or public entities for investment purposes or to secure deposits of public funds. The District has made no investigation of other laws, regulations or investment criteria which might apply to or otherwise limit the availability of the Bonds for investment or collateral

purposes. Prospective purchasers are urged to carefully evaluate the investment quality of the Bonds and as to the acceptability of the Bonds for investment or collateral purposes.

Specific Tax Covenants

In the Bond Order the District covenants with respect to, among other matters, the use of the proceeds of the Bonds and the manner in which the proceeds of the Bonds are to be invested. The District may omit to comply with any such covenant if it has received a written opinion of a nationally recognized bond counsel to the effect that regulations or rulings hereafter promulgated modify or expand provisions of the Internal Revenue Code of 1986, as amended (the "Code"), so that such covenant is ineffective or inapplicable or non-compliance with such covenant will not adversely affect the exemption from federal income taxation of interest on the Bonds under Section 103 of the Code.

Additional Covenants

The District additionally covenants in the Bond Order that it will keep accurate records and accounts and employ an independent certified public accountant to audit and report on its financial affairs at the close of each fiscal year, such audits to be in accordance with applicable law, rules and regulations and open to inspection in the office of the District.

Remedies in Event of Default

The Bond Order establishes specific events of default with respect to the Bonds. If the District defaults in the payment of the principal of or interest on the Bonds when due, or the District defaults in the observance or performance of any of the covenants, conditions, or obligations of the District, the failure to perform which materially, adversely affects the rights of the owners, including but not limited to, their prospect or ability to be repaid in accordance with the Bond Order, and the continuation thereof for a period of 60 days after notice of such default is given by any owner to the District, the Bond Order and Chapter 54 of the Texas Water Code provides that any registered owner is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring the District to make such payment or observe and perform such covenants, obligations, or conditions. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance of the Bonds or the Bond Order and the District's obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, subject to the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Bond Order does not provide for the appointment of a trustee to represent the interest of the Bondholders upon any failure of the District to perform in accordance with the terms of the Bond Order, or upon any other condition and accordingly all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners. On April 1, 2016, the Texas Supreme Court ruled in *Wasson Interest, Ltd. vs. City of Jacksonville*, 489 S.W. 3d 427 (Tex. 2016) ("*Wasson I*"), that governmental immunity does not imbue a city with derivative immunity when it performs a proprietary, as opposed to a governmental function in respect to contracts executed by a city. On October 5, 2018, the Texas Supreme Court issued a second opinion clarifying *Wasson I*, *Wasson Interest, Ltd. v. City of Jacksonville*, 559 S.W.3d 142 (Tex. 2018) ("*Wasson II*," and together with Wasson I, "*Wasson*"), ruling that to determine whether governmental immunity applies to a breach of contract claim, the proper inquiry is whether the municipality was engaged in a governmental or proprietary function at the time it entered into the contract, not at the time of the alleged breach. In *Wasson*, the Court recognized that the distinction between governmental and proprietary functions is not clear. Therefore, in regard municipal contract cases (as opposed to tort claim cases), it is incumbent on the courts to determine whether a function was governmental or proprietary based upon the statutory and common law guidance at the time of contractual relationship. Texas jurisprudence has generally held that proprietary functions are those conducted by a city in its private capacity, for the benefit only of those within its corporate limits, and not as an arm of the government or under authority or for the benefit of the State; these are usually activities that can be, and often are, provided by private persons, and therefore are not done as a branch of the State, and do not implicate the state's immunity since they are performed under the authority, or for the benefit, of the State as sovereign. Issues related to the applicability of a governmental immunity as they relate to the issuance of municipal debt have not been adjudicated. Each situation will be evaluated on the facts and circumstances surrounding the contract in question. On June 30, 2006, the Texas Supreme Court ruled in *Tooke v. City of Mexia*, 49 Tex. Sup. Ct. J. 819 (Tex. 2006), that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in "clear and unambiguous" language. Because it is unclear whether the Texas legislature has effectively waived the District's sovereign immunity from a suit for money damages, Bondholders may not be able to bring such a suit against the District for breach of the Bonds or Bond Order covenants. Even if a judgment against the District could be obtained, it could not be enforced by direct levy and execution against the District's property. Further, the registered owners cannot themselves foreclose on property within the District or sell property within the District to enforce the tax lien on taxable property to pay the principal of and interest on the Bonds. Furthermore, the District is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of ad valorem taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or Bondholders of an entity which has sought protection under Chapter 9. Therefore, should the District avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary

powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Bonds are qualified with respect to the customary rights of debtors relative to their creditors.

Consolidation

A district (such as the District) has the legal authority to consolidate with other districts and, in connection therewith, to provide for the consolidation of its water system with the water system(s) of the district(s) with which it is consolidating. The revenues of the consolidated system may be pledged equally to all first lien bonds of the consolidating districts. No representation is made that the District will consolidate its water system with that of any other district.

Annexation

The District is located entirely within the extraterritorial jurisdiction of the City. Generally, under current Texas law, (a) a municipality may annex a district with a population of less than 200 residents only if: (i) the municipality obtains the consent to annex the area through a petition signed by more than 50% of the registered voters of the district, and (ii) if the registered voters in the area to be annexed do not own more than 50% of the land in the area, a petition has been signed by more than 50% of the landowners consenting to the annexation; and (b) a municipality may annex a district with a population of 200 residents or more only if: (i) such annexation has been approved by a majority of those voting in an election for that purpose within the area to be annexed, and (ii) if the registered voters in the area to be annexed do not own more than 50% of the land in the area, a petition has been signed by more than 50% of the landowners consenting to the annexation. Notwithstanding the forthgoing, a municipality may annex an area if each owner of land in the area requests the annexation. As of June 1, 2026, the District had an estimated population of 1,635, thus triggering the voter approval and/or landowner consent requirements discussed above. The described election and petition process does not apply, however, during the term of a strategic partnership agreement between a municipality and a district specifying the procedures for annexation of all or a portion of the District.

Under the "Agreement Regarding Consent to Creation of Municipal Utility District and Development of the Lively Tract" entered into by the City of Leander, Sentinel Land Company, LLC ("Sentinel") and the District, executed on June 10, 2015 (the "Consent and Development Agreement"), the City of Leander retained unilateral discretion to decide whether to annex or dissolve the District, in whole or in part, provided that, if the City makes such decision to annex or to dissolve the District, in whole or in part, the City shall do so only in the event of an uncured material default by the Developers (defined herein) and/or the District after notice and an opportunity to cure the default. Otherwise, the Consent and Development Agreement provides that the District may annex or dissolve the District in compliance with state law, no earlier than (i) the date at least ninety percent (90%) by dollar amount of the total park, road, water, wastewater and drainage facilities for which the District bonds may be authorized have been constructed and (ii) Developers have been fully reimbursed by the District for such requisite percentage of the District's facilities in accordance with the rules of the TCEQ. Further, except in the event of an uncured material default after notice and opportunity to cure, the Consent and Development Agreement provides that the City will not annex the District prior to fifteen (15) years after the effective date of the agreement.

If the District is full purpose annexed, the City must assume the assets, functions, and obligations of the District, including outstanding bonds, and the pledge of taxes will terminate. No representation is made concerning the likelihood of annexation and dissolution of the District or the ability of the City to make debt service payments on the Bonds should dissolution occur.

Alteration of Boundaries

In certain circumstances, under Texas law the District may alter its boundaries to: (i) upon satisfying certain conditions, annex additional territory; and (ii) exclude land subject to taxation within the District that does not need to utilize the service of District facilities if certain conditions are satisfied, including the District's simultaneous annexation of land of at least equal value that may be practicably served by District facilities. Such land substitution is subject to the approval of the TCEQ. No representation is made concerning the likelihood that the District will effect any change in its boundaries.

Approval of the Bonds

The TCEQ approved the issuance of the Bonds by an order signed on August 6, 2026 (the "TCEQ Order").

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.

Amendments to the Bond Order

The District may, without the consent of or notice to any registered owners, amend the Bond Order in any manner not detrimental to the interest of the registered owners, including the curing of an ambiguity, inconsistency, or formal defect or omission therein. In addition, the District may, with the written consent of the owners of a majority in principal amount of the Bonds then outstanding affected thereby, amend, add to, or rescind any of the provisions of the Bond Order, except that, without the consent of the owners of all of the Bonds

affected, no such amendment, addition, or rescission may (i) extend the time or times of payment of the principal of and interest on the Bonds, reduce the principal amount thereof or the rate of interest therein, change the place or places at, or the coin or currency in which, any Bond or the interest thereon is payable, or in any other way modify the terms of payment of the principal of or interest on the Bonds, (ii) give any preference to any Bond over any other Bond, or (iii) reduce the aggregate principal amount of Bonds required for consent to any such amendment, addition, or rescission. In addition, a state, consistent with federal law, may within the exercise of its police powers make such modifications in the terms and conditions of contractual covenants relating to the payment of indebtedness of its political subdivisions as are reasonable and necessary for attainment of an important public purpose.

BOOK-ENTRY-ONLY SYSTEM

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

The District cannot and does not give any assurance that (i) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (ii) 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 (iii) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered Bonds 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 Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a rating of "AA+" from S&P Global Ratings. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

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

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

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

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

The District may decide to discontinue use of the 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 system has been obtained from sources that the District believes to be reliable, but neither the District nor the Financial Advisor takes any responsibility for the accuracy thereof.

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USE AND DISTRIBUTION OF BOND PROCEEDS

The proceeds of the Bonds will be used to finance: (i) water and wastewater impact fees and (ii) a portion of the water, wastewater, and drainage facilities to serve Lively Tract Phase 4. The remaining Bond proceeds will be used to: (i) capitalize approximately eleven (11) months' interest requirements on the Bonds; (ii) pay developer interest; (iii) pay certain engineering costs; and (iv) pay other costs associated with the issuance of the Bonds.

The use and distribution of Bond proceeds is set forth below. Of the proceeds to be received from the sale of the Bonds, $1,768,861 is required for construction costs, and $731,139 is required for non-construction costs, including $118,750 of capitalized interest (approximately eleven (11) months' interest at 4.923885%).

Construction Costs		
A. Developer Items		
1. Lively Tract Phase 4	$	1,344,775
Total Developer Items	**$**	**1,344,775**
B. District Items		
1. Water and Wastewater Impact Fees	$	424,086
Total District Items	**$**	**424,086**
NET TOTAL CONSTRUCTION COSTS	**$**	**1,768,861**
Non-Construction Costs		
A. Legal Fees (1.5%)	$	37,500
B. Bond Counsel Fees (1.5%)		37,500
C. Fiscal Agent Fees (2.5%)		62,500
D. Interest		
1. Capitalized Interest (approximately 11 months @ 4.923885%)		118,750
2. Developer Interest[(a)]		295,817
E. Bond Discount (3%)		75,000
F. Bond Issuance Expenses		55,322
G. Bond Application Report		40,000
H. Attorney General Fee (0.10%)		2,500
I. TCEQ Bond Issuance Fee (0.25%)		6,250
Total Non-Construction Costs	**$**	**731,139**
TOTAL BOND ISSUE REQUIREMENT	**$**	**2,500,000**

(a) Preliminary; subject to change. The amount of developer interest will be finalized in connection with the reimbursement report approved by the Board of Directors prior to disbursement of funds.

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INVESTMENT CONSIDERATIONS

General

The Bonds, which are obligations of the District and are not obligations of the City of Leander, Texas; Williamson County, Texas; the State of Texas; or any other political subdivision, will be secured by a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, on all taxable property located within the District. See "THE BONDS - Source of and Security for Payment."

The ultimate security for payment of principal of and interest on the Bonds depends on the ability of the District to collect from the property owners within the District all taxes levied against the property or, in the event of foreclosure, on the value of the taxable property with respect to taxes levied by the District and by other taxing authorities. 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 property within the District will occur or that the development in the District will maintain taxable values sufficient to justify continued payment by property owners or that there will be a market for the property. See "INVESTMENT CONSIDERATIONS - Registered Owners' Remedies."

Factors Affecting Taxable Values and Tax Payments

Economic Factors, Interest Rates, Credit Availability and Residential Foreclosures: A substantial percentage of the taxable value of the District results from the current market value of single-family residences and developed lots. The market value of such homes and lots is related to general economic conditions affecting the demand for and taxable value of residences. Demand for lots and residential dwellings can be significantly affected by factors such as interest rates, credit availability, construction costs, energy availability and the economic prosperity and demographic characteristics of the urban centers toward which the marketing of lots is directed. Decreased levels of construction activity would tend to restrict the growth of property values in the District or could adversely impact existing values. A downturn in the economic conditions in the Austin area and decline in the nation's real estate and financial markets could adversely affect development and home-building plans in the District and restrain the growth of the District's property tax base. The District cannot predict the pace or magnitude of any future development within the District.

Interest rates and the availability of credit, including mortgage and development funding, have a direct impact on construction activity, particularly short-term interest rates at which the developers and homebuilders are able to obtain financing for development and construction costs. Interest rate levels and the general availability of credit may affect the ability of a landowner with undeveloped property to undertake and complete development activities within the District and the ability of potential homeowners to purchase homes. Because of the changing factors affecting the availability of funds, the District is unable to assess the future availability of such funds for continued development and construction within the District.

Competition: The demand for single-family homes in the District could be affected by competition from other residential developments, including other residential developments located in other utility districts located near the District. In addition to competition for new home sales from other developments, there are numerous previously-owned homes in more established neighborhoods closer to downtown Austin that are for sale. Such homes could represent additional competition for homes proposed to be sold within the District.

The competitive position of the Developers in the sale of developed lots and of homebuilders in the construction of single-family residential houses within the District are affected by most of the factors discussed in this section. Such a competitive position is directly related to the growth and maintenance of taxable values in the District and tax revenues to be received by the District. The District can give no assurance that building and marketing programs in the District by the Developers will be implemented or, if implemented, will be successful.

Developer under No Obligation to the District: There is no commitment from, or obligation of, any developer to proceed at any particular rate or according to any specified plan with the development of land or the construction of homes in the District, and there is no restriction on any landowner's right to sell its land. Failure to construct taxable improvements on developed lots and tracts and failure of landowners to develop their land would restrict the rate of growth of taxable value in the District. The District is also dependent upon the Developers and the other principal taxpayers for the timely payment of ad valorem taxes, and the District cannot predict what the future financial condition of either will be or what effect, if any, such financial conditions may have on their ability to pay taxes. See "THE DEVELOPERS" and "TAX DATA - Principal Taxpayers – Table 12."

Impact on District Tax Rates: Assuming no further development, the value of the land and improvements currently existing within the District will be the major determinant of the ability or willingness of owners of property within the District to pay their taxes. The 2025 Certified Assessed Valuation of the District is $303,576,481. After issuance of the Bonds, the Maximum Requirement will be $2,501,741 (2028) and the Average Requirement will be $2,447,671 (2026 through 2050, inclusive). Assuming (1) no increase or decrease from the 2025 Certified Assessed Valuation; (2) the issuance of no additional debt; and (3) no other funds available for the payment of debt service, tax rates of $0.87 and $0.85 per $100 assessed valuation at a ninety-five percent (95%) collection rate would be necessary to pay the Maximum Requirement and the Average Requirement, respectively. The District's 2026 Certified Assessed Valuation is $342,769,633. Based upon the assumptions above and the 2026 Certified Assessed Valuation, tax rates of $0.77 and $0.76 per $100 assessed valuation

at a ninety-five percent (95%) collection rate would be necessary to pay the Maximum Requirement and the Average Requirement, respectively. The District's Estimated Assessed Valuation as of June 1, 2026, is $348,437,000. Based upon the assumptions above and the Estimated Assessed Valuation as of June 1, 2026, tax rates of $0.76 and $0.74 per $100 assessed valuation at a ninety-five percent (95%) collection rate would be necessary to pay the Maximum Requirement and the Average Requirement, respectively. See "DEBT SERVICE REQUIREMENTS – TABLE 3" and "TAX DATA – Tax Adequacy for Debt Service."

Dependence Upon the Developers, Lot Owners and Homebuilders: The growth of the tax base is dependent upon additional development of lots in the District and the construction of homes thereon. The Developers are under no obligation to continue to market, or improve, or to develop tracts of land. Thus, the furnishing of information related to the proposed development by the Developers should not be interpreted as such a commitment by the Developers. The District makes no representation about the probability of development continuing in a timely manner or about the ability of the Developers, or any other subsequent landowner to whom such party may sell all or a portion of its holdings within the District, to implement any plan of development. Furthermore, there is no restriction on the Developers' right to sell their land. The District can make no prediction as to the effects that current or future economic or governmental circumstances or regulations may have on any plans of the Developers. Failure to construct taxable improvements on developed lots and tracts or failure of the Developers to develop its land would restrict the rate of growth of taxable value in the District. See "THE DEVELOPERS."

The principal taxpayers in the District represent $16,8277,583 or approximately 4.91% of the District's 2026 Certified Taxable Assessed Valuation. The Developers represent $4,868,797 or approximately 1.42% of such assessed valuation. If the Developers or homebuilders (or other principal taxpayers) were to default in the payment of taxes in an amount which exceeds the District's debt service fund surplus, the ability of the District to make timely payment of debt service on the Bonds will be dependent on its ability to enforce and liquidate its tax lien, which is a time-consuming process, or to sell tax anticipation notes. Failure to recover or borrow funds in a timely fashion could result in an excessive District tax rate, hindering growth and leading to further defaults in the payment of taxes. The District is not required by law or the Bond Order to maintain any specified amount of surplus in Its debt service fund. See "Tax Collection Limitations and Foreclosure Remedies" in this section, "TAX DATA – Principal Taxpayers – Table 12," and "TAXING PROCEDURES – Levy and Collection of Taxes."

Undeveloped Acreage . . . Approximately 4.54 acres of developable land within the District have not been provided with water, wastewater and storm drainage and detention facilities as of June 1, 2026. In the opinion of the Engineer (defined herein), the remaining authorized but unissued bonds is sufficient to fund water, sanitary sewer and drainage services to all areas now within the District. There is no assurance that such undeveloped acreage will be developed. See "THE BONDS – Alteration of Boundaries" and "THE DISTRICT – Historical and Current Status of Development."

Vacant Developed Lots . . . As of June 1, 2026, approximately 182 developed lots within the District remained available for construction. Failure of the Developers and/or builders to construct taxable improvements on developed lots could result in substantial increases in the rate of taxation by the District during the term of the Bonds to pay debt service on the Bonds and any other tax supported debt of the District issued in the future. Future increases in value will result primarily from the construction of homes by builders. See "*Impact on District Tax Rates*" above.

Increase in Costs of Building Materials

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

Tax Collections and Foreclosure Remedies

The District has a right to seek judicial foreclosure on a tax lien, but such remedy may prove to be costly and time consuming and, since the future market or resale market, if any, of the taxable real property within the District is uncertain, there can be no assurance that such property could be sold and delinquent taxes paid. Additionally, the District's tax lien is on a parity with the liens of all other State and local taxing authorities on the property against which the taxes are levied. Registered owners of the Bonds are entitled under Texas law to a writ of mandamus to compel the District to perform its obligations. Such remedy would have to be exercised upon each separate default and may prove costly, time consuming and difficult to enforce. Furthermore, there is no trust indenture or trustee, and all legal actions would have to be taken on the initiative of, and be financed by, registered owners to enforce such remedies. The rights and remedies of the registered owners and the enforceability of the Bonds may also be limited by bankruptcy, reorganization and other similar laws affecting the enforcement of creditors' rights generally.

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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. Although the registered owners could obtain a judgment against the District, such a judgment could not be enforced by direct levy and execution against the District's property. 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.

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.

Bankruptcy Limitation to Registered Owners' Rights

The enforceability of the rights and remedies of registered owners may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. Subject to the requirements of State law discussed below, a political subdivision such as the District may voluntarily file a petition for relief from creditors under Chapter 9 of the Federal 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 dismissed 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 (i) is specifically authorized to file for federal bankruptcy protection by applicable state law, (ii) is insolvent or unable to meet its debts as they mature, (iii) desires to effect a plan to adjust such debts, and (iv) 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 State law a municipal utility district, such as the District, must obtain the approval of the TCEQ as a condition to seeking relief under the Federal 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 State law and remains unable to meet its debts and other obligations as they mature.

Notwithstanding noncompliance by a district with State law requirements, a district could file a voluntary bankruptcy petition under Chapter 9, thereby involving the protection of the automatic stay until the bankruptcy court, after a hearing, dismisses the petition. A Federal bankruptcy court is a court of equity and Federal bankruptcy judges have considerable discretion in the conduct of bankruptcy proceedings and in making the decision of whether to grant the petitioning district relief from its creditors. While such a decision might be 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. A district may not be forced into bankruptcy involuntarily.

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”) 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 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 the FIRREA provisions are valid and applicable to any property in the District, and 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.

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."

Future Debt

As of June 1, 2026, approximately 357.860 acres of land within the District have been developed with utility facilities. According to information obtained by Jones-Heroy & Associates, Inc., (the "Engineer"), Hwy 29 Ventures (defined herein) has advanced approximately $45,235,048 in construction and engineering costs, of which approximately $11,919,584 will remain owing to Hwy 29 Ventures after the reimbursement to Hwy 29 Ventures from the proceeds of the Bonds.

