

OFFICIAL STATEMENT DATED JUNE 16, 2026

IN THE OPINION OF BOND COUNSEL, THE BONDS ARE VALID OBLIGATIONS OF HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 410 AND INTEREST ON THE BONDS IS EXCLUDABLE FROM GROSS INCOME FOR PURPOSES OF FEDERAL INCOME TAXATION UNDER STATUTES, REGULATIONS, PUBLISHED RULINGS AND COURT DECISIONS EXISTING ON THE DATE OF SUCH OPINION. SEE "TAX MATTERS" HEREIN FOR A DISCUSSION OF THE OPINION OF BOND COUNSEL.

*The Bonds are **not** "qualified tax-exempt obligations" for financial institutions.*

NEW ISSUE - Book-Entry Only

**Ratings: S&P Global Ratings (BAM Insured) ... "AA" (stable outlook)
S&P Global Ratings (Underlying)... "A-" (stable outlook)
See "BOND INSURANCE" and "RATINGS" herein**

\$22,170,000
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 410
(A Political Subdivision of the State of Texas located within
Harris and Fort Bend Counties, Texas)
UNLIMITED TAX BONDS, SERIES 2026

Dated: July 1, 2026

**Due: September 1, as shown on
the inside cover**

Interest Accrual Date: Date of Delivery

Principal of the above bonds (the "Bonds") is payable to the registered owner thereof (the "Registered Owner") at the principal payment office of the paying agent/registrars, initially, The Bank of New York Mellon Trust Company, N. A., or any successor paying agent/registrars (the "Paying Agent," "Registrar" or "Paying Agent/Registrar"). Interest on the Bonds accrues from the initial date of delivery (expected July 16, 2026) (the "Date of Delivery"), and is payable on March 1, 2027, and on each September 1 and March 1 thereafter until the earlier of maturity or prior redemption. The Bonds are issued in denominations of \$5,000 or any integral multiple thereof.

The Bonds, including the Term Bonds, maturing on and after September 1, 2032, are subject to redemption prior to maturity at the option of Harris County Municipal Utility District No. 410 (the "District"), as a whole or in part, on September 1, 2031, or any date thereafter, at a price equal to the principal amount thereof plus accrued interest from the most recent interest payment date to the date fixed for redemption. If fewer than all of the Bonds are redeemed at any time, the particular maturities and amounts of the Bonds to be redeemed shall be selected by the District in integral multiples of \$5,000 within any one maturity. If fewer than all of the Bonds of any given maturity are to be redeemed at any time, the particular Bonds to be redeemed shall be selected by such method of random selection as determined by the Registrar (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form). The Registered Owner of any Bond, all or a portion of which has been called for redemption, shall be required to present same to the Registrar for payment of the redemption price on the portion of the Bond so called for redemption and issuance of a new Bond in the principal amount equal to the portion of such Bond not redeemed.

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

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by Build America Mutual Assurance Company ("BAM" or the "Insurer").



See Maturity Schedule on the inside cover

The Bonds constitute the ninth series of unlimited tax bonds issued by the District for the purpose of acquiring and constructing a waterworks, sanitary sewer and storm drainage system (the "System") to serve the District. THE BONDS ARE SUBJECT TO SPECIAL INVESTMENT CONSIDERATIONS DESCRIBED HEREIN. SEE "INVESTMENT CONSIDERATIONS." The Bonds, when issued, constitute valid and legally binding obligations of the District, payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within the District. See "THE BONDS - Source of Payment."

Voters in the District have authorized a total of \$411,000,000 principal amount of bonds for the purpose of acquiring and constructing the System or for refunding such bonds, and \$160,000,000 for road bonds. Following the issuance of the Bonds, \$358,625,000 principal amount of unlimited tax bonds authorized by the District's voters for acquiring and constructing the System or for refunding purposes and \$160,000,000 for road bonds will remain authorized but unissued. See "THE BONDS - Issuance of Additional Debt."

Neither the State of Texas, Harris County, Texas, Fort Bend County, Texas, the City of Houston, Texas, nor any political subdivision other than the District shall be obligated to pay the principal of and interest on the Bonds. Neither the faith and credit nor the taxing power of the State of Texas, Harris County, Texas, Fort Bend County, Texas, the City of Houston, Texas, is pledged to the payment of the principal of and interest on the Bonds.

The Bonds are offered subject to prior sale, when, as and if issued by the District, subject among other things to the approval of the Attorney General of Texas and of Smith, Murdaugh, Little & Bonham, L.L.P., Houston, Texas, Bond Counsel. Certain legal matters will be passed upon for the District by McCall, Parkhurst & Horton L.L.P., Houston, Texas, Disclosure Counsel for the District. Delivery of the Bonds in book-entry form through the facilities of DTC is expected on or about July 16, 2026.