Therefore, Hwy 29 Ventures is owed additional funds with reimbursements expected to be made from the proceeds of future installments of bonds over the next several years. Each future issue of bonds is intended to be sold at the earliest practicable date consistent with the maintenance of a reasonable tax rate in the District (assuming projected increases in the value of taxable property made at the time of issuance of the bonds are accurate) see "THE DEVELOPERS – Utility Construction Agreements." The District does not employ any formula with respect to assessed valuations, tax collections or otherwise to limit the amount of parity bonds which it may issue. The issuance of additional bonds for water, wastewater, and drainage facilities, and park and recreational facilities is subject to approval by the TCEQ pursuant to its rules regarding issuance and feasibility of bonds. In addition, future changes in health or environmental regulations could require the construction and financing of additional improvements without any corresponding increases in taxable value in the District. See "THE BONDS – Issuance of Additional Debt."

The District has reserved in the Bond Order the right to issue the remaining authorized but unissued bonds approved by the voters. See "THE BONDS – Issuance of Additional Debt" All of the remaining unlimited tax bonds which have heretofore been authorized by the voters of the District may be issued by the District from time to time for qualified purposes, as determined by the Board of Directors of the District, subject to the approval of the Board, the Attorney General of the State of Texas and, if applicable, the TCEQ. Any additional bonds issued by the District may dilute the security for the Bonds.

Governmental Approval

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." The TCEQ approved the issuance of the Bonds by an order signed on August 6, 2026. 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.

Forward-Looking Statements

The statements contained in this Official Statement, and in any other information provided by the District, that are not purely historical, are forward-looking statements, including statements regarding the District's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the District on the date hereof, and the District assumes no obligation to update any such forward-looking statements.

The forward looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by first parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement would prove to be accurate.

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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 valuation 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 rate. See "TAXING PROCEDURES – Temporary Exemption for Qualified Property Damaged by a Disaster."

There can be no assurances that 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 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 disasters.

Environmental Regulation

Wastewater treatment and water supply facilities are subject to stringent and complex environmental laws and regulations. Facilities must comply with environmental laws at the federal, state, and local levels. These laws and regulations can restrict or prohibit certain activities that affect the environment in many ways such as:

1. Requiring permits for construction and operation of water supply wells and wastewater treatment facilities;
2. Restricting the manner in which wastes are released into the air, water, or soils;
3. Restricting or regulating the use of wetlands or other property;
4. Requiring remedial action to prevent or mitigate pollution; and
5. Imposing substantial liabilities for pollution resulting from facility operations.

Compliance with environmental laws and regulations can increase the cost of planning, designing, constructing and operating water production and wastewater treatment facilities. Sanctions against a water 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 as to future compliance of and the ability to operate the District's water supply, wastewater treatment, and drainage facilities. Environmental laws and regulations can also impact an area's ability to grow and develop. The following is a discussion of certain environmental concerns that relate to the District. It should be noted that changes in environmental laws and 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 ("EPA") and the TCEQ may impact new industrial, commercial, and residential development in the Austin-Round Rock area, consisting of Williamson, Hays, Travis, Bastrop, and Caldwell Counties (the "Austin-Round Rock Area"). The Federal Clean Air Act ("CAA") requires the EPA to adopt and periodically revise national ambient air quality standards ("NAAQS") for each of the six regulated air pollutants that may reasonably be anticipated to endanger public health or welfare: ground-level ozone, lead, carbon monoxide, sulfur dioxide, nitrogen dioxide, and particulate matter.

When a pollutant concentration in an area exceeds the NAAQS for a given pollutant, the area can be designated as "nonattainment" by the EPA. A nonattainment designation then triggers a process by which the affected state must develop and implement a plan to improve air quality and "attain" compliance with the appropriate standard. This so-called State Implementation Plan ("SIP") entails enforceable control measures and time frames.

In 1997, the EPA adopted the "8-hour" ozone standard of 80 parts per billion ("ppb") (the "1997 Ozone Standard") to protect public health and welfare. The Austin-Round Rock Area was designated "attainment" on April 30, 2004, which became effective on June 15, 2024. In 2008, the EPA lowered the ozone standard from 80 ppb to 75 ppb (the "2008 Ozone Standard"). The Austin-Round Rock Area was designated "attainment/unclassifiable" under the 2008 Ozone Standard.

On October 1, 2015, the EPA lowered the ozone standard from 75 ppb to 70 ppb (the "2015 Ozone Standard"). On November 16, 2017, the EPA designated the Austin-Round Rock Area as "attainment/unclassifiable" under the 2015 Ozone Standard, which became effective on January 16, 2018.

Although the Austin-Round Rock Area is currently designated an attainment/nonclassifiable area, the Austin-Round Rock Area has been and continues to be near the non-attainment thresholds for the ozone standard. Accordingly, it is possible that the Austin-Round Rock Area could be re-classified as a nonattainment area should ozone levels increase. A designation of nonattainment for ozone or any other pollutant could negatively impact business due to the additional permitting/regulatory constraints that accompany this designation and because of the community stigma associated with a nonattainment designation. Specifically, should the Austin-Round Rock Area fail to achieve attainment/nonclassifiable designation under EPA NAAQS, or should the Austin-Round Rock Area fail to satisfy a then effective

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SIP (for nonattainment or otherwise), or for any other reason should a lapse in conformity with the CAA occur, the Austin-Round Rock Area may be subjected to serious repercussions pursuant to the CAA, including stricter emissions control requirements, mandatory sanctions, and a required Federal Implementation Plan ("FIP") improved by the EPA. Under such circumstances, the TCEQ would be required under the CAA to submit to the EPA a new SIP under the CAA for the Austin–Round Rock Area. Due to the complexity of the nonattainment/conformity analysis, the status of the EPA's implementation of any future EPA NAAQS and the incomplete information surrounding any SIP requirements for the areas designated nonattainment under any future EPA NAAQS, the exact nature of sanctions or any potential SIP that may be applicable to the Austin-Round Rock Area in the future is uncertain.

In the past, the Austin-Round Rock Area has entered into agreements with TCEQ to undertake voluntary actions to help avoid a nonattainment designation. The Austin-Round Rock Area is currently participating in the Capital Area Council of Government ("CAPCOG") Ozone Advance Program ("OAP") as part of a voluntary regional 2019 – 2023 air quality plan focused on reducing ozone to keep the Austin-Round Rock Area in attainment with federal air quality standards. On February 7, 2024, the EPA announced a final rule to revise the primary annual $PM_{2.5}$ (particulate matter) standard from its current level of 12.0 $\Phi g/m^3$ to 9.0 $\Phi g/m^3$. The EPA will likely designate non-attainment areas in early 2026. The non-attainment areas will have to come into compliance by 2032.

Water Supply & Discharge Issues. Water supply and discharge regulations that 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 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 NPWDR for six 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), 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 nonstormwater discharges into surface water in the state. It 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 compliance with the MS4 Permit, the District has developed best management practices and a stormwater management plan to implement upon TCEQ approval to minimize or eliminate unauthorized pollutants that may otherwise be found in stormwater runoff. Costs associated with these compliance activities could be substantial in the future.

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 also obtain a permit from the United States Corps of Engineers ("USACE") if operations of the District require that wetlands be filled, dredged, or otherwise altered.

In 2023, the Supreme Court of the United States issued its decision in *Sackett v. EPA*, which clarified the definition of "waters of the United States" and significantly restricted the reach of 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 *Sacket* 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.

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Future Tax Legislation

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 on the Bonds under Federal or state law and could affect the market price or marketability of the Bonds. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

Drought Conditions

Central Texas, like other areas of the State, is susceptible to experiencing drought conditions. The City provides water to the District in amounts sufficient to service the residents of the District; however, as drought conditions continue, water usage and rates could be impacted.

Storm Water

In 2018, the National Weather Service completed a rainfall study known as NOAA Atlas 14, Volume 11 Participation-Frequency Atlas of the United States ("Atlas 14"). Flood plain boundaries within the District may be redrawn based on the Atlas 14 study based on higher statistical rainfall amount, resulting in interim flood plain regulations applying to a larger number of properties and consequently leaving less developable property within the District. Such regulations could additionally result in higher insurance rates, increased development fees, and stricter building codes for any property located within the expanded boundaries of the flood plain. See "THE SYSTEM – 100-Year Flood Plain."

Cybersecurity

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

Bond Insurance Risks

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

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

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

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

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

Neither the District nor the Initial Purchaser has made independent investigation into the claims-paying ability of the Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer is given. Thus, when making

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an investment decision, potential investors should carefully consider the ability of the District to pay principal and interest on the Bonds and the claims-paying ability of the Bond Insurer, particularly over the life of the investment. See “MUNICIPAL BOND RATINGS” and “BOND INSURANCE” herein for further information provided by the Bond Insurer and the Policy, which includes further instructions for obtaining current financial information concerning the Bond Insurer.

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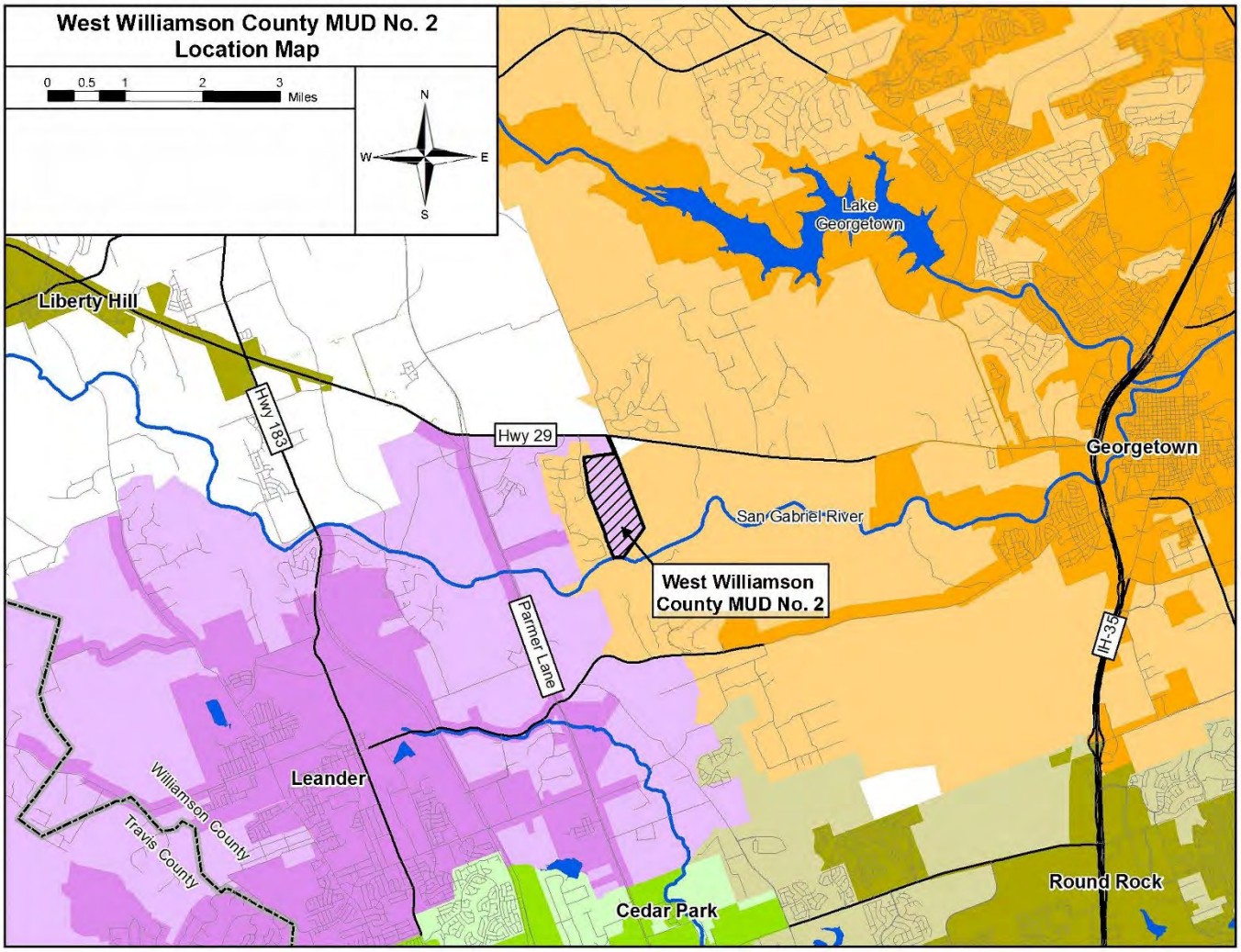
LOCATION MAP



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THE DISTRICT

General

The District was created by order of the TCEQ, effective April 27, 2015, and confirmed pursuant to an election held within the District on November 3, 2015, and operates under Chapters 49 and 54, Texas Water Code, as amended, and the general statutes of Texas applicable to municipal utility districts. The District is subject to the continuing supervision of the TCEQ.

The District was created to provide water, wastewater and drainage services to the property within the District currently being developed as a single-family development. The District may also develop and finance roads under Section 54.234 of the Texas Water Code and develop and finance park and recreational facilities. The District has entered into utility construction agreements with the Developers in order to facilitate the construction of water, wastewater and drainage facilities, road improvements, and park and recreational facilities to serve property within its boundary.

At the time of creation, the District contained approximately 386.98 acres of land. Since the creation of the District, there has been one annexation of land, and the District currently contains approximately 437.04 acres.

Board of Directors

The District is governed by a board, consisting of five directors, which has control over and management supervision of all affairs of the District. Directors' terms are four years, with elections held within the District in May in each even-numbered year. All of the directors own property in the District.

Name	Title	Term Expires
Justin Lange	President	2030
Aaron Googins	Vice President	2030
Timothy Leon	Secretary	2030
Alex Dagel	Assistant Secretary	2028
Joey Graham	Assistant Secretary	2028

Consultants

Tax Assessor/Collector

Land and improvements in the District are being appraised by the Williamson Central Appraisal District ("WCAD"). The Tax Assessor/Collector is appointed by the Board of Directors of the District. The Williamson County Tax Assessor/Collector, Catherine Totty, currently serves the District in this capacity under contract.

Engineer

The District's consulting engineer is Jones-Heroy & Associates, Inc. (the "Engineer"). Such firm serves as consulting engineer to 70 other special districts.

Bookkeeper

Bott & Douthitt, PLLC, certified public accountants, serves as bookkeeper to the District. Such firm serves as bookkeeper to approximately 150 other special districts.

Auditor

McCall Gibson Swedlund Barfoot Ellis PLLC ("MGSBE"), has audited the District's financial statements for the fiscal year ended September 30, 2025. MGSBE serves in a similar capacity for approximately 600 other special districts. See "APPENDIX A" for a copy of the District's September 30, 2025 audited financial statements.

Financial Advisor

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

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Bond Counsel and Disclosure Counsel

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

General Counsel

The District employs Armbrust & Brown, PLLC ("A&B") as General Counsel. Fees paid to A&B for work related to the issuance of the Bonds are contingent upon the sale of the Bonds.

Location

The District is located entirely within the extraterritorial jurisdiction of the City, and is situated in approximately 5 miles northeast of the City in western Williamson County. The District is on the south side of State Highway 29 at the intersection with Lively Ranch Road.

Historical and Current Status of Development

In October 2015, Hwy 29 Ventures purchased approximately 386.98 acres of land comprising the District from Donald H. Lively Family Partnership, Ltd. On September 1, 2016, the District annexed an additional approximately 50.07 acres of land into the District. The 50.07-acre annexed tract was originally located within the City of Georgetown's extraterritorial jurisdiction; however per agreement between the City, the City of Georgetown, Texas ("Georgetown"), and Hwy 29 Ventures, the tract was transferred to the City's extraterritorial jurisdiction.

As of June 1, 2026, Hwy 29 Ventures has developed utility facilities serving approximately 359.854 acres within the District, referred to herein as Lively Ranch, developed as Lively Ranch Phase I, Section 1 (5.866 acres); Lively Ranch Phase I, Section 2 (9.474 acres; platted as 30 single-family homes); Lively Ranch Phase I, Section 3 (9.646 acres; platted as 19 single-family homes); Lively Ranch Phase I, Section 4 (12.178 acres; platted as 31 single-family homes); Lively Ranch Phase I, Section 5 (6.988 acres; platted as 29 single-family homes); Lively Ranch Phase I, Section 6 (14.253 acres; platted as 53 single-family homes); Lively Ranch Phase I, Section 7 (13.061 acres; platted as 26 single-family homes); Lively Ranch Phase 1, Section 8 (12.471 acres; platted as 28 single-family homes); Lively Ranch Phase I, Section 9 (13.938 acres; platted as 39 single-family homes); Lively Ranch Phase I, Section 10 (7.216 acres; platted as 10 single-family homes); Lively Ranch Phase II (71.823 acres; platted as 201 single-family homes); Lively Ranch Phase III (108.138 acres and platted as 239 single-family homes); and Lively Ranch Phase IV (78.185 acres; platted as 202 single-family homes). In March 2025, Lennar Homes of Texas Land and Construction Ltd. ("Lennar" and together with Hwy 29 Ventures, the "Developers") purchased approximately 54.246 acres from Hwy 29 Ventures for the purpose of developing Lively Ranch Phase V. Lively Ranch Phases I – III include approximately 69.947 acres of open space. As of June 1, 2026, development within the District included a total of 1,105 single-family lots, which includes 907 completed homes, 16 homes under construction, and 182 vacant developed single-family lots. Currently, there are approximately 4.54 remaining developable acres for future single-family development within the District. Development within the District additionally includes a 3,000 square foot amenity center, which includes a pool, kitchen, and fitness facilities. Approximately 39.534 acres are designated easements, ROWs, and roads, which are dispersed throughout the District in the developed single-family phase acreage. The remaining approximately 18.40 acres are undevelopable and located within the flood plain.

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The following chart reflects the status of development as of June 1, 2026:

Section	Acreage	Platted Lots	Completed Homes	Homes Under Construction	Vacant Lots
A. Single Family Developed with Utility Facilities[(a)/(b)]					
Lively Ranch Phase I, Section 1[(c)]	5.866	-	-	-	-
Lively Ranch Phase I, Section 2	9.474	30	30	-	-
Lively Ranch Phase I, Section 3	9.646	19	19	-	-
Lively Ranch Phase I, Section 4	12.178	31	31	-	-
Lively Ranch Phase I, Section 5	6.988	29	29	-	-
Lively Ranch Phase I, Section 6	14.253	53	53	-	-
Lively Ranch Phase I, Section 7	13.061	26	26	-	-
Lively Ranch Phase I, Section 8	12.471	28	28	-	-
Lively Ranch Phase I, Section 9	13.938	39	39	-	-
Lively Ranch Phase I, Section 10	7.216	10	10	-	-
Lively Ranch Phase II	71.823	201	201	-	-
Lively Ranch Phase III	108.138	239	239	-	-
Lively Ranch Phase IV[(d)]	74.802	202	202	-	-
Lively Ranch Phase V	54.246	198	-	16	182
Total Single Family Developed with Utilities	**414.100**	**1,105**	**907**	**16**	**182**
B. Remaining Developable Acreage	**4.540**				
C. Undevelopable Acreage					
Flood Plain	**18.400**				
Total District Acreage	**437.040**				

(a) According Hwy 29 Ventures, Phases I through III include approximately 64.947 acres of open space.
(b) According to the District's Engineer, approximately 39.534 acres of right-of-ways (ROWs) and street easements are included in phase acreages.
(c) According to Hwy 29 Ventures, Phase I Section 1 does not contain any lots.
(d) According to Hwy 29 Ventures, Phases IV and V include approximately 5.347 acres of open spaces and parks within the proposed single-family development.

Future Development

The instigation of any new development beyond that described in this Official Statement will be dependent on several factors including, to a great extent, the general and other economic conditions which would affect the ability to sell lots and/or property and of any homebuilder to sell completed homes as described in this Official Statement under the caption "INVESTMENT CONSIDERATIONS." If the undeveloped portion of the District is eventually developed, additions to the water, wastewater, and drainage system required to service such undeveloped acreage may be financed by future District bond issues, if any, and developer contributions, if any, as required by the TCEQ. The District's Engineer estimates that the $60,025,000 remaining principal amount of voted water, wastewater, and drainage bonds which are authorized but unissued is sufficient to reimburse the Developers for the existing utility facilities and provide utility service to the remaining undeveloped but developable acres within the District. See "THE BONDS – Issuance of Additional Debt." The Developers are under no obligation to complete any development, if begun, and may modify or discontinue development plans in their sole discretion. Accordingly, the District makes no representation that future development will occur.

Consent and Development Agreement with the City of Leander

Pursuant to the Consent and Development Agreement, the City consented to the creation of the District. The Consent and Development Agreement governs the development of all land within the District. The development within the District is subject to the subdivision code and other ordinances and regulations of the City that are applicable by virtue of the District being located within the City's extraterritorial jurisdiction. The Consent and Development Agreement is effective from the date of execution (April 24, 2015) and terminates at such time that all of the land within the District has been annexed by the City and the City has assumed all obligations of the District.

The Consent and Development Agreement authorizes the District to issue bonds and notes, including bond anticipation notes or refunding unlimited tax bonds for any purpose not specifically prohibited by law, the Consent Agreement or rules and policies of the TCEQ. The Consent and Development Agreement, provides that the total principal amount of unlimited tax new money bonds to be issued by the District is limited to $70,000,000, unless otherwise agreed to by the City. After the issuance of the Bonds, the District will have issued $38,675,000 aggregate principal amount of unlimited tax bonds for the purposes of acquiring or constructing water, wastewater, and drainage facilities to serve the residents of the District.

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THE DEVELOPERS

Role of Developer

In general, the activities of a landowner or developer within a utility district, such as the District, include purchasing land within the future district, petitioning for creation of the district, designing the development, defining a marketing program, planning building schedules, securing necessary governmental approvals and permits for development, arranging for the construction of roads and the installation of utilities (including, in some cases, water, sewer, and drainage facilities) pursuant to the rules of the TCEQ, and selling improved lots or commercial reserves to builders, other developers or first parties. Ordinarily, the developer pays one hundred percent (100%) of the costs of paving and amenity design and construction while the utility district finances the costs of the water supply and distribution, wastewater collection and drainage facilities. While a landowner or developer is required by the TCEQ to pave streets and pay for its allocable portion of the costs of utilities to be financed by the district through a specific bond issue, if any, a developer is generally under no obligation to a district to undertake development activities with respect to other property it owns within a district. Furthermore, there is no restriction on a developer's right to sell any or all of the land which the developer owns within a district. In addition, the developer is ordinarily the major taxpayer within the district during the early stages of development. The relative success or failure of the developer to perform such activities in development of the property within the utility district may have a profound effect on the security for the bonds issued by a district.

Description of the Developers

The primary developer of land within the District is Hwy 29 Ventures 2015 LP, a Delaware limited partnership ("Hwy 29 Ventures"). The general partner of Hwy 29 Ventures is Sentinel Lively GP, LLC, a Texas limited liability company, which is managed by Thomas J. Reilly. Sentinel Land Company, LLC, a Texas limited liability company and an affiliate of Hwy 29 Ventures, is the operating entity of Thomas Reilly and David Nairne. Hwy 29 Ventures has developed approximately 360 acres within the District has Lively Ranch Phases I through IV and currently owns approximately 4.54 acres in the District that are planned for additional residential development.

In March 2025, Lennar Homes of Texas Land and Construction Ltd. ("Lennar" and together with Hwy 29 Ventures, the "Developers") purchased approximately 54.246 acres from Hwy 29 Ventures for the purpose of developing such acreage as Lively Ranch Phase V, which was completed in 2026. Lennar is wholly owned by Lennar Corporation, a Delaware corporation and a publicly traded company traded on the New York Stock Exchange under the ticker "LEN." Lennar's financial and operating data is available publicly at http://investors.lennar.com/financials/sec-filings.

Homebuilder within the District

Lennar is currently the only active homebuilder within the District. New homes in the District range in price from approximately $344,990 to $684,000 with square footage ranging from approximately 1,645 to 3,395.

Home construction in the District began in 2017. The following chart illustrates the number of homes built per year starting in 2017.

Calendar Year		No. of Single-Family Homes Constructed
2017		0
2018		66
2019		95
2020		90
2021		10
2022		191
2023		10
2024		280
2025		95
2026		86*

* As of June 1, 2026, includes 70 completed single-family homes and 16 single-family homes under construction in Lively Ranch Phase IV.

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Utility Construction Agreements

The District has entered into utility construction agreements with Hwy 29 Ventures governing the development of water, wastewater and drainage facilities on land within the District and the reimbursement for certain costs of such developments through the issuance of bonds by the District (the "Utility and Park Improvements Construction and Reimbursement Agreement"). Hwy 29 Ventures assigned certain receivables under the Utility and Park Improvement Construction and Reimbursement Agreement, with the consent of the District, to BCJL for the purpose of securing payment for the development financing (the "Assignment"). Hwy 29 Ventures has retained all reimbursement rights associated with the development of Lively Ranch Phase V by Lennar.

Agricultural Waiver

Approximately 259 acres within the District are subject to an agricultural exemption, however, the Developer has executed agreements, which are recorded in the real property records of Williamson County, and are covenants running with the land, waiving the right to have a portion of the land located within the District classified as agricultural, open-space, or timberland. In addition, the Developer has waived the right to have the lots and houses (if any) classified as business inventory. Such agreement may not be modified without the approval of the TCEQ and is binding on purchasers of such land from the Developer. See "TAXING PROCEDURES – Property Subject to Taxation by the District."

THE SYSTEM

Regulation

The water, wastewater and storm drainage facilities (the "System"), the purchase, acquisition and construction of which will be permanently financed by the District with the proceeds of unlimited tax bonds, have been designed in accordance with accepted engineering practices and the recommendation of certain governmental agencies having regulatory or supervisory jurisdiction over construction and operation of such facilities, including, among others, the TCEQ, Williamson County, and the City of Leander. According to the Engineer, the design of all such facilities has been approved by all governmental agencies which have authority over the District.

Operation of the waterworks and wastewater facilities serving the District is subject to regulation by, among others, the US EPA and the TCEQ. The rules and regulations promulgated by these agencies change periodically and are subject to further development and revision. The TCEQ makes annual inspections of the water and wastewater systems to assure compliance with their rules.

Water Supply and Distribution

The City of Leander provides retail water service to the District. Leander agrees to own, operate, and maintain the facilities and charge user fees at retail rates, and collects impact fees for new service connections within the District. Under the Water Services Agreement, the Developer agrees to finance and construct on behalf of the District the internal water facilities and dedicate sites thereunder. Under the Consent and Development Agreement, Leander is responsible for securing easements for the offsite waterline improvements, and the Developer is responsible for constructing the offsite waterline improvements. Construction of the offsite line improvements allowing Leander to provide permanent water service to the District was completed in January 2022. Per the Water Services Agreement, Leander will provide sufficient water capacity to serve the ultimate build-out of the District.

Wastewater Collection and Treatment

Pursuant to the Wholesale Wastewater Services Agreement between Georgetown and Leander (the "Wastewater Agreement"), Georgetown agrees to provide wholesale wastewater service to Leander, who will provide retail sewer service to the District to serve the ultimate development of the District. Leander agrees to own, operate and maintain the facilities and charge user fees at out-of-city rates. Under the Wastewater Agreement, the Developer agrees to finance and construct on behalf of the District the internal wastewater facilities and dedicate sites thereunder to the City of Leander. Per the Wastewater Agreement, Georgetown will provide sufficient wastewater capacity to serve the ultimate build-out of the District.

Storm Drainage

The storm drainage system that serves the District consists of curb and guttered streets and storm sewers. The collected storm water runoff generally flows through the District from the north to the south, and ultimately outfalls into the South San Gabriel River on the District's southern boundary.

100-Year Flood Plain

"Flood Insurance Rate Map" or "FIRM" means an official map of a community on which the Federal Emergency Management Agency (FEMA) has delineated the appropriate areas of flood hazards. The 1% chance of probable inundation, also known as the 100-year flood plain, is depicted on these maps. The "100-year flood plain" (or 1% chance of probable inundation) as shown on the FIRM is the estimated geographical area that would be flooded by a rain storm of such intensity to statistically have a one percent chance of occurring in any

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given year. Generally speaking, homes must be built above the 100-year flood plain in order to meet local regulatory requirements and to be eligible for federal flood insurance.

According to the District's Engineer, approximately 18.40 acres within the District are located within the 100-year flood plain, as identified by the Federal Flood Insurance Administration Rate Maps Nos. 48491C0275E and 48491C0460E for Williamson County, Texas, dated September 26, 2008. No lots are developed nor are any expected to be developed on the 18.40 acres that are located within the boundary of the 100-year Flood Plain.

In 2018, the National Weather Service completed a rainfall study known as Atlas 14. Flood plain boundaries within the District may be redrawn based on the Atlas 14 study based on higher statistical rainfall amount, resulting in interim flood plain regulations applying to a larger number of properties and consequently leaving less developable property within the District. Such regulations could additionally result in higher insurance rates, increased development fees, and stricter building codes for any property located within the expanded boundaries of the flood plain.

Water, Wastewater, and Drainage Operations - Rate and Fee Schedule – Table 1

The City provides retail water and wastewater services to the District and is responsible for establishing the rates and fees charged for those services, subject to change from time to time. The rates and fees charged by the City for retail water and wastewater service are published and updated from time to time by the City on its official website which may be referred to for the City's current rates and fees. **The rates and charges established by the City are not part of the District's continuing disclosure undertaking and will not be updated by the District annually.**

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Operating Revenues and Expenses Statement - Table 2

The following statement sets forth in condensed form the historical operations of the District as derived from the District's audited financial statements for the years ending September 30, 2022 through September 30, 2025. Unaudited financial information for the period ending July 31, 2026, has been provided by the District's bookkeeper. Accounting principles customarily employed in the determination of net revenues have been observed and in all instances exclude depreciation. Such summary has been prepared from information obtained from the District's financial statements and records. Reference is made to such statements for further and more complete information. Also see "Appendix A – Audited Financial Statements of the District for the fiscal year ended September 30, 2025."

	Fiscal Year End				
	7/31/2026[a]	9/30/2025[b]	9/30/2024[b]	9/30/2023[b]	9/30/2022[b]
REVENUES					
Property taxes, including penalties and interest	$ 438,011	$ 533,644	$ 808,766	$ 767,628	$ 484,380
Drainage Fees	-	-	141,400	167,300	-
Other	66,099	132,612	114,207	59,796	6,488
TOTAL REVENUES	**$ 504,110**	**$ 666,256**	**$ 1,064,373**	**$ 994,724**	**$ 490,868**
EXPENDITURES					
Director Fees, including payroll	$ 5,710	$ 6,899	$ 5,710	$ 6,671	$ 4,844
Tax Appraisal/Collection Fees	2,102	3,320	4,717	3,832	2,730
Pond Maintenance and Repairs	128,089	106,914	91,270	53,225	24,475
Legal Fees	26,687	18,356	15,599	26,749	22,350
Bookkeeping Fees	20,275	22,887	21,875	22,875	16,050
Audit Fees	13,500	12,250	11,000	10,250	9,750
Engineering Fees	15,465	14,035	6,680	10,467	5,491
Financial Advisor Fees	845	1,329	1,346	1,088	1,058
Insurance	-	8,214	7,445	6,124	5,501
Other	1,352	3,471	943	752	1,257
TOTAL EXPENDITURES	**$ 214,025**	**$ 197,675**	**$ 166,585**	**$ 142,033**	**$ 93,506**
NET REVENUES (DEFICIT)	**$ 290,085**	**$ 468,581**	**$ 897,788**	**$ 852,691**	**$ 397,362**
Beginning Fund Balance	**$ 3,229,922**	**$ 2,761,341**	**$ 1,863,553**	**$ 1,010,862**	**$ 613,500**
Developer Reimbursement (Surplus Funds)	(1,915,386)	-	-	-	-
Plus / (Less): Fund Transfers	-	-	-	-	-
Ending Fund Balance	**$ 1,604,621**	**$ 3,229,922**	**$ 2,761,341**	**$ 1,863,553**	**$ 1,010,862**

(a) Unaudited as of July 31, 2026. Represents ten (10) months of the District's 2026 fiscal year.
(b) Audited.

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DEBT SERVICE REQUIREMENTS – TABLE 3

West Williamson County Municipal Utility District No. 2
$2,500,000
Unlimited Tax Bonds, Series 2026A
Dated Date: September 30, 2026
First Interest Payment Due: March 1, 2027

Year	Outstanding Bonds				The Bonds					Total
Ending	Principal	Interest			Principal	Interest			Principal	Debt Service
31-Dec	Due (09/01)	Due (03/01)	Due (09/01)	Total	(Due 9/01)	(Due 3/01)	(Due 9/01)	Total	and Interest	Requirements
2026	$ 345,000	$ 667,679	$ 667,679	$ 1,680,357	$ -	$ -	$ -	$ -	$ -	$ 1,680,357
2027	520,000	712,737	712,737	1,945,474	50,000	51,728	61,663	113,390	163,390	2,108,864
2028	915,000	700,771	700,771	2,316,541	65,000	60,100	60,100	120,200	185,200	2,501,741
2029	965,000	676,709	676,709	2,318,419	65,000	58,069	58,069	116,138	181,138	2,499,556
2030	1,010,000	653,328	653,328	2,316,656	70,000	56,038	56,038	112,075	182,075	2,498,731
2031	1,060,000	629,359	629,359	2,318,719	70,000	53,850	53,850	107,700	177,700	2,496,419
2032	1,105,000	604,953	604,953	2,314,906	80,000	51,663	51,663	103,325	183,325	2,498,231
2033	1,150,000	581,803	581,803	2,313,606	85,000	49,163	49,163	98,325	183,325	2,496,931
2034	1,200,000	557,653	557,653	2,315,306	85,000	46,506	46,506	93,013	178,013	2,493,319
2035	1,245,000	534,697	534,697	2,314,394	90,000	44,169	44,169	88,338	178,338	2,492,731
2036	1,290,000	511,703	511,703	2,313,406	95,000	41,919	41,919	83,838	178,838	2,492,244
2037	1,340,000	487,791	487,791	2,315,581	100,000	39,900	39,900	79,800	179,800	2,495,381
2038	1,390,000	462,728	462,728	2,315,456	100,000	37,713	37,713	75,425	175,425	2,490,881
2039	1,445,000	436,597	436,597	2,318,194	105,000	35,525	35,525	71,050	176,050	2,494,244
2040	1,500,000	409,059	409,059	2,318,119	110,000	33,163	33,163	66,325	176,325	2,494,444
2041	1,560,000	380,275	380,275	2,320,550	110,000	30,688	30,688	61,375	171,375	2,491,925
2042	1,620,000	350,144	350,144	2,320,287	120,000	28,213	28,213	56,425	176,425	2,496,712
2043	1,685,000	318,753	318,753	2,322,506	120,000	25,513	25,513	51,025	171,025	2,493,531
2044	1,755,000	285,991	285,991	2,326,981	125,000	22,813	22,813	45,625	170,625	2,497,606
2045	1,820,000	252,694	252,694	2,325,387	130,000	20,000	20,000	40,000	170,000	2,495,387
2046	1,890,000	217,809	217,809	2,325,619	135,000	17,075	17,075	34,150	169,150	2,494,769
2047	1,965,000	181,103	181,103	2,327,206	140,000	14,038	14,038	28,075	168,075	2,495,281
2048	2,055,000	138,169	138,169	2,331,338	145,000	10,888	10,888	21,775	166,775	2,498,113
2049	2,145,000	93,094	93,094	2,331,188	150,000	7,625	7,625	15,250	165,250	2,496,438
2050	2,240,000	47,600	47,600	2,335,200	155,000	3,875	3,875	7,750	162,750	2,497,950
	$ 35,215,000	**$ 10,893,198**	**$ 10,893,198**	**$ 57,001,396**	**$ 2,500,000**	**$ 840,228**	**$ 850,163**	**$ 1,690,390**	**$ 4,190,390**	**$ 61,191,787**

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FINANCIAL STATEMENT
(Unaudited)

Assessed Value – Table 4

2025 Certified Assessed Valuation		$ 303,576,481	(a)
2026 Certified Assessed Valuation		$ 342,769,633	(b)
Estimated Assessed Valuation as of June 1, 2026		$ 348,437,000	(c)
Gross Debt Outstanding (after issuance of the Bonds)		$ 37,715,000	(d)
Ratio of Gross Debt to 2025 Certified Assessed Valuation		12.42%	
Ratio of Gross Debt to 2026 Certified Assessed Valuation		11.00%	
Ratio of Gross Debt to Estimated Assessed Valuation as of June 1, 2026		10.82%	
2026 Tax Rate			
Debt Service	$ 0.6250		
Maintenance	0.1335		
Total 2026 Tax Rate		$ 0.7585	(e)
Debt Service Fund Balance (as of September 9, 2026)		$ 1,750,981	(f)

Area of District: 437.0490 acres
Estimated Population as of June 1, 2026: 1,635 (f)

(a) The certified assessed valuation as of January 1, 2025, as provided by WCAD. See "TAXING PROCEDURES."
(b) The certified assessed valuation as of January 1, 2026, as provided by WCAD. See "TAXING PROCEDURES."
(c) The estimated assessed valuation as of June 1, 2026, as provided by WCAD, is included solely for purposes of illustration. No taxes will be levied on this estimated assessed valuation unless it is certified by WCAD. See "TAXING PROCEDURES."
(d) Includes the Bonds.
(e) The District's Board, at its meeting in September 2026, levied a total tax rate of $0.7585, including a $0.6250 debt service tax rate and a $0.1335 maintenance and operations tax rate. See "TAX DATA."
(f) Unaudited as of September 9, 2026. Does not include approximately eleven (11) months of capitalized interest ($118,750 at an interest rate of 4.923885%) included in the Bond proceeds, to be deposited into the District's Debt Service Fund upon closing. Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the District's Debt Service Fund.
(g) Based upon 3.0 residents per completed and occupied single family home.

Unlimited Tax Bonds Authorized but Unissued - Table 5

Date of Authorization	Purpose	Authorized	Issued to Date	Unissued
11/3/2015	Water, Wastewater and Drainage	$ 98,700,000	$ 38,675,000 (a)	$ 60,025,000
11/3/2015	Recreational Facilities	18,610,000	-	18,610,000
11/3/2015	Road Facilities	8,745,000	-	8,745,000
11/3/2015	Refunding(b)	189,082,500	-	189,082,500
Total		**$ 315,137,500**	**$ 38,675,000**	**$ 276,462,500**

(a) Includes the Bonds.
(b) The propositions approved by the voters authorized the District to issue refunding bonds in an amount not to exceed one and one-half times the par amount of new money bonds issued, assuming that the total amount of bonds authorized by the voters will be issued, which equals $148,050,000 in water, wastewater, and drainage refunding bonds, $27,915,000 in park and recreational facilities refunding bonds, and $13,117,500 in refunding road bonds.

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Outstanding Bonds - Table 6

Dated Date	Purpose	Original Series	Original Principal Amount	Principal Amount Outstanding after the Issuance of the Bonds
05/29/19	Water, Wastewater and Drainage	2019	2,600,000	2,230,000
10/14/20	Water, Wastewater and Drainage	2020	4,000,000	3,485,000
12/15/21	Water, Wastewater and Drainage	2021	2,350,000	2,310,000
12/15/22	Water, Wastewater and Drainage	2022	6,325,000	6,310,000
07/06/23	Water, Wastewater and Drainage	2023	4,425,000	4,415,000
07/23/24	Water, Wastewater and Drainage	2024	5,500,000	5,495,000
05/20/25	Water, Wastewater and Drainage	2025	4,975,000	4,970,000
01/21/26	Water, Wastewater and Drainage	2026	6,000,000	6,000,000
09/30/26	Water, Wastewater and Drainage	2026A	2,500,000	2,500,000 [(a)]
	Subtotal		**$ 38,675,000**	**$ 37,715,000**

(a) The Bonds.

Cash and Investment Balances - Table 7[(a)]

General Fund	$ 1,540,611	
Debt Service Fund	1,750,981	[(b)]
Capital Projects Fund	60,073	

(a) Unaudited as of September 9, 2026.
(b) Unaudited as of September 9, 2026. Does not include approximately eleven (11) months of capitalized interest ($118,750 at an interest rate of 4.923885%) included in the Bond proceeds, to be deposited into the District's Debt Service Fund upon closing. Neither Texas law nor the Bond Order requires the District to maintain any particular sum in the Debt Service Fund.

Investment Authority and Investment Practices of the District

Under Texas law, the District is authorized to invest in (1) obligations of the United States or its agencies and instrumentalities, including letters of credit; (2) direct obligations of the State of Texas or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities including obligations that are fully guaranteed or insured by the FDIC or by explicit full faith and credit of the Unites States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the FDIC or the National Credit Union Share Insurance Fund or their respective successors; (8) certificates of deposit and share certificates meeting the requirements of the Texas Public Funds Investment Act (Chapter 2256, Texas Government Code, as amended) (the "PFIA") (i) that are issued by or through an institution that has its main office or a branch office in Texas and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or are secured as to principal by obligations described in clauses (1) through (6) or in any other manner and amount provided by law for District deposits; or (ii) that are invested by the District through a depository institution that has its main office or a branch office in the State of Texas and otherwise meets the requirements of the PFIA; (9) fully collateralized repurchase agreements that have a defined termination date, are fully secured by obligations described in clause (1), and are placed through a primary government securities dealer or a financial institution doing business in the State of Texas; (10) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least "A-1" or "P-1" or the equivalent by at least one nationally recognized credit rating agency; (11) commercial paper with a stated maturity of 270 days or less that is rated at least "A-1" or "P-1" or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank; (12) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission that complies with Securities and Exchange Commission Rule 2a-7; (13) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, and either has a duration of one year or more and is invested

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exclusively in obligations described in the this paragraph, or has a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities; and (14) local government investment pools organized in accordance with the Interlocal Cooperation Act (Chapter 791, Texas Government Code) as amended, whose assets consist exclusively of the obligations that are described above. A public funds investment pool must be continuously ranked no lower than "AAA", "AAA-m" or at an equivalent rating by at least one nationally recognized rating service. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described below.

A political subdivision such as the District may enter into securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (6) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than "A" or its equivalent or (c) cash invested in obligations described in clauses (1) through (6) above, clauses (11) through (13) above, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the District, held in the District's name and deposited at the time the investment is made with the District or a first party designated by the District; (iii) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State of Texas; and (iv) the agreement to lend securities has a term of one year or less.

The District may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than "AAA" or "AAAm" or an equivalent by at least one nationally recognized rating service. The District may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the District retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the District must do so by order, ordinance, or resolution.

The District is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that include a list of authorized investments for District funds, the maximum allowable stated maturity of any individual investment, the maximum average dollar-weighted maturity allowed for pooled fund, groups methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the PFIA. All District funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under Texas law, 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." At least quarterly the District's investment officers must submit an investment report to the Board of Directors detailing: (1) the investment position of the District, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, and any additions and changes to market value and the ending value of each pooled fund group, (4) the book value and market value of each separately listed asset at the beginning and end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategies and (b) Texas law. No person may invest District funds without express written authority from the Board of Directors.