MATURITY SCHEDULE
CUSIP Prefix (a): 41422C

\$16,700,000 Serial Bonds

<u>Principal Amount</u>	<u>Maturity (Due September 1)</u>	<u>Interest Rate</u>	<u>Initial Reoffering Yield (b)</u>	<u>CUSIP Suffix (a)</u>
\$330,000	2028	6.500%	2.800%	KN6
350,000	2029	6.500	2.800	KP1
370,000	2030	6.500	2.900	KQ9
390,000	2031	6.500	2.950	KR7
410,000	2032(c)	6.500	3.050	KS5
435,000	2033(c)	6.500	3.150	KT3
460,000	2034(c)	6.500	3.200	KU0
480,000	2035(c)	4.000	3.500	KV8
510,000	2036(c)	4.000	3.600	KW6
530,000	2037(c)	4.000	3.700	KX4
560,000	2038(c)	4.000	3.800	KY2
595,000	2039(c)	4.000	3.900	KZ9
625,000	2040(c)	4.000	4.000	LA3
655,000	2041(c)	4.000	4.070	LB1
690,000	2042(c)	4.125	4.140	LC9
725,000	2043(c)	4.125	4.210	LD7
695,000	2044(c)	4.250	4.270	LE5
730,000	2045(c)	4.250	4.320	LF2
755,000	2046(c)	4.375	4.375	LG0
930,000	2047(c)	4.375	4.410	LH8
985,000	2048(c)	4.375	4.450	LJ4
1,040,000	2049(c)	4.375	4.470	LK1
1,095,000	2050(c)	4.375	4.500	LL9
1,150,000	2051(c)	4.500	4.520	LM7
1,205,000	2052(c)	4.500	4.530	LN5

\$5,470,000 Term Bonds, Due September 1, 2055(c)(d), CUSIP Suffix LR6 (a), Interest Rate 4.00% (Yield 4.60%)(b)

- (a) CUSIP is a registered trademark of the American Bankers Association. CUSIP data is provided by CUSIP Global Services, managed by FactSet Research Systems, Inc. on behalf of the American Bankers Association. CUSIP numbers have been assigned to this issue by the CUSIP Global Services and are included solely for the convenience of the owners of the Bonds. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP services. Neither the District (hereinafter defined), the Financial Advisor (defined herein), nor the Underwriter (defined herein) take any responsibility for the accuracy of CUSIP numbers.
- (b) Information with respect to the initial reoffering yields of the Bonds is the responsibility of the Underwriter. Initial reoffering yields represent the initial offering price to the public which has been established by the Underwriter for public offerings, and which subsequently may be changed.
- (c) Subject to optional redemption as described on the front cover.
- (d) Subject to mandatory sinking fund redemption by lot or other customary method of random selection on September 1 in the years and in the amounts set forth herein under the caption "THE BONDS – Redemption Provisions."

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USE OF INFORMATION IN OFFICIAL STATEMENT

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

All of the summaries of the statutes, resolutions, orders, contracts, audited financial statements, engineering and other related reports set forth in this Official Statement are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents, copies of which are available from Bond Counsel, for further information.

This Official Statement contains, in part, estimates, assumptions and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates, assumptions, or matters of opinion, or that they will be realized.

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

Any information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District or other matters described herein since the date hereof. However, the District has agreed to keep this Official Statement current by amendment or sticker to reflect material changes in the affairs of the District, and to the extent that information actually comes to its attention, the other matters described in this Official Statement until the delivery of the Bonds to the Underwriter (hereinafter defined) and thereafter only as specified herein. See "OFFICIAL STATEMENT - Updating of Official Statement."

The Underwriter (defined herein) have provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter do not guarantee the accuracy or completeness of such information.

Neither the District nor the Underwriter makes any representations as to the accuracy, completeness, or adequacy of the information supplied by The Depository Trust Company for use in this Official Statement.

This Official Statement contains "forward-looking" statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, which generally can be identified with words or phrases such as "anticipates," "believes," "could," "estimates," "expects," "foresees," "may," "predict," "should," "will," or other words or phrases of similar import. All statements included in this Official Statement that any person expects or anticipates will, should or may occur in the future are forward-looking statements. These statements are based on assumptions and analyses made in light of experience and perceptions of historical trends, current conditions, and expected future developments as well as other factors the District believes are appropriate in the circumstances. However, whether actual results and developments conform with expectations and predictions is subject to a number of risks and uncertainties, including, without limitation, the information discussed under "INVESTMENT CONSIDERATIONS" in this Official Statement, as well as additional factors beyond the District's control. The important risk factors and assumptions described under that caption and elsewhere herein could cause actual results to differ materially from those expressed in any forward- looking statement. All of the forward-looking statements made in this Official Statement are qualified by these cautionary statements.