Under Texas law, the District is additionally required to: (1) annually review its adopted policies and strategies, (2) require any investment officers with personal business relationships or family relationships with firms seeking to sell securities to the District to disclose the relationship and file a statement with the Texas Ethics Commission and the District, (3) require the registered principal of firms seeking to sell securities to the District to: (a) receive and review the District's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude imprudent investment activities, and (c) deliver a written statement attesting to these requirements; (4) in conjunction with its annual financial audit, perform a compliance audit of the management controls on investments and adherence to the District's investment policy, (5) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse repurchase agreement, (6) restrict

the investment in non-money market mutual funds in the aggregate to no more than 15% of the District's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service and (7) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements.

Current Investments - Table 8

The District, as of September 9, 2026 (unaudited), was invested in TexPool. This investment portfolio is generally representative of the District's investment practices. GASB Statement No. 3 requires the District to assign risk categories for its investment, except those in which securities are not used as evidence of the investment. TexPool is a public funds investment pool. TexPool has not been assigned a risk category since the District has not issued securities, but rather it owns an undivided beneficial interest in the assets of TexPool. 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.

		Investment Value as of September 9, 2026
Cash	$	50,876
TexPool		3,300,789
Total Investments	**$**	**3,351,665**

Estimated Overlapping Debt Statement

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

Taxing Body	Total Tax Supported Debt		% of Overlapping Net Debt	Amount of Overlapping Net Debt
	Amount	As of		
Williamson County	$ 1,399,910,000	8/31/2026	0.210%	$ 2,939,811
Williamson Co. FM and Road[(a)]	-	8/31/2026	0.000%	-
Williamson Co. ESD No. 4[(a)]	-	8/31/2026	0.000%	-
Liberty Hill ISD	956,167,702	8/31/2026	3.540%	33,848,337
TOTAL ESTIMATED OVERLAPPING NET DEBT				**$ 36,788,148**
The District [(b)]	$ 37,715,000	9/30/2026	100.00%	$ 37,715,000
TOTAL DIRECT AND ESTIMATED OVERLAPPING DEBT				**$ 74,503,148**
Ratio of Estimated and Overlapping Debt to 2025 Certified Assessed Valuation				**24.54%**
Ratio of Estimated and Overlapping Debt to 2026 Certified Assessed Valuation				**21.74%**
Ratio of Estimated and Overlapping Debt to Estimated Assessed Valuation as of June 1, 2026				**21.38%**

(a) Taxing jurisdiction with no outstanding debt.
(b) Includes the Bonds.

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Overlapping Taxes for 2025

Overlapping Entity	2025 Tax Rate Per $100 Assessed Valuation Williamson County	Average Tax Bill [a] Williamson County
Williamson County[b]	$0.413776	$ 1,611
Liberty Hill ISD	1.086900	4,231
Williamson County ESD No. 4	0.074495	290
The District[c]	0.682000	2,655
Total	**$2.257171**	**$ 8,786**

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(a) Based upon the 2025 average single-family home value of $389,232 as provided by the WCAD.
(b) Includes $0.044329 levied for Williamson County FM/RD.
(c) The District adopted a 2026 total tax rate of $0.7585/$100AV at its September 2026 meeting.

TAX DATA

Classification of Assessed Valuation - Table 9

	2026[a]		2025[b]		2024[b]		2023[b]	
Type Property	Amount	%	Amount	%	Amount	%	Amount	%
Single Family Residential	$ 346,464,341	101.08%	$ 301,042,879	99.17%	$ 206,391,826	91.55%	$ 194,465,267	90.96%
Vacant Platted Lots/Tracts	121,927	0.04%	43,195	0.01%	17,604,497	7.81%	22,010,768	10.29%
Real, Acreage (Land Only)	-	0.00%	2,573,952	0.85%	2,206,245	0.98%	2,016,984	0.94%
Real, Farm and Ranch Improvements	35,622	0.01%	2,051,199	0.68%	1,761,514	0.78%	8,161,862	3.82%
Qualified Open Space Land	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Rural Land, Non-Qualified	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Commercial Personal Property	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Tangible Personal - Business	1,198,578	0.35%	596,020	0.20%	348,878	0.15%	231,480	0.11%
Utilities	755,007	0.22%	661,990	0.22%	589,474	0.26%	524,642	0.25%
Real Inventory	20,733,371	6.05%	27,305,615	8.99%	29,213,891	12.96%	10,300,535	4.82%
Exempt	1,232,077	0.36%	-	0.00%	-	0.00%	-	0.00%
Totally Exempt Property	1,734	0.00%	-	0.00%	-	0.00%	-	0.00%
Adjustments & Exemptions	(27,773,024)	-8.10%	(30,698,369)	-10.11%	(32,678,592)	-14.50%	(23,909,040)	-11.18%
Total	**$342,769,633**	**100.00%**	**$303,576,481**	**100.00%**	**$225,437,733**	**100.00%**	**$213,802,498**	**100.00%**

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(a) Provided by WCAD.
(b) Assessed valuation reflects the adjusted value at September 30th of each respective year as included in the audited financial statement.

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Tax Collections - Table 10

The following statement of tax collections sets forth in condensed form the historical tax collection experience of the District. Such summary has been prepared by the Financial Advisor for inclusion herein based upon information from District audits and records of the District's Tax Assessor/Collector. Reference is made to such audits and records for further and more complete information.

	Assessed	Tax		Current		Total		Year	
Year	Valuation[a]	Rate	Tax Levy	Amount	%	Amount	%	Ending	
2016	93,953	0.9500	893	893	100.00%	893	100.00%	9/30/2017	(b)
2017	2,718,652	0.9500	25,827	25,827	100.00%	25,827	100.00%	9/30/2018	(b)
2018	7,602,363	0.9500	72,222	72,222	100.00%	72,222	100.00%	9/30/2019	(b)
2019	17,602,711	0.9500	167,659	167,659	100.00%	167,659	100.00%	9/30/2020	(b)
2020	45,683,315	0.9500	436,627	436,627	100.00%	436,627	100.00%	9/30/2021	(b)
2021	134,507,144	0.8690	771,050	771,050	100.00%	771,050	100.00%	9/30/2022	(b)
2022	213,802,498	0.8230	1,107,076	1,107,076	100.00%	1,107,076	100.00%	9/30/2023	(b)
2023	213,814,498	0.6820	1,458,215	1,456,757	99.90%	1,456,757	99.90%	9/30/2024	(b)
2024	225,437,733	0.6820	1,537,486	1,534,411	99.80%	1,534,411	99.80%	9/30/2025	(b)
2025	303,576,481	0.7585	2,065,931	2,058,433	99.64%	2,058,433	99.64%	9/30/2026	(c)

(a) Assessed valuation reflects the adjusted value at September 30th of each respective year as included in the audited financial statement.

(b) Audited.

(c) Unaduited as of July 31, 2026.

District Tax Rates - Table 11

	Tax Rates per $100 Assessed Valuaton				
	2026	2025	2024	2023	2022
Debt Service	$ 0.6250	$ 0.5370	$ 0.4450	$ 0.3275	$ 0.2900
Maintenance	0.1335	0.1450	0.2370	0.3545	0.5330
Total	**$ 0.7585**	**$ 0.6820**	**$ 0.6820**	**$ 0.6820**	**$ 0.8230**

Tax Rate Limitation

The District's tax rate for debt service on the Bonds is legally unlimited as to rate and amount. The District's tax rate for maintenance of the District's improvements is limited to $1.00 per $100 assessed valuation. As shown above in "District Tax Rates – Table 11," the District levied a 2026 debt service tax of $0.6250/$100 assessed valuation.

The Board will covenant 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 which, when added to other funds legally available to the District for payment of outstanding debt obligations, is adequate to provide funds to pay the principal of and interest on such debt.

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 the District's improvements, if such maintenance tax is authorized by a vote of the District's electors. Such tax is in addition to taxes that the District is authorized to levy for paying principal of and interest on the Bonds, and any tax bonds that may be issued in the future. At an election held on November 3, 2015, voters within the District authorized a maintenance tax not to exceed $1.00/$100 assessed valuation. As shown above under "District Tax Rates," the District levied a 2026 maintenance and operation tax of $0.1335/$100 assessed valuation.

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Principal Taxpayers - Table 12

The following list of principal taxpayers was provided by WCAD based on the 2026, 2025, and 2024 tax rolls of the District, which reflect ownership as of January 1 of each year shown.

Name	Type of Property	2026[a]	2025[b]	2024[b]
TPG AG EHC III (LEN) Multi State 4 LLC[c]	Land & Improvements	$ 7,861,760	(f)	(f)
Hwy 29 Ventures 2015 LP[d]	Land & Improvements	2,927,016	2,052,952	1,772,333
Lennar Homes of Texas Land and Construction Ltd.[d]/[e]	Land & Improvements	1,941,781	1,392,000	1,743,358
Individual Homeowner	Land & Improvements	771,066	809,522	893,637
Whitehorn Pipeline LCC	Land & Improvements	630,007	661,990	(f)
Individual Homeowner	Land & Improvements	572,781	577,392	871,410
Individual Homeowner	Land & Improvements	544,975	555,632	644,325
Individual Homeowner	Land & Improvements	535,302	549,031	635,432
Individual Homeowner	Land & Improvements	532,613	538,685	613,380
Individual Homeowner	Land & Improvements	510,282	526,478	609,031
AG EGH II (LEN) Multi State 4 LLC[g]	Land & Improvements	(f)	4,008,960	11,247,360
AG EGH II (LEN) Multi State 3 LLC[h]	Land & Improvements	(f)	(f)	7,182,720
Continental Homes of Texas LP[e]	Land & Improvements	(f)	(f)	(f)
J Wilburn 2000 Irrevocable Trust	Land & Improvements	(f)	(f)	(f)
Total		$ 16,827,583	$ 11,672,642	$ 26,212,986
Percent of Assessed Valuation		4.91%	3.85%	11.63%

(a) Provided by WCAD.
(b) Assessed Valuation reflects the adjusted value at September 30th of each respective year included in the audited financial statements.
(c) TPG AG EGH III (LEN) Multi-State 4 LLC ("TPG AG EGH 3") serves as a land bank for Lennar and conveys the vacant developed lots to Lennar pursuant to a takedown schedule agreed to by the parties. See "THE DEVELOPERS."
(d) See "THE DEVELOPERS."
(e) The designated taxpayer is concentrated in the homebuilding industry. See "THE DEVELOPERS - Homebuilder within the District" and "INVESTMENT CONSIDERATIONS - Factors Affecting Taxable Values and Tax Payments - Dependence Upon the Developer, Lot Owners, and Builders."
(f) Not a principal taxpayer in the respective year.
(g) AG EGH II (LEN) Multi-State 4 LLC ("AG EGH 4") serves as a land bank for Lennar and conveys the vacant developed lots to Lennar pursuant to a takedown schedule agreed to by the parties. See "THE DEVELOPERS."
(h) AG EGH II (LEN) Multi-State 3 LLC ("AG EGH 3") serves as a land bank for Lennar and conveys the vacant developed lots to Lennar pursuant to a takedown scheduled agreed to by the parties. See "THE DEVELOPERS."

Tax Adequacy for Debt Service

The calculations shown below assume, solely for purposes of illustration, no increase or decrease in assessed valuation from the 2025 certified assessed valuation, 2026 certified assessed valuation, an estimated assessed valuation as of June 1, 2026, and utilize tax rates adequate to service the District's total debt service requirements, including the Bonds. No available debt service funds are reflected in these computations. See "INVESTMENT CONSIDERATIONS – Factors Affecting Taxable Values and Tax Payments - *Impact on District Tax Rates*."

Average Requirement on the Bonds (2026 through 2050)	$2,447,671
$0.85 Tax Rate on 2025 Certified Assessed Valuation of $303,576,481 @ 95% collections produces	$2,451,380
$0.76 Tax Rate on 2026 Certified Assessed Valuation of $342,769,633 @ 95% collections produces	$2,474,797
$0.74 Tax Rate on the Estimated Assessed Valuation as of June 1, 2026 of $348,437,000 @ 95% collections produces	$2,449,512

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Maximum Requirement on the Bonds (2028)	$2,501,741
$0.87 Tax Rate on 2025 Certified Assessed Valuation of $303,576,481 @ 95% collections produces	$2,509,060
$0.77 Tax Rate on 2026 Certified Assessed Valuation of $342,769,633 @ 95% collections produces	$2,507,360
$0.76 Tax Rate on the Estimated Assessed Valuation as of June 1, 2026 of $348,437,000 @ 95% collections produces	$2,515,715

Debt Service Fund Management Index

Debt Service Requirements for year ending 12/31/27		$2,108,864[a]
Audited Debt Service Fund Balance as of 09/30/25	1,473,176[b]	
Capitalized Interest included in Bond proceeds	118,750[c]	
2026 Tax Levy @ 95% collections produces	2,035,195[d]	
Total Available for Debt Service		$3,627,121
Projected Debt Service Fund Balance as of September 30, 2027		$1,518,257

(a) Interest requirements on the Bonds begin March 1, 2027.
(b) Audited as of September 30, 2025. Represents debt service fund balance after all 2025 debt service requirements have been paid.
(c) Represents approximately eleven (11) months of capitalized interest ($118,750 at an interest rate of 4.75%) included in the Bond proceeds, to be deposited into the District's Debt Service Fund upon closing. Does not include the approximately twelve (12) months of capitalized interest ($271,027) from the District's Series 2026 Bonds.
(d) The District levied a 2026 debt service tax rate of $0.6250/$100AV.

TAXING PROCEDURES

Authority to Levy Taxes

The Board is authorized to levy an annual ad valorem tax on all taxable property within the District in an amount sufficient to pay the principal of and interest on the Bonds, 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 and Security for Payment." Under Texas law, the Board is also authorized to levy and collect an ad valorem tax for the operation and maintenance of the District and its water and wastewater system and for the payment of certain contractual obligations, if authorized by its voters. See "TAX DATA – Tax Rate Limitation."

Property Tax Code and County Wide Appraisal District

The Texas Property Tax Code (the "Property Tax Code") provides for countywide appraisal and equalization of taxable property values and establishes in each county of the State 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. WCAD has the responsibility for appraising property for all taxing units within Williamson County, including the District. Such appraisal values are subject to review and change by the Williamson County Appraisal Review Board (the "Appraisal Review Board").

Except as described below, WCAD is required to appraise all property within its jurisdiction on the basis of 100% of its market value and is prohibited from applying any assessment ratios. In determining market value of property, WCAD is required to consider the cost method of appraisal, the income method of appraisal, and the market data comparison method of appraisal, and use the method that the chief appraiser of WCAD considers most appropriate. The Property Tax Code requires appraisal districts to reappraise all property in their jurisdiction at least once every three years. A taxing unit may require an annual review at its own expense, and is entitled to challenge the determination of appraised value of property with the taxing unit by petition filed with the Appraisal Review Board.

State law requires the appraised value of an owner's principal residence ("homestead" or "homesteads") to be based solely on the property's value as a homestead, regardless of whether residential use is considered to be the highest and best use of the property. State law further limits the appraised value of a homestead to the lesser of (1) market value of the property or (2) 110% of the appraisal value of the property for the preceding tax year plus the market value of all new improvements to the property (the "10% Homestead Cap"). The 10% increase is cumulative, meaning the maximum increase is 10% times the number of years since the property was last appraised.

State law provides that the eligible owners of both agricultural land and open-space land, including open-space land devoted to farm or ranch purposes or open-space land devoted to timber production, may elect to have such property appraised for property taxation on the basis of its productive capacity. The same land may not be qualified as both agricultural and open-space land.

The appraisal values set by WCAD are subject to review and change by the Appraisal Review Board. The appraisal rolls, as approved by the Appraisal Review Board, are used by taxing units, such as the District, in establishing their tax rolls and tax rates. See "TAXING PROCEDURES – District and Taxpayer Remedies."

Property Subject to Taxation by the District

***General*:** Except for certain exemptions provided by Texas law, all real property and tangible personal property in the District is subject to taxation by the District; however, it is expected that no effort will be made by the District to collect taxes on personal property other than on personal property rendered for taxation, business inventories, and the property of privately owned utilities. Principal categories of exempt property include, property owned by the State of Texas or its political subdivisons if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies, and personal effects; farm products owned by the producer; all oil, gas, and mineral interests owned by an institution of higher education; certain property owned by exclusively charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; solar and wind-powered energy devices; and most individually owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons sixty-five (65) years or older or under a disability for purposes of payment of disability insurance benefits under the Federal Old-Age Survivors and Disability Insurance Act to the extent deemed advisable by the Board. The District would be required to call an election on such residential homestead exemption upon petition of at least twenty percent (20%) of the number of qualified voters who voted in the District's preceding election and would be required to offer such an exemption if a majority of voters approve it at such election. The District is authorized to disregard exemptions for the disabled and elderly if granting the exemption would impair the District's obligation to pay tax supported debt incurred prior to adoption of the exemption by the District. Furthermore, the District must grant exemptions to disabled veterans or certain surviving dependents of disabled veterans, if requested, of between $5,000 and $12,000 of taxable valuation depending upon the disability rating of the veteran claiming the exemption, and qualifying surviving spouses of persons 65 years of age or older will be entitled to receive a residential homestead exemption equal to the exemption received by the deceased spouse. A veteran who receives a disability rating of 100% is entitled to an exemption for the full amount of the veteran's residential homestead. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran who is entitled to an exemption for the full value of the veteran's residence homestead is also entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if the residence homestead was donated by a charitable organization. Also, the surviving spouse of a member of the armed forces who was killed or fatally injured in the line of duty is, subject to certain conditions, entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and, subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse. The surviving spouse of a first responder who was killed or fatally injured in the line of duty is, subject to certain conditions, also entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and, subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse. See "TAX DATA."

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 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 it must be adopted by July 1. The District has never adopted a general homestead exemption.

Tax Abatement: Williamson County and the District may enter into tax abatement agreements with owners of real property. The tax abatement agreements may exempt from ad valorem taxation by the applicable taxing jurisdiction for a period of up to ten years, all or any part of the increase in the assessed valuation of property covered by the agreement over its assessed valuation in the year in which the agreement is executed, on the condition that the property owner make specified improvements or repairs to the property in conformity with a comprehensive plan. To date, the District has not executed any abatement agreements.

Freeport Goods and Goods-in-Transit Exemption: Article VIII, Section 1-j of the Texas Constitution provides for an exemption from ad valorem taxation for "freeport property," which is defined as goods detained in the state for 175 days or less for the purpose of assembly, storage, manufacturing, processing, or fabrication. Taxing units that took action prior to April 1, 1990 may continue to tax freeport property and decisions to continue to tax freeport property may be reversed in the future. However, decisions to exempt freeport property are not subject to reversal. In addition, effective for tax years 2008 and thereafter, Article VIII, Section 1-n of the Texas Constitution provides for an exemption from taxation for "goods-in-transit," which are defined as certain personal property acquired or imported into the State. The exemption excludes oil, natural gas, petroleum products, aircraft, and special inventory, including motor vehicles, vessel and outboard motors, heavy equipment, and manufactured housing inventory. After holding a public hearing, a taxing

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unit may take action by January 1 of the year preceding a tax year to tax goods-in- transit during the following tax year. A taxpayer may obtain only a freeport exemption or a goods-in-transit exemption for items of personal property. The District has acted to tax goods-in-transit.

Temporary Exemption for Qualified Property Damaged by a Disaster

The Property Tax Code provides for a temporary exemption from ad valorem taxation of a portion of the appraised value of certain property that is at least 15% physically damaged by a disaster and located within an area a 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 under 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.

Valuation of Property for Taxation

Generally, property in the District must be appraised by WCAD at market value as of January 1 of each year. Once an appraisal roll is prepared and formally approved by the Appraisal Review Board, it is used by the District in establishing its tax rolls and tax rate. Assessments under the Property Tax Code are to be based on one hundred percent (100%) of market value, as such is defined in the Property Tax Code.

The Property Tax Code permits land designated for agricultural use, open space or timberland to be appraised at its value based on the land's capacity to produce agricultural or timber products rather than at its fair market value. The Property Tax Code permits under certain circumstances that residential real property inventory held by a person in the trade or business be valued at the price that such property would bring if sold as a unit to a purchaser who would continue the business. Landowners wishing to avail themselves of the agricultural use, open space or timberland designations 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, open space, or timberland 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.

The Property Tax Code requires WCAD to implement a plan for periodic reappraisal of property. The plan must provide for appraisal of all real property in WCAD at least once every three (3) years. It is not known what frequency of reappraisal will be utilized by WCAD 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 WCAD 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 WCAD chooses formally to include such values on its appraisal roll.

On July 13, 2023, during the Second Special Session, the Texas Legislature passed Senate Bill 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 million dollars (the “maximum property value”) to an amount not to exceed the lesser of: (1) the market value of the subjected property for the most recent tax year that the market value was determined by the appraisal office or (2) the sum of: (a) 20 percent (20%) 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 maximum property value may be increased or decreased by the product of the preceding state fiscal year’s increase or decrease in the consumer price index, as applicable, to the maximum property value. The appraisal cap took effect on January 1, 2024.

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 WCAD to compel compliance with the Property Tax Code.

The Property Tax Code sets forth notice and hearing procedures for certain tax rate increases by the District and provides for taxpayer referenda which could result in the repeal of certain tax increases. The Property Tax Code also establishes a procedure for notice to

property owners of reappraisals reflecting increased property values, appraisals 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 March 1 of the year following the year in which imposed. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent and incurs an additional penalty for collection costs of an amount established by the District and a delinquent tax attorney. A delinquent tax on personal property incurs an additional penalty, in an amount established by the District and a delinquent tax attorney, 60 days after the date the taxes become delinquent. The delinquent tax accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code makes provisions for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes under certain circumstances which, at the option of the District, which may be rejected by taxing units. The District's tax collector is required to enter into an installment payment agreement with any person who is delinquent on the payment of tax on a residence homestead for payment of tax, penalties and interest, if the person requests an installment agreement and has not entered into an installment agreement with the collector in the preceding 24 months. The installment agreement must provide for payments to be made in monthly installments and must extend for a period of at least 12 months and no more than 36 months. Additionally, the owner of a residence homestead property who is (i) sixty-five (65) years of age or older, (ii) disabled, or (iii) a disabled veteran, is entitled by law to pay current taxes on a residential homestead in installments without penalty or to defer the payment of taxes during the time of ownership. In the instance of tax deferral, a tax lien remains on the property and interest continue to accrue during the period of deferral.

Tax Payment Installment

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

Rollback of Operation and Maintenance Tax Rate

Chapter 49 of the Texas Water Code, as amended, classifies districts differently based on the current operation and maintenance tax rate or on the percentage of build-out that the district has completed. Districts that have adopted an operation and maintenance tax rate for the current year that is 2.5 cents or less per $100 of taxable value are classified as "Special Taxing Units." Districts that have finance, completed, and issued bonds to pay for all improvements and facilities necessary to serve at least 95% of the projected build-out of the district are classified as "Developed Districts." Districts that do not meet either of the classifications previously discussed are classified herein as "Developing Districts." The impact each classification has on the ability of a district to increase its operation and maintenance 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 rate imposed by such district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead, subject to certain homestead exemptions, are required to hold a rollback election within the district to determine whether to approve the adopted total tax rate. If the adopted total tax rate is not approved at the election, the total tax rate for a Special Taxing Unit is the current year's debt service and contract tax rate plus 1.08 times the previous year's operation and maintenance tax rate.

Developed Districts: Developed Districts that adopt a total tax rate that would impose more than 1.035 times the amount of the total tax rate imposed by the district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead, subject to certain homestead exemptions for the preceding year, plus any unused increment rates, as calculated and described in Section 26.013 of the Tax Code, are required to hold a rollback election within the district to determine whether to approve the adopted total tax rate. If the adopted total tax rate is not approved at the election, the total tax rate for a Developed District is the current year's debt service and contract tax rate plus 1.035 times the previous year's operation and maintenance tax rate plus any unused increment rates. In addition, if any part of a Developed District lies within an area declared for disaster by the Governor of Texas or the 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.

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Developing Districts: Districts that do not meet the classification of a Special Taxing Unit or a Developed District are classified as Developing Districts. The qualified voters of these districts, upon the adoption of a total tax rate that would impose more than 1.08 times the amount of total tax rate imposed by such district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead in the district, subject to certain homestead exemptions, are authorized to petition for an election to reduce the operation and maintenance tax rate. If a rollback election is called and passes, the total tax rate for the Developing Districts is the current year's debt service and contract tax rate plus 1.08 times the previous year's operation and maintenance tax rate imposed by the district in the preceding year on a residence homestead appraised at the average 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 by the Board of Directors on an annual basis, at the time a district sets its tax rate. The Board of Directors of the District designated the District as a Developing District for the 2026 tax year. The District cannot give any assurances as to what its classification will be at any point in time or whether the District's future tax rates will result in a total tax rate that will reclassify the District into a new classification and new election calculation.

District's Rights In The Event Of Tax Delinquencies

Taxes levied by the District are a personal obligation of the owner of the property on 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 for 2025." 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 (a taxpayer may redeem property within two years after the purchaser's deed issued at the foreclosure sale is filed in the county records) or by bankruptcy proceedings which restrict the collection of taxpayer debts. See "INVESTMENT CONSIDERATIONS - General" and "- Tax Collections and Foreclosure Remedies."

Effect of FIRREA on Tax Collections

The "Financial Institutions Reform, Recovery and Enforcement Act of 1989" ("FIRREA") contains 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. See "INVESTMENT CONSIDERATIONS – The Effect of the Financial Institutions Act of 1989 on Tax Collections of the District."

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 legally binding obligations of the District payable from the proceeds of an annual ad valorem tax levied, without legal limit as to rate or amount, upon all taxable property within the District. Issuance of the Bonds is also subject to the legal opinion of McCall, Parkhurst & Horton L.L.P. ("Bond Counsel"), based upon examination of a transcript of the proceedings incident to authorization and issuance of the Bonds, to the effect that the Bonds are valid and 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 governmental immunity, bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with general principles of equity. Bond Counsel's legal opinion will also address the matters described below under "TAX MATTERS." Such opinions will express no opinion with respect to the sufficiency of the security for or the marketability of the Bonds. In connection with the issuance of the Bonds, Bond Counsel has been engaged by, and only represents, the District.

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

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

No-Litigation Certificate

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

No Material Adverse Change

The obligations of the Initial Purchaser to accept and pay for the Bonds, and of the District to deliver the Bonds, are subject to the condition that, up to the time of delivery of and receipt of payment for the Bonds, there shall have been no material adverse change in the condition (financial or otherwise) of the District from that set forth or contemplated in the Official Statement.

TAX MATTERS

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

In rendering its opinion, Bond Counsel will rely upon (a) the District's federal tax certificate, and (b) covenants of the District with respect to arbitrage, the application of the proceeds to be received from the issuance and sale of the Bonds, and certain other matters. Failure by the District to comply with these representations or covenants could cause the interest on the Bonds to become included in gross income retroactively to the date of issuance of the Bonds.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Bonds in order for the interest on the Bonds to be, and to remain, excludable from gross income for federal income tax purposes. The opinion of Bond Counsel is conditioned on compliance by the District with the covenants and requirements described in the preceding paragraph, and Bond Counsel has not been retained to monitor compliance with these requirements subsequent to the issuance of the Bonds.

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

A ruling was not sought from the Internal Revenue Service by the District with respect to the Bonds or the property financed or refinanced with the proceeds of the Bonds. Bond Counsel's opinion represents its legal judgement based upon its review of Existing Law and the representations of the District that it deems relevant to render such opinion and is not a guarantee of a result. No assurances can be given as to whether the Internal Revenue Service will commence an audit of the Bonds, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an Internal Revenue Service audit is commenced, under current procedures the Internal Revenue Service is likely to treat the District as the taxpayer and the Bondholders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

Federal Income Tax Accounting Treatment of Original Issue Discount

The initial public offering price to be paid for one or more maturities of the Bonds may be less than the principal amount thereof or one or more periods for the payment of interest on the Bonds may not be equal to the accrual period or be in excess of one year (the "Original Issue Discount Bonds"). In such event, the difference between (i) the "stated redemption price at maturity" of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond would constitute original issue

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discount. The "stated redemption price at maturity" means the sum of all payments to be made on the Bonds less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under Existing Law, any owner who has purchased such Original Issue Discount Bond in the initial public offering is entitled to exclude from gross income (defined in Section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

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

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

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

Collateral Federal Income Tax Consequences

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership, or disposition of the Bonds. This discussion is based on existing statutes, regulations, published rulings and court decisions accumulated, all of which are subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with Subchapter C earnings and profits, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. 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.

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

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

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Bonds, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation is equal to, or exceeds, one 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 holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the "revised issue price" (i.e., the issue price plus accrued original issue discount). The "accrued market discount" is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

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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.

Information Reporting and Backup Withholding

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Bonds will be sent to each registered holder and to the IRS. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of foreign investors, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

Future and Proposed Legislation

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 and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

Qualified Tax-Exempt Obligations for Financial Institutions

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

The District has designated the Bonds as "qualified tax-exempt obligations" within the meaning of section 265(b) of the Code. In furtherance of that designation, the District covenants to take such action that would assure, or to refrain from such action that would adversely affect, the treatment of the Bonds as "qualified tax-exempt obligations." **Potential purchasers should be aware that if the issue price to the public exceeds $10,000,000, there is a reasonable basis to conclude that the payment of a de minimis amount of premium in excess of $10,000,000 is disregarded; however, the Internal Revenue Service could take a contrary view. If the Internal Revenue Service takes the position that the amount of such premium is not disregarded, then such obligations might fail to satisfy the $10,000,000 limitation and the Bonds would not be "qualified tax-exempt obligations."**

CONTINUING DISCLOSURE OF INFORMATION

In the Bond Order, the District has made the following agreement for the benefit of the registered 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 certain specified events to the Municipal Securities Rulemaking Board ("MSRB"). This information will be available free of charge by the MSRB via the Electronic Municipal Market Access ("EMMA") system at www.emma.msrb.org.

Annual Reports

The District will provide certain updated financial information and operating data to the MSRB annually. The information to be updated includes all quantitative financial information and operating data with respect to the District of the general type included in this Official Statement under Tables 2 through 12 and in Appendix A, if such audited financial statements as provided in Appendix A are then

available. The District will update and provide this information within six (6) months after the end of the fiscal year. The District will provide the updated information to the MSRB.

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 completed by the required time. If audited financial statements are not available within twelve months after any such fiscal year end, the District will file unaudited financial statements within such twelve (12) month period and file audited financial statements when the audit report becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in Appendix A 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 of each year unless the District changes its fiscal year. If the District changes its fiscal year, it will notify the MSRB of the change.

Notice of Certain Events

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 status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of Beneficial Owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District or other obligated person 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 with 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 an definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation (as defined by the Rule, which includes certain debt, debt-like, and debt-related obligations) of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

For these purposes, any event described in clause (12) of the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer of the District in a proceeding under the United States Bankruptcy Court or in any other proceeding under state or federal law in which a court of governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the District in possession but subject to the supervision and orders of a court of governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District. For the purposes of the events described in clauses (15) and (16) of the preceding paragraph, the term "Financial Obligation" is defined in the Bond Order to mean (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, and existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "Financial Obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule. The Bond Order further provides that the District intends the words under in such clauses (15) and (16) in the preceding paragraph and in the definition of Financial Obligation to have the meanings ascribed to them in SEC Release No. 34-83885 dated August 29, 2018.

The District shall notify the MSRB in an electronic format prescribed by the MSRB in a timely manner of any failure by the District to provide financial information or operating data, in accordance with the Rule. All documents provided to the MSRB pursuant to this section shall be accompanied by identifying information as prescribed by the MSRB.

Availability of Information from the MSRB

The District has agreed to provide the foregoing information only to the MSRB. All documents provided by the District to the MSRB described above under "Annual Reports" and "Notice of Certain Events" will be in an electronic format and accompanied by identifying information as prescribed by the MSRB.

The address of the MSRB is 1900 Duke Street, Suite 600, Alexandria, VA 22314, and its telephone number is (703) 797-6600.

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Limitations and Amendments

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

This continuing disclosure agreement may be amended by the District from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, but only if (1) the provisions, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of the Bond Order that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the District (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the Holders and beneficial owners of the Bonds. The District may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter or purchaser from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

Compliance with Prior Undertakings

During the last five years, the District has complied in all material respects with its continuing disclosure undertakings made pursuant to SEC Rule 15c2-12.

FINANCIAL ADVISOR

The Official Statement was compiled and edited under the supervision of Public Finance Group LLC (the "Financial Advisor"), which firm was employed in 2014 as Financial Advisor to the District. The fees paid to the Financial 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 District has no employees but engages various professionals and consultants to assist the District in the day-to-day activities of the District. See "THE DISTRICT." The Board of Directors in its official capacity has relied upon the below mentioned experts and sources in preparation of this Official Statement. The information in this Official Statement was compiled and edited by the Financial Advisor. In addition to compiling and editing such information, the Financial Advisor has obtained the information set forth herein under the captions indicated from the following sources:

> "THE DISTRICT," "THE SYSTEM - Water Supply and Distribution," and " – Wastewater Collection and Treatment" – Jones-Heroy & Associates, Inc.; "THE DEVELOPERS - The Developers"; "FINANCIAL STATEMENT - Unlimited Tax Bonds Authorized But Unissued" - Records of the District, "FINANCIAL STATEMENT" – WCAD; "FINANCIAL STATEMENT - Estimated Overlapping Debt Statement" - Municipal Advisory Council of Texas and Financial Advisor; "TAX DATA" – WCAD and "THE SYSTEM" – Records of the District; "THE DISTRICT - Management" - District Directors; " DEBT SERVICE REQUIREMENTS – TABLE 3" - Financial Advisor; "THE BONDS" (except "Payment Record"), "TAXING PROCEDURES," "LEGAL MATTERS," "TAX MATTERS," and "CONTINUING DISCLOSURE OF INFORMATION" (except "Compliance with Prior Undertakings") - McCall, Parkhurst & Horton L.L.P.

Consultants

In approving this Official Statement, the District has relied upon the following consultants in addition to the Financial 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 the Engineer, and has been included in reliance upon the authority of said firm in the field of civil engineering.

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Auditor: The District's financial statements for fiscal year ending September 30, 2025 were audited by McCall Gibson Swedlund Barfoot Ellis PLLC, Certified Public Accountants, and excerpts of the District's Audited Financial Statements as of September 30, 2025 have been included as Appendix A in reliance upon such firm's authority in the field of accounting.

Appraisal District: The information contained in this Official Statement relating to the Assessed Valuation of the District has been provided by the WCAD and has been included herein in reliance upon the authority of said firm as experts in the field of civil engineering.

Tax Assessor/Collector: The information contained in this Official Statement relating to the historical breakdown of the Certified Taxable Assessed Valuations, principal taxpayers, and certain other historical data concerning tax rates and tax collections has been provided by Catherine Totty, Williamson County Tax Assessor/Collector, and has been included herein in reliance upon Catherine Totty as an expert in collecting taxes.

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 and 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 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 in the Notice of Sale under the heading "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), 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 period of time of 25 days after all of 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.

Certification as to Official Statement

The District, acting by and through its Board of Directors 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. Except as set forth in "CONTINUING DISCLOSURE OF INFORMATION" herein, the District has no obligation to disclose any changes in the affairs of the District and other matters described in this Official Statement subsequent to the "end of the underwriting period" which shall end when the District delivers the Bonds to the Initial Purchaser at closing, unless extended by the Initial Purchaser. All information with respect to the resale of the Bonds subsequent to the "end of the underwriting period" is the responsibility of the Initial Purchaser.

Annual Audits

Under Texas Law, the District must keep its fiscal records in accordance with generally accepted accounting principles. It must also have its financial accounts and records audited by a certified or permitted public accountant within 120 days after the close of each fiscal year of the District, and must file each audit report with the TCEQ within 135 days after the close of the fiscal year so long as the District has bond outstanding. Copies of each audit report must also be filed in the office of the District. The District's fiscal records and audit reports are available for public inspection during regular business hours, and the District is required by law to provide a copy of the District's audit reports to any Registered Owner or other member of the public within a reasonable time on request, upon payment of prescribed charges.

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This Official Statement was approved by the Board of Directors of West Williamson County Municipal Utility District No. 2, as of the date shown on the first page hereof.

/s/ Justin Lange
President, Board of Directors
West Williamson County Municipal Utility District No. 2

/s/ Timothy Leon
Secretary, Board of Directors
West Williamson County Municipal Utility District No. 2

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PHOTOGRAPHS

The following photographs were taken in the District. 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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NOW SELLING
LENNAR
LIVELY RANCH

Four Water
Lively Ranch
STOP
LENNAR

`

2521

`

2505

`

DRY
DRY
4105AA

LENNAR

`

TENNAB

1621

`

4308
DRYline

Flying Horseshoe
Lively Ranch

`

`

LIVELY RANCH

`

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APPENDIX A
Audited Financial Statements

The information contained in this appendix has been excerpted from the audited financial statements of West Williamson County Municipal Utility District No. 2 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.

WEST WILLIAMSON COUNTY
MUNICIPAL UTILITY DISTRICT NO. 2

YEAR ENDED SEPTEMBER 30, 2025

FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORT

WEST WILLIAMSON COUNTY
MUNICIPAL UTILITY DISTRICT NO. 2

FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED
SEPTEMBER 30, 2025

WEST WILLIAMSON COUNTY
MUNICIPAL UTILITY DISTRICT NO. 2

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ANNUAL FILING AFFIDAVIT

ANNUAL FILING AFFIDAVIT

STATE OF TEXAS
COUNTY OF WILLIAMSON

I, _____ of the
(Name of Duly Authorized District Representative)

WEST WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 2
(Name of District)

hereby swear, or affirm, that the District above has reviewed and approved at a meeting of the District's Board of Directors on the **23rd day of January**, **2026** its annual audit report for the fiscal year ended **September 30, 2025** and that copies of the annual audit report have been filed in the District's office, located at:

100 Congress Avenue, Suite 1300 Austin, TX 78701
(Address of District's Office)

This annual filing affidavit and the attached copy of the audit report are being submitted to the Texas Commission on Environmental Quality in satisfaction of annual filing requirements of Texas Water Code Section 49.194.

Date: _____ , _____ By: _____
(Signature of District Representative)

_____
(Typed Name and Title of District Representative)

Sworn to and subscribed to before me this _____ day of _____ , _____.

(SEAL)

_____
(Signature of Notary)

My Commission Expires On: _____ , _____.
Notary Public in the State of Texas

Form TCEQ-0723 (Revised 07/2012)

INDEPENDENT AUDITOR'S REPORT

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
West Williamson County Municipal Utility District No. 2
Williamson County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of West Williamson County Municipal Utility District No. 2 (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.

Houston | Austin | Dallas
13100 Wortham Center Drive, Suite 235, Houston, Texas 77065-5610 713-462-0341

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 Budgetary Comparison Schedule - 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
West Williamson County Municipal Utility District No. 2

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 Texas 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 information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on it.

Other Information

Management is responsible for the Other Supplementary Information included in the annual report. The Other Supplementary Information does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the Other Supplementary Information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

McCall Gibson Swedlund Barfoot Ellis PLLC

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

January 23, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

WEST WILLIAMSON COUNTY
MUNICIPAL UTILITY DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025

In accordance with Governmental Accounting Standards Board Statement No. 34 ("GASB 34"), the management of West Williamson County Municipal Utility District No. 2 (the "District") offers the following discussion and analysis to provide an overview of the District's financial activities for the fiscal year ended September 30, 2025. Since this information is designed to focus on current period activities, resulting changes, and currently known facts, it should be read in conjunction with the District's financial statements that follow.

FINANCIAL HIGHLIGHTS

- *General Fund*: At the end of the current fiscal year, the General Fund had a fund balance of $3,229,920, an increase of $468,581 from last year. For the year ended September 30, 2025, General Fund revenues were $666,256 and expenditures were $197,675.
- *Debt Service Fund*: Fund balance restricted for debt service increased to $1,473,176 in the current fiscal year. The District received $1,001,984 of property tax revenues and paid $225,000 of bond principal and $1,027,569 of interest on outstanding bonded debt. The Debt Service Fund also received $422,875 of capitalized interest from the sale of its Series 2025 unlimited tax bonds for future debt service payments.
- *Capital Projects Fund*: Fund balance restricted for capital projects increased to $204,977 in the current fiscal year. The District issued $4,975,000 of Series 2025 unlimited tax bonds during the current fiscal year and used the proceeds to reimburse the developer $3,565,684 for infrastructure assets, pay $447,866 of developer interest and pay $558,890 of bond-related expenditures.
- *Governmental Activities*: On a government-wide basis for governmental activities, the District had expenses net of revenues of $853,408. Net position decreased from a prior year deficit balance of $2,885,889 to a deficit balance of $3,739,297 at the end of the current fiscal year.

OVERVIEW OF THE DISTRICT

The District, a political subdivision of the State of Texas, was created by order of the Texas Commission on Environmental Quality (the "TCEQ" or the "Commission"), effective April 27, 2015, and confirmed pursuant to an election held within the District on November 3, 2015. The District was created for the purpose of providing, operating, and maintaining facilities to control storm water, distribute potable water, and to collect and treat wastewater and operates pursuant to Chapters 49 and 54 of the Texas Water Code, as amended, and Article XVI, Section 59 of the Texas Constitution. The District contains approximately 437.049 acres.

WEST WILLIAMSON COUNTY
MUNICIPAL UTILITY DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025

USING THIS ANNUAL REPORT

This annual report consists of five parts:

1. *Management's Discussion and Analysis* (this section)
2. *Basic Financial Statements* (including Notes to the Financial Statements)
3. *Required Supplementary Information*
4. *Texas Supplementary Information* (required by the Texas Commission on Environmental Quality (the TSI section))
5. *Other Supplementary Information* (the OSI section)

For purposes of GASB 34, the District is considered a special purpose government. This allows the District to present the required funds and government-wide statements in a single schedule. The requirement for fund financial statements that are prepared on the modified accrual basis of accounting is met with the "Governmental Funds Total" column. An adjustment column includes those entries needed to convert to the full accrual basis government-wide statements. Government-wide statements are comprised of the Statement of Net Position and the Statement of Activities.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The *Statement of Net Position and Governmental Funds Balance Sheet* includes a column (titled "Governmental Funds Total") that represents a balance sheet prepared using the modified accrual basis of accounting. This method measures cash and all other financial assets that can be readily converted to cash. The adjustments column converts those balances to a balance sheet that more closely reflects a private-sector business. Over time, increases or decreases in the District's net position will indicate financial health.

The *Statement of Activities and Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances* includes a column (titled "Governmental Funds Total") that derives the change in fund balance resulting from current year revenues, expenditures, and other financing sources or uses. These amounts are prepared using the modified accrual basis of accounting. The adjustments column converts those activities to full accrual, a basis that more closely represents the income statement of a private-sector business.

The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the information presented in the *Statement of Net Position and Governmental Funds Balance Sheet* and the *Statement of Activities and Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances*.