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

SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Bonds, the District has accepted the bid resulting in the lowest net interest cost to the District, which was tendered by Robert W. Baird & Co., Inc. (referred to herein as the “Underwriter” or the “Initial Purchaser”) to purchase the Bonds bearing the interest rates shown under “MATURITY SCHEDULE” at a price of 97.0% of the principal amount thereof, which resulted in a net effective interest rate of 4.419525%, as calculated pursuant to Chapter 1204, Texas Government Code, as amended.

Prices and Marketability

The delivery of the Bonds is conditioned upon the receipt by the District of a certificate executed and delivered by the Underwriter on or before the date of delivery of the Bonds stating the prices at which a substantial amount of the Bonds of each maturity have 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 Underwriter regarding the reoffering yields or prices of the Bonds and has no control over trading of the Bonds after a bona fide offering of the Bonds is made by the Underwriter at the yields specified on the cover page. Information concerning reoffering yields or prices is the responsibility of the Underwriter.

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

The prices and other terms respecting the offering and sale of the Bonds may be changed from time to time by the Underwriter after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering price, including sales to dealers who may sell the Bonds into investment accounts. IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Securities Laws

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

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company (“BAM” or the “Insurer”) will issue its Municipal Bond Insurance Policy for the Bonds (the “Policy”). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

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

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM. The address of the principal executive offices of BAM is: 28 Liberty Street, 59th Floor, New York, New York 10005, its telephone number is: 212-235-2500, and its website is located at: www.bambonds.com. BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.spglobal.com. The rating of BAM should be evaluated independently. The rating reflects S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of March 31, 2026 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$493.3 million, \$277.6 million and \$215.7 million, respectively.

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

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.bambonds.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

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

Additional Information Available from BAM

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

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at www.bambonds.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

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

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

BOND INSURANCE RISK FACTORS

In the event of default of the payment of principal or interest with respect to the Bonds when all or some becomes due, any owner of the Bonds shall have a claim under the Policy for such payments.

In the event the Insurer is unable to make payment of principal and interest on the Bonds as such payments become due under the Policy, the Bonds are payable solely from the moneys received pursuant to the applicable bond documents. In the event the 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 Insurer and its claim paying ability. The Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Insurer and of the ratings on the Bonds insured by the 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 "BOND INSURANCE" and "RATINGS" herein. As is stated in this Official Statement under the caption "NO MATERIAL ADVERSE CHANGE," the rating of the Insurer's creditworthiness by any rating agency does not in any manner affect the District's financial condition, and thus any change to such rating, including a downgrade thereof, at any time, does not constitute a change, material or otherwise, in the District's financial condition, and therefore cannot be a basis for termination by the Underwriter of its obligation to take up and pay for the Bonds.

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

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

RATING

The Bonds have received an insured rating of “AA” (stable outlook) from S&P Global Ratings (“S&P”), a business unit of Standard & Poor’s Financial Services LLC, based upon the issuance and delivery of the Insurance Policy by the Insurer at the time of delivery of the Bonds. The underlying credit rating of the Bonds assigned by S&P is “A-” (stable outlook).

An explanation of the significance of the foregoing ratings may only be obtained from S&P. The foregoing ratings express only the view of S&P at the time the ratings are given. Furthermore, a security rating is not a recommendation to buy, sell or hold securities. There is no assurance that the ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by S&P, if, in its judgment, circumstances so warrant. Any such downward change in or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

The District is not aware of any ratings assigned the Bonds other than the ratings of S&P. See “BOND INSURANCE” and “BOND INSURANCE RISK FACTORS.”

OFFICIAL STATEMENT SUMMARY

The following information is a summary of certain information contained herein and is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement, reference to which is made for all purposes.

THE BONDS

The Issuer..... Harris County Municipal Utility District No. 410 (the “District”), a political subdivision of the State of Texas, is located in Harris and Fort Bend Counties, Texas. See “THE DISTRICT.”