The *Required Supplementary Information* presents a comparison statement between the District's adopted budget and its actual results.

WEST WILLIAMSON COUNTY
MUNICIPAL UTILITY DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

Summary Statement of Net Position

	Governmental Activities		Change Increase (Decrease)
	2025	2024	
Current and other assets	$ 4,958,575	$ 4,236,300	$ 722,275
Capital assets	20,702,995	17,526,128	3,176,867
Total Assets	25,661,570	21,762,428	3,899,142
Current Liabilities	435,767	375,241	60,526
Long-term Liabilities	28,965,100	24,273,076	4,692,024
Total Liabilities	29,400,867	24,648,317	4,752,550
Net Investment in Capital Assets	(8,352,128)	(6,769,426)	(1,582,702)
Restricted	1,381,674	1,122,096	259,578
Unrestricted	3,231,157	2,761,441	469,716
Total Net Position	$ (3,739,297)	$ (2,885,889)	$ (853,408)

As of September 30, 2025, the District had total assets of $25,661,570 and total liabilities of $29,400,867 resulting in a deficit in net position of $3,739,297.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

The following table reflects the condensed Statement of Activities:

Summary Statement of Activities

	Governmental Activities		Change Increase
	2025	2024	(Decrease)
Property taxes	$ 1,538,930	$ 1,521,357	$ 17,573
Drainage fees	-	141,400	(141,400)
Other	222,067	198,166	23,901
Total Revenues	1,760,997	1,860,923	(99,926)
District operations	106,914	91,270	15,644
Professional fees	71,353	57,744	13,609
Other	28,137	23,173	4,964
Developer interest	447,866	465,066	(17,200)
Debt service	1,571,318	1,301,222	270,096
Depreciation	388,817	298,758	90,059
Total Expenses	2,614,405	2,237,233	377,172
Change in Net Position	(853,408)	(376,310)	(477,098)
Beginning Net Position	(2,885,889)	(2,509,579)	(376,310)
Ending Net Position	$ (3,739,297)	$ (2,885,889)	$ (853,408)

Revenues were $1,760,997 for the year ended September 30, 2025, while expenses were $2,614,405 resulting in a decrease in net position of $853,408.

Property tax revenue in the current period was $1,538,930. Property tax revenue is derived from taxes being levied based upon the assessed value of real and personal property within the District. Property taxes levied for the 2024 tax year were based upon a current adjusted assessed value of $225,437,733 and a tax rate of $0.6820 per $100 of assessed valuation. Property taxes levied for the 2023 tax year were based upon a current adjusted assessed value of $213,802,498 and a tax rate of $0.6820 per $100 of assessed valuation.

WEST WILLIAMSON COUNTY
MUNICIPAL UTILITY DISTRICT NO. 2
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2025

ANALYSIS OF GOVERNMENTAL FUNDS

Governmental Funds by Year

	2025	2024	2023
Cash and cash equivalents	$ 4,906,833	$ 4,200,912	$ 2,671,107
Receivables and other	98,665	66,684	184,914
Total Assets	$ 5,005,498	$ 4,267,596	$ 2,856,021
Accounts payable	$ 47,003	$ 45,754	$ 25,212
Other payables	46,923	31,296	3,170
Total Liabilities	93,926	77,050	28,382
Deferred Inflows of Resources	3,499	197	9,671
Nonspendable	5,743	5,343	4,773
Restricted	1,678,153	1,429,010	954,417
Assigned	1,915,386	-	-
Unassigned	1,308,791	2,755,996	1,858,778
Total Fund Balances	4,908,073	4,190,349	2,817,968
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 5,005,498	$ 4,267,596	$ 2,856,021

For the fiscal year ended September 30, 2025, the District's General Fund reflects a nonspendable, assigned and unassigned fund balance of $3,229,920, an increase of $468,581 from the previous fiscal year.

The Debt Service Fund reflects an increase of $241,688 in fiscal year 2025. The District received $1,001,984 of property tax revenues and paid $225,000 of bond principal and $1,027,569 of interest on outstanding bonded debt. The Debt Service Fund also received $422,875 of capitalized interest from the sale of its Series 2025 unlimited tax bonds for future debt service payments. More detailed information about the District's debt is presented in the *Notes to the Financial Statements*.

The Capital Project Fund purchases the District's infrastructure. Fund balance restricted for capital projects increased to $204,977 in the current fiscal year. The District issued $4,975,000 of Series 2025 unlimited tax bonds during the current fiscal year and used the proceeds to reimburse the developer $3,565,684 for infrastructure assets, pay $447,866 of developer interest and pay $558,890 of bond-related expenditures.

BUDGETARY HIGHLIGHTS

The *General Fund* pays for daily operating costs of the District. On September 13, 2024, the Board of Directors adopted a budget that included revenues of $640,753 as compared to expenditures of $241,372. When comparing actual to budget, the District had a positive variance of $69,200. More detailed information about the District's budgetary comparison is presented in the *Required Supplementary Information*.

CAPITAL ASSETS

The District's governmental activities have invested $20,702,995 in land and water, wastewater and drainage facilities. The detail is reflected in the following schedule:

Summary of Capital Assets, net

	9/30/2025	9/30/2024
Land	$ 354,066	$ 354,066
Water/wastewater/drainage	21,520,833	17,955,149
Less: Accumulated depreciation	(1,171,904)	(783,087)
Total Net Capital Assets	$ 20,702,995	$ 17,526,128

More detailed information about the District's capital assets is presented in the *Notes to the Financial Statements*.

LONG TERM DEBT

As of September 30, 2025, the District has the following balances outstanding on unlimited tax bonds:

	Bonds Payable
Series 2019	$ 2,230,000
Series 2020	3,485,000
Series 2021	2,310,000
Series 2022	6,310,000
Series 2023	4,415,000
Series 2024	5,495,000
Series 2025	4,970,000
Total	$ 29,215,000

As of September 30, 2025, the District owes approximately $29 million to bond holders. As of September 30, 2025, the ratio of the District's long-term debt to the total 2024 taxable assessed valuation ($225,437,733) is 13.0%. The District's population as provided by the District, as of November 3, 2025, was 1,635. More detailed information about the District's long-term debt is presented in the *Notes to the Financial Statements*.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

For the 2025 tax year (fiscal year 2026), the District has adopted a tax rate of $0.682 per $100 of assessed valuation of which 21% is allocated to the General Fund and 79% is allocated to the Debt Service Fund. The adopted budget for fiscal year 2026 projects a $203,931 increase in General Fund fund balance.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District in care of Armbrust & Brown PLLC, 100 Congress Avenue, Suite 1300, Austin, TX 78701.

FINANCIAL STATEMENTS

WEST WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 2
STATEMENT OF NET POSITION AND
GOVERNMENTAL FUNDS BALANCE SHEET
SEPTEMBER 30, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Governmental Funds Total	Adjustments Note 2	Government - Wide Statement of Net Position
ASSETS						
Cash and cash equivalent investments:						
Cash	$ 48,801	$ -	$ -	$ 48,801	$ -	$ 48,801
Cash equivalents	3,175,456	1,476,125	206,451	4,858,032	-	4,858,032
Receivables:						
Property taxes	1,237	2,262	-	3,499	-	3,499
Interfund	46,923	-	-	46,923	(46,923)	-
Prepaid expenditures	5,743	-	42,500	48,243	-	48,243
Capital assetts, net of accumulated depreciation:						
Land	-	-	-	-	354,066	354,066
Water/wastewater/drainage	-	-	-	-	20,348,929	20,348,929
TOTAL ASSETS	$ 3,278,160	$ 1,478,387	$ 248,951	$ 5,005,498	20,656,072	25,661,570
LIABILITIES						
Accounts payable	$ 47,003	$ -	$ -	$ 47,003	-	47,003
Accrued bond interest payable	-	-	-	-	93,764	93,764
Interfund payables	-	2,949	43,974	46,923	(46,923)	-
Bonds payable:						
Due within one year	-	-	-	-	295,000	295,000
Due after one year	-	-	-	-	28,965,100	28,965,100
TOTAL LIABILITIES	47,003	2,949	43,974	93,926	29,306,941	29,400,867
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue - property taxes	1,237	2,262	-	3,499	(3,499)	-
TOTAL DEFERRED INFLOWS OF RESOURCES	1,237	2,262	-	3,499	(3,499)	-
FUND BALANCES / NET POSITION						
Fund balances:						
Nonspendable	5,743	-	-	5,743	(5,743)	-
Restricted for debt service	-	1,473,176	-	1,473,176	(1,473,176)	-
Restricted for authorized construction	-	-	204,977	204,977	(204,977)	-
Assigned for surplus O&M reimbursement	1,915,386	-	-	1,915,386	(1,915,386)	-
Unassigned	1,308,791	-	-	1,308,791	(1,308,791)	-
TOTAL FUND BALANCES	3,229,920	1,473,176	204,977	4,908,073	(4,908,073)	-
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 3,278,160	$ 1,478,387	$ 248,951	$ 5,005,498		
Net position:						
Net investment in capital assets					(8,352,128)	(8,352,128)
Restricted for debt service					1,381,674	1,381,674
Unrestricted					3,231,157	3,231,157
TOTAL NET POSITION					$ (3,739,297)	$ (3,739,297)

The accompanying notes are an integral part of this statement.

WEST WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 2
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT
OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED SEPTEMBER 30, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Governmental Funds Total	Adjustments Note 2	Government - Wide Statement of Activities
REVENUES						
Property taxes, including penalties	$ 533,644	$ 1,001,984	$ -	$ 1,535,628	$ 3,302	$ 1,538,930
Interest and other	132,612	80,527	8,928	222,067	-	222,067
TOTAL REVENUES	666,256	1,082,511	8,928	1,757,695	3,302	1,760,997
EXPENDITURES / EXPENSES						
Pond maintenance	106,914	-	-	106,914	-	106,914
Legal fees	18,356	-	-	18,356	-	18,356
Engineering fees	14,035	-	-	14,035	-	14,035
Bookkeeping fees	22,887	-	-	22,887	-	22,887
Audit fees	12,250	-	-	12,250	-	12,250
Director fees, including payroll taxes	6,899	-	-	6,899	-	6,899
Insurance	8,214	-	-	8,214	-	8,214
Financial advisor fees	1,329	2,496	-	3,825	-	3,825
Tax appraisal/collection fees	3,320	6,233	-	9,553	-	9,553
Other	3,471	-	-	3,471	-	3,471
Developer interest	-	-	447,866	447,866	-	447,866
Debt service:						
Principal	-	225,000	-	225,000	(225,000)	-
Interest	-	1,027,569	-	1,027,569	(17,541)	1,010,028
Fiscal agent fees	-	2,400	-	2,400	-	2,400
Bond issuance costs	-	-	558,890	558,890	-	558,890
Capital outlay	-	-	3,565,684	3,565,684	(3,565,684)	-
Depreciation	-	-	-	-	388,817	388,817
TOTAL EXPENDITURES / EXPENSES	197,675	1,263,698	4,572,440	6,033,813	(3,419,408)	2,614,405
Excess (deficiency) of revenues over (under) expenditures / expenses	468,581	(181,187)	(4,563,512)	(4,276,118)	3,422,710	(853,408)
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of bonds	-	422,875	4,552,125	4,975,000	(4,975,000)	-
Bond premium	-	-	18,842	18,842	(18,842)	-
TOTAL OTHER FINANCING SOURCES, NET	-	422,875	4,570,967	4,993,842	(4,993,842)	-
NET CHANGE IN FUND BALANCES	468,581	241,688	7,455	717,724	(717,724)	-
CHANGE IN NET POSITION					(853,408)	(853,408)
FUND BALANCES / NET POSITION						
Beginning of the year (as reported)	2,761,339	1,231,488	197,522	4,190,349	(7,076,238)	(2,885,889)
End of the year	$ 3,229,920	$ 1,473,176	$ 204,977	$ 4,908,073	$ (8,647,370)	$ (3,739,297)

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of West Williamson County Municipal Utility District No. 2 (the "District") relating to the funds included in the accompanying financial statements conform to generally accepted accounting principles ("GAAP") as applied to governmental entities. GAAP for local governments include those principles prescribed by the *Governmental Accounting Standards Board* ("GASB"), which constitutes the primary source of GAAP for governmental units. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced.

Reporting Entity **-** The District, a political subdivision of the State of Texas, was created by order of the Texas Commission on Environmental Quality (the "TCEQ" or the "Commission"), effective April 27, 2015, and confirmed pursuant to an election held within the District on November 3, 2015. The District was created for the purpose of providing, operating, and maintaining facilities to control storm water, distribute potable water, and to collect and treat wastewater and operates pursuant to Chapters 49 and 54 of the Texas Water Code, as amended, and Article XVI, Section 59 of the Texas Constitution. The District contains approximately 437.049 acres. The reporting entity of the District encompasses those activities and functions over which the District's officials exercise significant oversight or control. The District is governed by a five member Board of Directors (the "Board"), who have been elected by District residents or appointed by the Board. The District is not included in any other governmental "reporting entity" as defined by GASB standards since the majority of Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined by GASB standards which are included in the District's reporting entity.

Basis of Presentation - Government-wide and Fund Financial Statements **-** These financial statements have been prepared in accordance with GASB Codification of Governmental Accounting and Financial Reporting Standards Part II, Financial Reporting ("GASB Codification").

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

- Net Investment in Capital Assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- Restricted Net Position – This component of net position consists of external constraints placed on the use of assets imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – This component of net position consists of assets that do not meet the definition of Restricted or Net Investment in Capital Assets.

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

1. SIGNIFICANT ACCOUNTING POLICIES (continued) –

The financial statements are prepared in conformity with GASB Statement No. 34, and include a column for government-wide (based upon the District as a whole) and fund financial statement presentations. GASB Statement No. 34 also requires as supplementary information Management's Discussion and Analysis, which includes an analytical overview of the District's financial activities. In addition, a budgetary comparison statement is presented that compares the adopted General Fund budget with actual results.

- **Government-wide Statements:** The District's statement of net position includes both non-current assets and non-current liabilities of the District, which were previously recorded in the General Fixed Assets Account Group and the General Long-Term Debt Account Group. In addition, the government-wide statement of activities column reflects depreciation expense on the District's capital assets, including infrastructure.

  The government-wide focus is more on the sustainability of the District as an entity and the change in aggregate financial position resulting from financial activities of the fiscal period. The focus of the fund financial statements is on the individual funds of the governmental categories. Each presentation provides valuable information that can be analyzed and compared to enhance the usefulness of the information.

- **Fund Financial Statements:** Fund based financial statement columns are provided for governmental funds. GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures of either fund category) for the determination of major funds. All of the District's funds are reported as major funds.

Governmental Fund Types **-** The accounts of the District are organized and operated on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a self-balancing set of accounts that comprise its assets, liabilities, fund balances, revenues and expenditures. The various funds are grouped by category and type in the financial statements. The District maintains the following fund types:

- **General Fund** - The General Fund accounts for financial resources in use for general types of operations which are not encompassed within other funds. This fund is established to account for resources devoted to financing the general services that the District provides for its residents. Tax revenues and other sources of revenue used to finance the fundamental operations of the District are included in this fund.

- **Debt Service Fund** - The Debt Service Fund is used to account for the resources restricted, committed or assigned for the payment of debt principal, interest and related costs.

- **Capital Projects Fund** - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Non-current Governmental Assets and Liabilities **-** GASB Statement No. 34 eliminates the presentation of Account Groups, but provides for these records to be maintained and incorporates the information into the government-wide financial statement column in the Statement of Net Position.

1. SIGNIFICANT ACCOUNTING POLICIES (continued) –

Basis of Accounting

Government-wide Statements - The government-wide financial statement column is reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Fund Financial Statements - The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using the current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in the net fund balances. Governmental funds are accounted for on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e. both measurable and available).

"Measurable" means that the amount of the transaction can be determined and "available" means the amount of the transaction is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Expenditures, if measurable, are generally recognized on the accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include the unmatured principal and interest on general obligation long-term debt which is recognized when due. This exception is in conformity with generally accepted accounting principles.

Property tax revenues are recognized when they become available. In this case, available means when due, or past due and receivable within the current period and collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. Such time thereafter shall not exceed 60 days. Tax collections expected to be received subsequent to the 60-day availability period are reported as deferred inflows of resources. All other revenues of the District are recorded on the accrual basis in all funds.

The District may report deferred inflows of resources on its balance sheet. These arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when revenue recognition criteria are met, the liability for deferred inflows of resources is removed from the balance sheet and revenue is recognized.

1. SIGNIFICANT ACCOUNTING POLICIES (continued) –

Budgets and Budgetary Accounting **-** An unappropriated budget was adopted on September 13, 2024, for the General Fund on a basis consistent with generally accepted accounting principles. The District's Board utilizes the budget as a management tool for planning and cost control purposes. The budget was not amended during the current fiscal year. The Budgetary Comparison Schedule – General Fund presents the original and revised budget amounts, if revised, compared to the actual amounts of revenues and expenditures for the current year.

Pensions **-** The District has not established a pension plan as the District does not have employees. The Internal Revenue Service has determined that Directors are considered to be "employees" for federal payroll tax purposes only.

Cash and Cash Equivalent Investments **-** Includes cash on deposit as well as investments with maturities of three months or less. The investments, consisting of obligations in the State Treasurer's Investment Pool, are recorded at amortized cost.

Capital Assets **-** Capital assets are reported in the government-wide column in the Statement of Net Position. Public domain ("infrastructure") capital assets, including water, wastewater and drainage facilities, are capitalized. Items purchased or acquired are reported at historical cost or estimated historical cost. Contributed fixed assets are recorded as capital assets at their estimated acquisition value at the time received. Interest incurred during construction of capital assets is not capitalized in accordance with GASB Statement No. 89.

In accordance with the Consent Agreement (Note 9) entered into with the City of Leander (the "City"), the City is the retail water and wastewater service provider of the District. The City of Georgetown ("Georgetown") provides wastewater service to the City for sewer service for projects as detailed in the Consent Agreement. The offsite wastewater improvements constructed by the developer and the District were dedicated to Georgetown. The remaining water and wastewater improvements required for water and wastewater service from the City are conveyed to the City for service to the District. The District is entitled to significant residual interest in the assets conveyed and records these conveyed assets as District assets and depreciates them over their estimated useful lives in accordance with GASB Statement No. 94.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Asset	Years
Water, Wastewater and Drainage Facilities	10 - 50

Interfund Transactions **-** Transfers from one fund to another fund are reported as interfund receivables and payables if there is intent to repay that amount and if the debtor fund has the ability to repay the advance on a timely basis. Operating transfers represent legally authorized transfers from the fund receiving resources to the fund through which the resources are to be expended. At September 30, 2025 the Debt Service Fund owed the General Fund $2,949 related to tax collections and the Capital Projects Fund owed the General Fund $43,974 for bond issuance related expenditures.

1. SIGNIFICANT ACCOUNTING POLICIES (continued) –

Long-Term Debt - Unlimited tax bonds, which have been issued to fund capital projects, are to be repaid from tax revenues of the District.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums and discounts on debt issuances are reported as other financing sources and uses.

Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures in both the government-wide and the fund financial statements.

Fund Balance - 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 assigned $1,915,386 of General Fund fund balance pertaining to the Commission approval to use surplus operating and maintenance funds to reimburse the District's developer (see Note 10).
- *Unassigned*: all other spendable amounts in the General Fund.

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

Accounting Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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.

2. RECONCILIATION OF THE GOVERNMENTAL FUNDS

Adjustments to convert the Governmental Funds Balance Sheet to the Statement of Net Position are as follows:

Fund Balances - Total Governmental Funds		$ 4,908,073
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds:		
Capital assets	21,874,899	
Less: Accumulated depreciation	(1,171,904)	20,702,995
Revenue is recognized when earned in the government-wide statements, regardless of availability. Governmental funds report deferred inflows for revenues earned but not available.		3,499
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:		
Bonds payable	(29,215,000)	
Issuance premiums/discounts, net	(45,100)	
Accrued interest	(93,764)	(29,353,864)
Net Position - Governmental Activities		$ (3,739,297)

Adjustments to convert the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities are as follows:

Net Change in Fund Balances - Governmental Funds		$ 717,724
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report:		
Interest expenditures in year paid	15,723	
Tax revenue when collected	3,302	
Principal in year paid	225,000	
Capital expenditures in period purchased	3,565,684	
Bond sales and related bond discount/ premium in year received/paid	(4,993,842)	(1,184,133)
Governmental funds do not report:		
Depreciation		(388,817)
Amortization of bond discounts/premiums		1,818
Change in Net Position - Governmental Activities		$ (853,408)

3. CASH AND CASH EQUIVALENT INVESTMENTS

The investment policies of the District are governed by Section 2256 of the Texas Government Code (the "Public Funds Investment Act") and an adopted District investment policy that includes depository contract provisions and custodial contract provisions. Major provisions of the District's investment policy, which complies with the Public Funds Investment Act, include: depositories must be Federal Deposit Insurance Corporation ("FDIC") insured Texas banking institutions; depositories must fully insure or collateralize all demand and time deposits; and securities collateralizing time deposits are held by independent third party trustees.

Cash - At September 30, 2025, the carrying amount of the District's deposits and the bank balance was $48,801. The bank balance was fully covered by federal depository insurance.

Cash Equivalents and Investments -

Interest rate risk. In accordance with its investment policy, the District manages its exposure to declines in fair values through investment diversification and limiting investments as follows:

- Money market mutual funds are required to have weighted average maturities of 90 days or fewer; and
- Other mutual fund investments are required to have weighted average maturities of less than two years.

Credit risk. The District's investment policy requires the application of the prudent-person rule: investments are made as a prudent person would be expected to act, with discretion and intelligence, and considering the probable safety of their capital as well as the probable income to be derived. The District's investment policy requires that District funds be invested in:

- Obligations of the United States Government and/or its agencies and instrumentalities;
- Money market mutual funds with investment objectives of maintaining a stable net asset value of $1 per share;
- Mutual funds rated in one of the three highest categories by a nationally recognized rating agency;
- Securities issued by a State or local government or any instrumentality or agency thereof, in the United States, and rated in one of the three highest categories by a nationally recognized rating agency; and
- Public funds investment pools rated AAA or AAAm by a nationally recognized rating agency.

3. CASH AND CASH EQUIVALENT INVESTMENTS (continued) –

Cash Equivalents and Investments (continued) -

At September 30, 2025, the District held the following investments:

		Governmental Fund				
		General	Debt Service	Capital Projects	Investment Rating	
Investment	Fair Value at 9/30/2025	Unrestricted	Restricted (1)	Restricted (2)	Rating	Rating Agency
TexPool	$ 4,858,032	$ 3,175,456	$ 1,476,125	$ 206,451	AAAm	Standard & Poors
	$ 4,858,032	$ 3,175,456	$ 1,476,125	$ 206,451		

(1) Restricted for payment of debt service and cost of assessing and collecting taxes.

(2) Restricted for purchase of capital assets.

The District invests in TexPool, 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. Federated Hermes, Inc. manages the daily operations of the pool under a contract with the Comptroller. TexPool measures all of its portfolio assets at amortized cost. As a result, the District also measures its investments in TexPool at amortized cost for financial reporting purposes. There are no limitations or restrictions on withdrawals from TexPool.

Concentration of credit risk. In accordance with the District's investment policy, investments in individual securities are to be limited to ensure that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio. As of September 30, 2025, the District did not own any investments in individual securities.

Custodial credit risk-deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The government's investment policy requires that the District's deposits be fully insured by FDIC insurance or collateralized with obligations of the United States or its agencies and instrumentalities. As of September 30, 2025, the District's bank deposits were fully covered by FDIC insurance.

4. PROPERTY TAXES

Property taxes attach as an enforceable lien on January 1. Taxes are levied on or about October 1, are due on November 1, and are past due the following February 1. The Williamson Central Appraisal District establishes appraisal values in accordance with requirements of the Texas Legislature. The District levies taxes based upon the appraised values. The Williamson County Tax Assessor Collector bills and collects the District's property taxes. The Board of Directors set current tax rates on September 13, 2024.

4. PROPERTY TAXES (continued) –

The property tax rates, established in accordance with state law, were based on 100% of the net assessed valuation of real property within the District on the 2024 tax roll. The tax rate, based on total taxable assessed valuation of $225,437,733 was $0.6820 on each $100 valuation and was allocated $0.2370 to the General Fund and $0.4450 to the Debt Service Fund. The maximum allowable maintenance tax of $1.00 was established by the voters at an election held on November 3, 2015.

Property taxes of $1,237 for the General Fund and $2,262 for the Debt Service Fund were uncollected and receivable at September 30, 2025.

5. CHANGES IN CAPITAL ASSETS

A summary of changes in capital assets follows:

	Balance 10/1/2024	Additions	Deletions	Balance 9/30/2025
Capital assets not being depreciated -				
Land	$ 354,066	$ -	$ -	$ 354,066
Capital assets being depreciated:				
Water/wastewater/drainage	17,955,149	3,565,684	-	21,520,833
Total capital assets being depreciated	17,955,149	3,565,684	-	21,520,833
Less accumulated depreciation for:				
Water/wastewater/drainage	(783,087)	(388,817)	-	(1,171,904)
Total accumulated depreciation	(783,087)	(388,817)	-	(1,171,904)
Total capital assets being depreciated, net of accumulated depreciation	17,172,062	3,176,867	-	20,348,929
Total capital assets, net	$ 17,526,128	$ 3,176,867	$ -	$ 20,702,995

6. BONDED DEBT

The following is a summary of bond transactions of the District for the year ended September 30, 2025:

	Unlimited Tax and Revenue Bonds
Bonds payable at October 1, 2024	$ 24,465,000
Bonds issued	4,975,000
Bonds retired	(225,000)
Bond premium/discount, net	45,100
Bonds payable at September 30, 2025	$ 29,260,100

6. BONDED DEBT (continued) -

Bonds payable at September 30, 2025, were comprised of the following individual issues:

Unlimited Tax Bonds:

$2,230,000 – 2019 Unlimited Tax Bonds payable serially through the year 2043 at interest rates which range from 2.75% to 4.00%. Bonds maturing on or after September 1, 2026 are callable prior to maturity beginning September 1, 2025, or any date thereafter. Bonds maturing September 1, 2033 and 2038 are term bonds and are subject to mandatory sinking fund redemption.

$3,485,000 – 2020 Unlimited Tax Bonds payable serially through the year 2045 at interest rates which range from 2.25% to 4.25%. Bonds maturing on or after September 1, 2026 are callable prior to maturity beginning September 1, 2025, or any date thereafter. Bonds maturing September 1, 2039, 2042 and 2045 are term bonds and are subject to mandatory sinking fund redemption.

$2,310,000 – 2021 Unlimited Tax Bonds payable serially through the year 2046 at interest rates which range from 2.625% to 4.625%. Bonds maturing on or after September 1, 2027 are callable prior to maturity beginning September 1, 2026, or any date thereafter. Bonds maturing September 1, 2029, 2031, 2033, 2036, 2039 and 2046 are term bonds and are subject to mandatory sinking fund redemption.

$6,310,000 – 2022 Unlimited Tax Bonds payable serially through the year 2047 at interest rates which range from 4.00% to 6.00%. Bonds maturing on or after September 1, 2030 are callable prior to maturity beginning September 1, 2029, or any date thereafter. Bonds maturing September 1, 2034, 2043, 2045 and 2047 are term bonds and are subject to mandatory sinking fund redemption.

$4,415,000 – 2023 Unlimited Tax Bonds payable serially through the year 2048 at interest rates which range from 4.00% to 6.00%. Bonds maturing on or after September 1, 2031 are callable prior to maturity beginning September 1, 2030, or any date thereafter. Bonds maturing September 1, 2034, 2036, 2038, 2040, 2042 and 2044 are term bonds and are subject to mandatory sinking fund redemption.

$5,495,000 – 2024 Unlimited Tax Bonds payable serially through the year 2049 at interest rates which range from 4.00% to 5.00%. Bonds maturing on or after September 1, 2032 are callable prior to maturity beginning September 1, 2031, or any date thereafter. Bonds maturing September 1, 2036, 2039 and 2049 are term bonds and are subject to mandatory sinking fund redemption.

$4,970,000 – 2025 Unlimited Tax Bonds payable serially through the year 2049 at interest rates which range from 4.25% to 6.25%. Bonds maturing on or after September 1, 2032 are callable prior to maturity beginning September 1, 2031, or any date thereafter.

On May 20, 2025, the District issued Unlimited Tax Bonds, Series 2025, of $4,975,000 with interest rates ranging from 4.25% to 6.25%. The net proceeds of $4,436,426 (after payment of underwriter fees and other bond related costs) were used to finance developer funded infrastructure improvement costs, fund future interest payments and pay subsequent bond issue costs.

6. BONDED DEBT (continued) -

The annual requirements to amortize all bonded debt at September 30, 2025, including interest, are as follows:

Year Ended September 30,	Annual Requirements for All Series		
	Principal	Interest	Total
2026	$ 295,000	$ 1,170,431	$ 1,465,431
2027	470,000	1,158,593	1,628,593
2028	840,000	1,137,661	1,977,661
2029	880,000	1,094,037	1,974,037
2030	915,000	1,052,376	1,967,376
2031-2035	5,160,000	4,640,253	9,800,253
2036-2040	6,185,000	3,593,872	9,778,872
2041-2045	7,435,000	2,334,088	9,769,088
2046-2049	7,035,000	761,648	7,796,648
	$ 29,215,000	$ 16,942,959	$ 46,157,959

Bonds authorized but not issued as of September 30, 2025, are as follows:

Type	Amount
Unlimited Tax Bonds	$ 68,525,000
Park and Recreational Facilities	$ 18,610,000
Road Bonds	$ 8,745,000
Refunding Bonds	$ 189,082,500

$1,473,176 is available in the Debt Service Fund to service the bonded debt.

The existing outstanding bonds of the District 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.

7. COMMITMENTS AND CONTINGENCIES

The developer of the land within the District has incurred costs related to construction of facilities. Such costs may be reimbursable to the developer by the District from proceeds of future District bond issues, subject to approval by the Texas Commission on Environmental Quality. The District, as of September 30, 2025, has recorded no liability pertaining to such costs.

8. RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District has obtained coverage from commercial insurance companies to effectively manage its risk. All risk management activities are accounted for in the General Fund. Expenditures and claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered.

9. CONSENT AGREEMENT

Pursuant to the Consent Agreement entered into by the District, the developer and the City, effective April 24, 2015, the District and the developer will design, finance and construct all water and wastewater facilities required to serve the District in accordance with the applicable City requirements and design standards. These facilities include the internal onsite and offsite facilities required for the City to provide retail services to the District, and the offsite wastewater facilities required for Georgetown to provide wholesale wastewater service to the City for the District. Upon completion of the construction of water and wastewater facilities constructed by or on behalf of the District, the facilities will be conveyed to the City (or to Georgetown with respect to the wholesale wastewater service facilities), as outlined in the Consent Agreement. In exchange for the conveyance of the water and wastewater facilities to serve the District, the City agrees to operate and maintain all water and wastewater facilities conveyed and to provide retail water and wastewater services to customers within the District at the City's standard water and wastewater rates and Georgetown agrees to provide wholesale water treatment and disposal services to the City. The Consent Agreement will continue in effect for 40 years from the effective date.

10. SUBSEQUENT EVENTS

On January 21, 2026, the District closed on the issuance of $6,000,000 of Unlimited Tax Bonds, Series 2026, with interest rates ranging from 4.00% to 6.00% and principal maturities through September 2050. Proceeds of the bonds will be used to reimburse a developer within the District for infrastructure and to fund bond issuance costs. In addition, a portion of the bond proceeds will be used to fund future interest payments on the bonds.

Pursuant to TCEQ approval dated September 10, 2025 and in accordance with rules of the Commission, the District anticipates using $1,915,386 of surplus operating and maintenance funds to reimburse the developer within the District for infrastructure serving the District.

REQUIRED SUPPLEMENTARY INFORMATION

WEST WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 2
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2025

	Actual	Original and Final Budget	Variance Positive (Negative)
REVENUES			
Property taxes, including penalties	$ 533,644	$ 533,853	$ (209)
Drainage fees	-	46,900	(46,900)
Interest and other	132,612	60,000	72,612
TOTAL REVENUES	666,256	640,753	25,503
EXPENDITURES			
Pond maintenance	106,914	149,230	42,316
Legal fees	18,356	24,800	6,444
Engineering fees	14,035	8,000	(6,035)
Bookkeeping fees	22,887	23,800	913
Audit fees	12,250	11,500	(750)
Director fees, including payroll taxes	6,899	9,517	2,618
Insurance	8,214	6,000	(2,214)
Financial advisor fees	1,329	1,500	171
Tax appraisal/collection fees	3,320	5,100	1,780
Other	3,471	1,925	(1,546)
TOTAL EXPENDITURES	197,675	241,372	43,697
NET CHANGE IN FUND BALANCE	468,581	$ 399,381	$ 69,200
FUND BALANCE:			
Beginning of the year	2,761,339		
End of the year	$ 3,229,920		

TEXAS SUPPLEMENTARY INFORMATION

WEST WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 2
TSI-1. SERVICES AND RATES
SEPTEMBER 30, 2025

1. Services Provided by the District during the Fiscal Year:

- [ ] Retail Water
- [ ] Retail Wastewater
- [ ] Parks/Recreation
- [ ] Solid Waste/Garbage
- [ ] Wholesale Water
- [ ] Wholesale Wastewater
- [ ] Fire Protection
- [ ] Flood Control
- [x] Drainage
- [ ] Irrigation
- [ ] Security
- [ ] Roads
- [ ] Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect)
- [ ] Other (specify):_____

2. Retail Service Providers

a. Retail Rates Based on 5/8" Meter (or equivalent):

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1000 Gallons Over Minimum	Usage Levels
WATER:	(1)	(1)	(1)	(1)	(1)
WASTEWATER:	(1)	(1)	(1)	(1)	(1)
SURCHARGE:	(1)	(1)	(1)	(1)	(1)

District employs winter averaging for wastewater usage? Yes [ ] No [ ]

Total charges per 10,000 gallons usage: Water (1) Wastewater (1)

b. Water and Wastewater Retail Connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC's
Unmetered			1.0	
< 3/4"			1.0	
1"			2.5	
1 1/2"			5.0	
2"			8.0	
3"			15.0	
4"			25.0	
6"			50.0	
8"			80.0	
10"			115.0	
Total Water	(1)	(1)		(1)
Total Wastewater	(1)	(1)	1.0	(1)

(1) Water and wastewater service is provided to District customers by the City of Leander, Texas.

WEST WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 2
TSI-1. SERVICES AND RATES (continued)
SEPTEMBER 30, 2025

3. Total Water Consumption during the Fiscal Year (rounded to the nearest thousand):

Gallons pumped into system: **(1)**

Gallons billed to customers: **(1)**

Water Accountability Ratio
(Gallons billed / Gallons Pumped)
N/A

4. Standby Fees (authorized only under TWC Section 49.231):

Does the District assess standby fees? Yes ☐ No ☒

If yes, Date of the most recent Commission Order: _____

Does the District have Operation and Maintenance standby fees? Yes ☐ No ☒

If yes, Date of the most recent Commission Order: _____

5. Location of District

County(ies) in which district is located: Williamson County, Texas

Is the District located entirely within one county? Yes ☒ No ☐

Is the District located within a city? Entirely ☐ Partly ☐ Not at all ☒

City(ies) in which district is located: _____

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

Entirely ☒ Partly ☐ Not at all ☐

ETJ's in which district is located: City of Leander, Texas

Are Board members appointed by an office outside the district?

Yes ☐ No ☒

If Yes, by whom? _____

(1) Water and wastewater service is provided to District customers by the City of Leander, Texas.

WEST WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 2
TSI-2. GENERAL FUND EXPENDITURES
SEPTEMBER 30, 2025

Personnel Expenditures (including benefits)	$ -
Professional Fees:	
Auditing	12,250
Legal	18,356
Engineering	14,035
Financial Advisor	1,329
Purchased Services For Resale -	
Bulk Water and Wastewater Purchases	-
Contracted Services:	
Bookkeeping	22,887
General Manager	-
Appraisal District/Tax Collector	3,320
Other Contracted Services	-
Utilities	-
Repairs and Maintenance	106,914
Chemicals	-
Administrative Expenditures:	
Directors' Fees	6,899
Office Supplies	-
Insurance	8,214
Other Administrative Expenditures	3,471
Capital Outlay:	
Capitalized Assets	-
Expenditures not Capitalized	-
Bad Debt	-
Parks and Recreation	-
Other Expenditures	-
TOTAL EXPENDITURES	$ 197,675

Number of persons employed by the District: - Full-Time - Part-Time

WEST WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 2
TSI-3. TEMPORARY 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 -					
TexPool	XXX001	Varies	N/A	$ 3,175,456	$ -
Total - General Fund				3,175,456	-
Debt Service Fund:					
TexPool	XXX002	Varies	N/A	7,158	-
TexPool	XXX003	Varies	N/A	782,739	-
TexPool	XXX011	Varies	N/A	95,829	-
TexPool	XXX013	Varies	N/A	234,440	-
TexPool	XXX015	Varies	N/A	355,959	-
Total - Debt Service Fund				1,476,125	-
Capital Projects Fund:					
TexPool	XXX012	Varies	N/A	1,360	-
TexPool	XXX014	Varies	N/A	205,091	-
Total - Capital Projects Fund				206,451	-
Total - All Funds				$ 4,858,032	$ -

WEST WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 2
TSI-4. TAXES LEVIED AND RECEIVABLE
SEPTEMBER 30, 2025

	Maintenance Taxes	Debt Service Taxes
Taxes Receivable, Beginning of Year	$ 102	$ 95
2024 Original Tax Levy	536,163	1,006,720
Adjustments:		
Current year	(1,875)	(3,522)
Prior years	(39)	(37)
Total to be accounted for	534,351	1,003,256
Tax collections:		
Current year	533,114	1,000,994
Prior years	-	-
Total collections	533,114	1,000,994
Taxes Receivable, End of Year	$ 1,237	$ 2,262
Taxes Receivable, By Years		
2023 and before	$ 63	$ 58
2024	1,174	2,204
Taxes Receivable, End of Year	$ 1,237	$ 2,262

Property Valuations:	**2024**	2023	2022
Land and improvements	**$ 225,437,733** (a)	$ 213,802,498 (a)	$ 134,507,144 (a)
Total Property Valuations	**$ 225,437,733**	$ 213,802,498	$ 134,507,144
Tax Rates per $100 Valuation:			
Debt Service tax rates	**$ 0.4450**	$ 0.3275	$ 0.2900
Maintenance tax rates	**0.2370**	0.3545	0.5330
Total Tax Rates per $100 Valuation:	**$ 0.6820**	$ 0.6820	$ 0.8230
Original Tax Levy	**$ 1,537,486**	$ 1,458,215	$ 1,107,076
Percent of Taxes Collected to Taxes Levied *	**99.8%**	99.9%	100.0%

Maximum Tax Rate Approved by Voters: $ 1.00 on 11/3/2015

*Calculated as taxes collected in current and previous years divided by tax levy.

(a) Valuations are provided by the appropriate Appraisal District. Due to various factors including tax protests and disputes, such valuations change over time; therefore, they may vary slightly from those disclosed to the District's bond offering documents or the District's annual bond disclosure filings.

WEST WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 2
TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEARS
SEPTEMBER 30, 2025

	Unlimited Tax Bonds Series 2019			Unlimited Tax Bonds Series 2020			Unlimited Tax Bonds Series 2021			Unlimited Tax Bonds Series 2022		
Fiscal Year Ending	Principal Due 9/01	Interest Due 3/01, 9/01	Total	Principal Due 9/01	Interest Due 3/01, 9/01	Total	Principal Due 9/01	Interest Due 3/01, 9/01	Total	Principal Due 9/01	Interest Due 3/01, 9/01	Total
2026	$ 85,000	$ 78,462	$ 163,462	$ 120,000	$ 87,394	$ 207,394	$ 70,000	$ 65,712	$ 135,712	$ 5,000	$ 282,425	$ 287,425
2027	90,000	76,124	166,124	120,000	82,294	202,294	75,000	62,475	137,475	170,000	282,125	452,125
2028	90,000	73,604	163,604	125,000	77,194	202,194	80,000	60,225	140,225	180,000	271,925	451,925
2029	95,000	70,994	165,994	130,000	71,881	201,881	85,000	57,825	142,825	185,000	261,125	446,125
2030	100,000	68,144	168,144	135,000	68,956	203,956	80,000	55,275	135,275	195,000	250,025	445,025
2031	105,000	65,144	170,144	145,000	65,919	210,919	75,000	52,875	127,875	205,000	238,325	443,325
2032	110,000	61,732	171,732	150,000	62,656	212,656	75,000	50,625	125,625	215,000	226,537	441,537
2033	115,000	57,882	172,882	155,000	59,281	214,281	75,000	48,375	123,375	220,000	217,938	437,938
2034	120,000	53,856	173,856	160,000	55,794	215,794	75,000	46,125	121,125	230,000	209,137	439,137
2035	125,000	49,656	174,656	165,000	52,194	217,194	75,000	43,875	118,875	245,000	199,938	444,938
2036	130,000	45,282	175,282	175,000	48,481	223,481	70,000	41,625	111,625	255,000	190,137	445,137
2037	135,000	40,568	175,568	180,000	44,544	224,544	70,000	39,525	109,525	270,000	179,938	449,938
2038	140,000	35,506	175,506	185,000	40,494	225,494	75,000	37,425	112,425	275,000	169,137	444,137
2039	145,000	30,256	175,256	195,000	36,331	231,331	70,000	35,175	105,175	290,000	158,138	448,138
2040	150,000	24,818	174,818	205,000	31,944	236,944	70,000	33,075	103,075	305,000	145,812	450,812
2041	160,000	19,194	179,194	210,000	27,075	237,075	65,000	31,238	96,238	320,000	132,850	452,850
2042	165,000	13,194	178,194	220,000	22,087	242,087	65,000	29,532	94,532	330,000	119,250	449,250
2043	170,000	6,800	176,800	230,000	16,862	246,862	65,000	27,825	92,825	345,000	105,225	450,225
2044	-	-	-	235,000	11,400	246,400	245,000	26,118	271,118	360,000	90,562	450,562
2045	-	-	-	245,000	5,819	250,819	245,000	19,688	264,688	380,000	74,813	454,813
2046	-	-	-	-	-	-	505,000	13,256	518,256	395,000	58,187	453,187
2047	-	-	-	-	-	-	-	-	-	935,000	40,906	975,906
2048	-	-	-	-	-	-	-	-	-	-	-	-
2049	-	-	-	-	-	-	-	-	-	-	-	-
	$ 2,230,000	$ 871,216	$ 3,101,216	$ 3,485,000	$ 968,600	$ 4,453,600	$ 2,310,000	$ 877,869	$ 3,187,869	$ 6,310,000	$ 3,904,455	$ 10,214,455

WEST WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 2
TSI-5. LONG-TERM DEBT SERVICE REQUIREMENTS - BY YEARS
SEPTEMBER 30, 2025
(continued)

	Unlimited Tax Bonds Series 2023			Unlimited Tax Bonds Series 2024			Unlimited Tax Bonds Series 2025			Annual Requirements for All Series		
Fiscal Year Ending	Principal Due 9/01	Interest Due 3/01, 9/01	Total	Principal Due 9/01	Interest Due 3/01, 9/01	Total	Principal Due 9/01	Interest Due 3/01, 9/01	Total	Principal Due 9/01	Interest Due 3/01, 9/01	Total
2026	$ 5,000	$ 189,732	$ 194,732	$ 5,000	$ 223,556	$ 228,556	$ 5,000	$ 243,150	$ 248,150	$ 295,000	$ 1,170,431	$ 1,465,431
2027	5,000	189,431	194,431	5,000	223,307	228,307	5,000	242,837	247,837	470,000	1,158,593	1,628,593
2028	100,000	189,132	289,132	5,000	223,056	228,056	260,000	242,525	502,525	840,000	1,137,661	1,977,661
2029	105,000	183,131	288,131	125,000	222,806	347,806	155,000	226,275	381,275	880,000	1,094,037	1,974,037
2030	115,000	176,832	291,832	130,000	216,556	346,556	160,000	216,588	376,588	915,000	1,052,376	1,967,376
2031	120,000	169,931	289,931	145,000	211,356	356,356	160,000	206,587	366,587	955,000	1,010,137	1,965,137
2032	130,000	163,932	293,932	145,000	205,558	350,558	170,000	196,588	366,588	995,000	967,628	1,962,628
2033	135,000	158,731	293,731	155,000	199,756	354,756	175,000	185,962	360,962	1,030,000	927,925	1,957,925
2034	140,000	153,332	293,332	170,000	193,556	363,556	175,000	175,025	350,025	1,070,000	886,825	1,956,825
2035	145,000	147,731	292,731	175,000	186,756	361,756	180,000	167,588	347,588	1,110,000	847,738	1,957,738
2036	150,000	141,931	291,931	180,000	179,756	359,756	190,000	159,937	349,937	1,150,000	807,149	1,957,149
2037	155,000	135,931	290,931	190,000	172,557	362,557	190,000	151,863	341,863	1,190,000	764,926	1,954,926
2038	160,000	129,731	289,731	200,000	164,956	364,956	200,000	143,550	343,550	1,235,000	720,799	1,955,799
2039	165,000	123,331	288,331	210,000	156,956	366,956	205,000	134,550	339,550	1,280,000	674,737	1,954,737
2040	170,000	116,731	286,731	220,000	148,556	368,556	210,000	125,325	335,325	1,330,000	626,261	1,956,261
2041	175,000	109,931	284,931	230,000	139,757	369,757	220,000	115,875	335,875	1,380,000	575,920	1,955,920
2042	185,000	102,712	287,712	240,000	130,556	370,556	225,000	105,975	330,975	1,430,000	523,306	1,953,306
2043	195,000	95,081	290,081	250,000	120,956	370,956	230,000	95,850	325,850	1,485,000	468,599	1,953,599
2044	200,000	87,038	287,038	265,000	110,956	375,956	235,000	85,500	320,500	1,540,000	411,574	1,951,574
2045	210,000	78,787	288,787	275,000	100,357	375,357	245,000	74,925	319,925	1,600,000	354,389	1,954,389
2046	215,000	70,125	285,125	290,000	89,356	379,356	250,000	63,594	313,594	1,655,000	294,518	1,949,518
2047	225,000	60,987	285,987	305,000	77,756	382,756	255,000	52,031	307,031	1,720,000	231,680	1,951,680
2048	1,210,000	51,425	1,261,425	5,000	65,175	70,175	575,000	40,237	615,237	1,790,000	156,837	1,946,837
2049	-	-	-	1,575,000	64,969	1,639,969	295,000	13,644	308,644	1,870,000	78,613	1,948,613
	$ 4,415,000	$ 3,025,656	$ 7,440,656	$ 5,495,000	$ 3,828,882	$ 9,323,882	$ 4,970,000	$ 3,465,981	$ 8,435,981	$ 29,215,000	$ 16,942,659	$ 46,157,659

WEST WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 2
TSI-6. CHANGES IN LONG-TERM BONDED DEBT
SEPTEMBER 30, 2025

	Bond Issue Series 2019	Bond Issue Series 2020	Bond Issue Series 2021	Bond Issue Series 2022	Bond Issue Series 2023	Bond Issue Series 2024	Bond Issue Series 2020	Total
Interest Rate	2.75% - 4.00%	2.25% - 4.25%	2.625% - 4.625%	4.00% - 6.00%	4.00% - 6.00%	4.00% - 5.00%	4.25% - 6.25%	
Dates Interest Payable	3/01 , 9/01	3/01 , 9/01	3/01 , 9/01	3/01 , 9/01	3/01 , 9/01	3/01 , 9/01	3/01 , 9/01	
Maturity Dates	9/1/2043	9/1/2045	9/1/2046	9/1/2047	9/1/2048	9/1/2049	9/1/2049	
Bonds Outstanding at Beginning of Current Fiscal Year	$ 2,310,000	$ 3,600,000	$ 2,320,000	$ 6,315,000	$ 4,420,000	$ 5,500,000	$ -	$ 24,465,000
Bonds Sold During the Current Fiscal Year	-	-	-	-	-	-	4,975,000	4,975,000
Retirements During the Current Fiscal Year:								
Principal	(80,000)	(115,000)	(10,000)	(5,000)	(5,000)	(5,000)	(5,000)	(225,000)
Refunded	-	-	-	-	-	-		-
Bonds Outstanding at End of Current Fiscal Year	$ 2,230,000	$ 3,485,000	$ 2,310,000	$ 6,310,000	$ 4,415,000	$ 5,495,000	$ 4,970,000	$ 29,215,000
Interest Paid During the Current Fiscal Year	$ 80,622	$ 92,281	$ 66,175	$ 282,725	$ 190,031	$ 247,430	$ 68,305	$ 1,027,569
Paying Agent's Name & Address:	UMB Bank Austin, TX	UMB Bank Austin, TX	UMB Bank Austin, TX	UMB Bank Austin, TX	UMB Bank Austin, TX	UMB Bank Austin, TX	UMB Bank Austin, TX	

Bond Authority:	Unlimited Tax Bonds*	Recreational Facilities*	Road Bonds*	Refunding Bonds*
Amount Authorized by Voters	$ 98,700,000	$ 18,610,000	$ 8,745,000	$ 189,082,500
Amount Issued	(30,175,000)	-	-	-
Remaining To Be Issued	$ 68,525,000	$ 18,610,000	$ 8,745,000	$ 189,082,500

* Includes all bonds secured with tax revenues. Bonds in this category may also be secured with other revenues in combination with taxes.

Debt Service Fund Cash and Temporary Investments balances as of September 30, 2025: $ 1,476,125

Average Annual Debt Service Payment (Principal & Interest) for the remaining term of all debt: $ 1,923,236

WEST WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 2
TSI-7. COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND AND DEBT SERVICE FUND - FIVE YEARS
SEPTEMBER 30, 2025

	Amounts					Percent of Fund Total Revenues				
	2025	2024	2023	2022	2021	**2025**	2024	2023	2022	2021
GENERAL FUND REVENUES:										
Property taxes	**$ 533,644**	$ 808,766	$ 767,628	$ 484,380	$ 264,320	**80.1%**	76.0%	77.2%	98.7%	65.2%
Drainage fees	**-**	141,400	167,300	-	140,700	-	13.3%	16.8%	-	34.7%
Interest and other	**132,612**	114,207	59,796	6,488	178	**19.9%**	10.7%	6.0%	1.3%	0.1%
TOTAL GENERAL FUND REVENUES	**666,256**	1,064,373	994,724	490,868	405,198	**100.0%**	100.0%	100.0%	100.0%	100.0%
GENERAL FUND EXPENDITURES:										
Pond maintenance	**106,914**	91,270	53,225	24,475	12,000	**16.1%**	8.6%	5.3%	4.9%	2.9%
Director fees, including payroll taxes	**6,899**	5,710	6,671	4,844	4,844	**1.1%**	0.5%	0.7%	0.9%	1.2%
Legal fees	**18,356**	15,599	26,749	22,350	18,307	**2.8%**	1.5%	2.7%	4.6%	4.5%
Engineering fees	**14,035**	6,680	10,467	5,491	5,459	**2.1%**	0.6%	1.1%	1.1%	1.3%
Bookkeeping fees	**22,887**	21,875	22,875	16,050	15,450	**3.4%**	2.1%	2.3%	3.3%	3.8%
Audit fees	**12,250**	11,000	10,250	9,750	9,250	**1.8%**	1.0%	1.0%	2.0%	2.3%
Financial advisor fees	**1,329**	1,346	1,088	1,058	1,041	**0.2%**	0.1%	0.1%	0.2%	0.3%
Tax appraisal/collection fees	**3,320**	4,717	3,832	2,730	1,553	**0.5%**	0.4%	0.4%	0.6%	0.4%
Insurance	**8,214**	7,445	6,124	5,501	5,105	**1.2%**	0.7%	0.6%	1.1%	1.3%
Other	**3,471**	943	752	1,257	1,155	**0.5%**	0.1%	0.1%	0.3%	0.3%
TOTAL GENERAL FUND EXPENDITURES	**197,675**	166,585	142,033	93,506	74,164	**29.7%**	15.6%	14.3%	19.0%	18.3%
EXCESS OF REVENUES OVER EXPENDITURES	**$ 468,581**	$ 897,788	$ 852,691	$ 397,362	$ 331,034	**70.3%**	84.4%	85.7%	81.0%	81.7%
DEBT SERVICE FUND REVENUES:										
Interest	**$ 80,527**	$ 80,708	$ 51,043	$ 2,810	$ 216	**5.3%**	6.3%	3.6%	0.7%	0.1%
Property taxes, including penalties	**1,001,984**	722,065	394,527	284,369	172,383	**66.6%**	57.0%	28.1%	67.1%	44.8%
Bond proceeds	**422,875**	465,066	960,773	136,612	212,085	**28.1%**	36.7%	68.3%	32.2%	55.1%
TOTAL DEBT SERVICE FUND REVENUES	**1,505,386**	1,267,839	1,406,343	423,791	384,684	**100.0%**	100.0%	100.0%	100.0%	100.0%
DEBT SERVICE FUND EXPENDITURES:										
Bond interest	**1,027,569**	748,600	454,366	239,694	183,749	**68.3%**	59.0%	32.2%	56.5%	47.8%
Bond principal	**225,000**	205,000	195,000	180,000	155,000	**14.9%**	16.2%	13.9%	42.5%	40.3%
Fiscal agent fees and other	**11,129**	7,602	3,877	3,025	2,092	**0.7%**	0.6%	0.3%	0.7%	0.5%
TOTAL DEBT SERVICE FUND EXPENDITURES	**1,263,698**	961,202	653,243	422,719	340,841	**83.9%**	75.8%	46.4%	99.7%	88.6%
EXCESS (DEFICIENCY) OF DEBT SERVICE FUND REVENUES OVER (UNDER) EXPENDITURES	**$ 241,688**	$ 306,637	$ 753,100	$ 1,072	$ 43,843	**16.1%**	24.2%	53.6%	0.3%	11.4%
TOTAL ACTIVE RETAIL WATER CONNECTIONS	**(1)**	(1)	(1)	(1)	(1)					
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	**(1)**	(1)	(1)	(1)	(1)					

(1) Water and wastewater service is provided to District customers by the City of Leander, Texas.

WEST WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 2
TSI-8. BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
SEPTEMBER 30, 2025

Complete District Mailing Address:	100 Congress Ave., Suite 1300 Austin, TX 78701
District Business Telephone Number:	(512) 328-2008
Submission Date of the most recent District Registration Form TWC Sections 36.054 & 49.054):	May 31, 2024
Limits on Fees of Office that a Director may receive during a fiscal year: (Set by Board Resolution TWC Section 49.060)	$7,200

Name and Address:	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid * 9/30/2025	Expense Reimbursements 9/30/2025	Title at Year End
Board Members:				
JUSTIN LANGE	(Elected) 5/7/2022 - 5/2/2026	$ 1,547	$ -	President
AARON GOOGINS	(Elected) 5/7/2022 - 5/2/2026	$ 1,105	$ -	Vice President
BRAD ZAMZOW	(Elected) 5/7/2022 - 5/2/2026	$ 1,105	$ -	Secretary
ALEXANDER DAGEL	(Elected) 5/4/2024 - 5/6/2028	$ 1,547	$ -	Assistant Secretary
JOSEPH L. GRAHAM	(Elected) 5/4/2024 - 5/6/2028	$ 1,105	$ -	Assistant Secretary
Consultants:				
Armbrust & Brown PLLC	12/17/2025	$ -	$ -	Attorney
McLean & Howard, LLP	4/4/2017	$ 19,613	$ -	Former Attorney
		$ 74,625	$ -	Bond Related Services
McCall Parkhurst & Horton LLP	8/7/2015	$ 86,075	$ -	Bond Counsel
Jones-Heroy & Associates, Inc.	6/10/2015	$ 11,064	$ -	Engineer
		$ 72,766	$ -	Bond Related Services
Bott & Douthitt, PLLC	6/10/2015	$ 21,734	$ -	District Accountant
McCall Gibson Swedlund Barfoot Ellis PLLC	3/20/2019	$ 12,250	$ -	Auditor
		$ 15,500	$ -	Bond Related Services
Public Finance Group LLC	6/10/2015	$ 3,825	$ -	Financial Advisor
		$ 129,025	$ -	Bond Related Services
Williamson County Tax Assessor/Collector	7/28/2016	$ 441	$ -	Tax Collector

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

OTHER SUPPLEMENTARY INFORMATION

WEST WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 2
OSI-1. PRINCIPAL TAXPAYERS
SEPTEMBER 30, 2025

Taxpayer	Type of Property	Tax Roll Year **2025**	2024	2023
AG EGH II (LEN) Multi State 4 LLC	N/A	**$ 4,008,960**	$ 11,247,360	$ -
Hwy 29 Ventures 2015 LP	N/A	**2,052,952**	1,772,333	8,174,765
Lennar Homes of Texas Land and Const. Ltd.	N/A	**1,392,000**	1,743,358	-
Homeowner	N/A	**809,522**	893,637	864,091
Whitehorn Pipeline LLC	N/A	**661,990**	-	-
Homeowner	N/A	**577,392**	871,410	825,600
Homeowner	N/A	**555,632**	644,325	617,743
Homeowner	N/A	**549,031**	635,432	616,450
Homeowner	N/A	**538,685**	613,380	616,449
Homeowner	N/A	**526,478**	609,031	615,693
AG EGH II (LEN) Multi State 3 LLC	N/A	**-**	7,182,720	21,988,000
Continental Homes of Texas LP	N/A	**-**	-	1,966,513
J Wilburn 2000 Irrevocable Trust	N/A	**-**	-	615,693
Total		**$ 11,672,642**	$ 26,212,986	$ 36,900,997
Percent of Assessed Valuation		**3.8%**	11.6%	17.3%

WEST WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 2
OSI-2. ASSESSED VALUE BY CLASSIFICATION
SEPTEMBER 30, 2025

	Tax Roll Year					
	2025		2024		2023	
Type of Property	**Amount**	**%**	Amount	%	Amount	%
Single Family Residential	**$ 301,042,879**	**99.1%**	$ 206,391,826	91.6%	$ 194,465,267	90.9%
Vacant Platted Lots/Tracts	**43,195**	-	17,604,497	7.8%	22,010,768	10.3%
Real Acreage	**2,573,952**	**0.8%**	2,206,245	1.0%	2,016,984	0.9%
Farm & Ranch Improvements	**2,051,199**	**0.7%**	1,761,514	0.8%	8,161,862	3.8%
Utilities	**661,990**	**0.2%**	589,474	0.4%	524,642	0.2%
Tangible Personal, Business	**596,020**	**0.2%**	348,878	0.2%	231,480	0.1%
Real Inventory	**27,305,615**	**9.0%**	29,213,891	13.0%	10,300,535	4.8%
Exemptions/Adjustments	**(30,698,369)**	**-10.0%**	(32,678,592)	-14.8%	(23,909,040)	-11.0%
Total	**$ 303,576,481**	**100.0%**	$ 225,437,733	100.0%	$ 213,802,498	100.0%

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APPENDIX B
Form of Bond Counsel's Opinion

[*An opinion in substantially the following form will be delivered by McCall, Parkhurst & Horton L.L.P., Bond Counsel, upon the delivery of the Bonds, assuming no material changes in facts or law.*]

WEST WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 2
UNLIMITED TAX BONDS, SERIES 2026A
IN THE AGGREGATE PRINCIPAL AMOUNT OF $2,500,000

AS BOND COUNSEL FOR WEST WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 2 (the "District") of the bonds described above (the "Bonds"), we have examined into the legality and validity of the Bonds, which bear interest from the dates specified in the text of the Bonds, until maturity or redemption, at the rates and payable on the dates specified in the text of the Bonds all in accordance with the order of the Board of Directors of the District adopted on September 9, 2026 authorizing the issuance of the Bonds (the "Order").

WE HAVE EXAMINED the Constitution and laws of the State of Texas, certified copies of the proceedings of the District, including the Order and other documents authorizing and relating to the issuance of the Bonds; and we have examined various certificates and documents executed by officers and officials of the District upon which certificates and documents we rely as to certain matters stated below. We have also examined one of the executed Bonds (Bond Numbered T-1) and specimens of Bonds to be authenticated and delivered in exchange for the Bonds.

BASED ON SAID EXAMINATION, IT IS OUR OPINION that said Bonds have been duly authorized, issued and delivered in accordance with law; and that said Bonds, except as the enforceability thereof may be limited by laws relating to governmental immunity, bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws now or hereafter enacted related to creditors' rights generally or by general principle of equity which permit the exercise of judicial discretion, constitute valid and legally binding obligations of the District, payable from ad valorem taxes without legal limit as to rate or amount to be levied and collected by the District upon taxable property within the District, which taxes the District has covenanted to levy in an amount sufficient (together with revenues and receipts from other sources which are legally available for such purposes) to pay the interest on and the principal of the Bonds. Such covenant to levy taxes is subject to the right of a city, under existing Texas law, to annex all of the territory within the District; to take over all properties and assets of the District; to assume all debts, liabilities, and obligations of the District, including the Bonds; and to abolish the District.

THE DISTRICT reserves the right to issue additional bonds which will be payable from taxes; bonds, notes, and other obligations payable from revenues; and

bonds payable from contracts with other persons, including private corporations, municipalities, and political subdivisions.

IT IS FURTHER OUR OPINION, except as discussed below, that the interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes under the statutes, regulations, published rulings and court decisions existing on the date of this opinion. We are further of the opinion that the Bonds are not "specified private activity bonds" and that, accordingly, interest on the Bonds will not be included as an individual alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). In expressing the aforementioned opinions, we have relied on certain representations, the accuracy of which we have not independently verified, and assume compliance by the District with certain covenants, regarding the use and investment of the proceeds of the Bonds and the use of the property financed therewith. We call your attention to the fact that if such representations are determined to be inaccurate or upon a failure by the District to comply with such covenants, interest on the Bonds may become includable in gross income retroactively to the date of issuance of the Bonds.

EXCEPT AS STATED ABOVE, we express no opinion as to any other federal, state, or local tax consequences of acquiring, carrying, owning or disposing of the Bonds, including the amount, accrual or receipt of interest on, the Bonds. In particular, but not by way of limitation, we express no opinion with respect to the federal, state or local tax consequences arising from the enactment of any pending or future legislation. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds.

WE CALL YOUR ATTENTION TO THE FACT that the interest on tax-exempt obligations, such as the Bonds, may be includable in a corporation's adjusted financial statement income for purposes of determining the alternative minimum tax imposed on certain corporations by section 55 of the Code.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service (the "Service"); rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to

treat the District as the taxpayer. We observe that the District has covenanted not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

WE EXPRESS NO OPINION as to any insurance policies issued with respect to the payments due for the principal of and interest on the Bonds, nor as to any such insurance policies issued in the future.

OUR SOLE ENGAGEMENT in connection with the issuance of the Bonds is as Bond Counsel for the District, and, in that capacity, we have been engaged by the District for the sole purpose of rendering an opinion with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas, and with respect to the exclusion from gross income of the interest on the Bonds for federal income tax purposes, and for no other reason or purpose. The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result. We have not been requested to investigate or verify, and have not independently investigated or verified any records, data, or other material relating to the financial condition or capabilities of the District, or the disclosure thereof in connection with the sale of the Bonds, and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Bonds and have relied solely on certificates executed by officials of the District as to the current outstanding indebtedness of and the assessed valuation of taxable property within the District. Our role in connection with the District's Official Statement prepared for use in connection with the sale of the Bonds has been limited as described therein.

THE FOREGOING OPINIONS represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result.

Respectfully,

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APPENDIX C
Specimen Municipal Bond Insurance Policy

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No.: -N

BONDS: $ in aggregate principal amount of Effective Date:

Premium: $

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

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AG shall have received Notice of Nonpayment, AG will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AG, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AG. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AG is incomplete, it shall be deemed not to have been received by AG for purposes of the preceding sentence and AG shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AG shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AG hereunder. Payment by AG to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AG under this Policy.

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

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

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

This Policy sets forth in full the undertaking of AG, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY INC.

By _____

Authorized Officer

1633 Broadway, New York, N.Y. 10019 (212) 974-0100

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