The Issue \$22,170,000 Harris County Municipal Utility District No. 410 Unlimited Tax Bonds, Series 2026 (the “Bonds”), are dated July 1, 2026. Interest on the Bonds accrues from the date of initial delivery (the “Date of Delivery”), at the rates shown on the inside cover hereof, and is payable on March 1, 2027, and on each September 1 and March 1 thereafter until the earlier of stated maturity or redemption. \$16,700,000 of the Bonds are issued as serial bonds maturing on September 1 in each of the years 2028 through 2052, inclusive, in the principal amounts set forth on the inside cover page of this Official Statement. \$5,470,000 of the Bonds are issued as term bonds maturing on September 1, 2055 (the “Term Bonds”) as set forth on the inside cover page of this Official Statement. The Bonds, including the Term Bonds, maturing on and after September 1, 2032, are subject to redemption, in whole or from time to time in part, on September 1, 2031, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest to the date fixed for redemption. In addition to being subject to optional redemption, the Term Bonds are also subject to mandatory sinking fund redemption on September 1 in the years and in the amounts as is more completely described in this Official Statement under the caption “THE BONDS - Redemption Provisions,” which amounts are subject to reduction by prior cancellation and optional redemption. The Bonds are issued pursuant to a bond order (the “Bond Order”) adopted by the Board of Directors of the District. The Bonds are issued in fully registered form only, transferrable only upon presentation to the Registrar. The Bonds are issued in the denomination of \$5,000 each, or integral multiples thereof. See “THE BONDS - General” and - “Redemption Provisions.”

Book-Entry-Only System..... The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of DTC, pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the beneficial owners thereof. Principal of and interest on the Bonds will be payable by the Paying Agent/Registrar (hereinafter defined) to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds (see “THE BONDS - Book-Entry-Only System”).

Source of Payment Principal of and interest on the Bonds are payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District. The Bonds are obligations solely of the District, and are not obligations of the State of Texas, Harris County, Texas, Fort Bend County, Texas, the City of Houston, Texas, or any entity other than

the District. Neither the faith and credit nor the taxing power of the State of Texas, Harris County, Texas, Fort Bend County, Texas, nor the City of Houston, Texas, is pledged to the payment of the principal of and interest on the Bonds. See “THE BONDS - Source of Payment.”

Use of Proceeds.....

Proceeds of the sale of the Bonds will be used by the District to (i) finance the District’s share of (a) clearing and grubbing, detention and mass grading, and water, wastewater and drainage facilities to serve the Blue Ridge Commerce Center, including engineering, geotechnical and material testing fees associated with the aforementioned improvements; and (b) City of Houston Impact Fees and Water Meter Fees, annexation expenses and feasibility study, and land acquisition costs; (ii) capitalize interest in an amount not to exceed \$990,550; and (iii) pay administrative and issuance costs, legal fees, fiscal agent’s fee, fees to the Texas Commission on Environmental Quality (the “TCEQ”), and the Attorney General of Texas, and certain financing costs related to the issuance of the Bonds. See “THE BONDS - Use and Distribution of Bond Proceeds.”

Authority for Issuance.....

At elections held within the District on November 2, 2004, May 11, 2013, and May 3, 2025, the District's voters authorized the issuance of a total of \$411,000,000 unlimited tax bonds for financing the acquisition or construction of the System (defined below) or for refunding such bonds. The Bonds are issued pursuant to the Bond Order; Chapters 49 and 54 of the Texas Water Code, as amended; Article XVI, Section 59 of the Texas Constitution, and an order of the TCEQ.

Payment Record

The Bonds constitute the ninth series of unlimited tax bonds issued by the District for the purpose of acquiring and constructing the System to serve the District. The District has previously issued Unlimited Tax Bonds, Series 2009 (the “Series 2009 Bonds”), Unlimited Tax Bonds, Series 2011 (the “Series 2011 Bonds”), Unlimited Tax Bonds, Series 2012 (the “Series 2012 Bonds”), Unlimited Tax Bonds, Series 2013 (the “Series 2013 Bonds”), Unlimited Tax Bonds, Series 2014 (the “Series 2014 Bonds”), Unlimited Tax Bonds, Series 2020 (the “Series 2020 Bonds”), Unlimited Tax Bonds, Series 2022 (the “Series 2022 Bonds”) and Unlimited Tax Bonds, Series 2024 (the “Series 2024 Bonds”) for the purpose of acquiring and constructing the System; and Unlimited Tax Refunding Bonds, Series 2015 (the “Series 2015 Refunding Bonds”), Unlimited Tax Refunding Bonds, Series 2018 (the “Series 2018 Refunding Bonds”) and Unlimited Tax Refunding Bonds, Series 2020 (the “Series 2020 Refunding Bonds”) to refund such bonds. Collective reference is made in this Official Statement to all of such bonds previously issued by the District as the “Prior Bonds.” Before the issuance of the Bonds, the principal amount of the Prior Bonds that has not been previously retired by the District is \$26,275,000 (the “Outstanding Bonds”). After issuance of the Bonds, the District’s total bonded indebtedness will be \$48,445,000.

Authorized but Unissued Bonds.....

\$358,625,000 unlimited tax bonds for financing the acquisition or construction of the System or for refunding purposes and \$160,000,000 for road bonds will remain authorized but unissued after issuance of the Bonds. In addition to the components of the System and Impact Fees that the District has financed with the proceeds of the sale of the Prior Bonds and the components of the System and Impact Fees that the District is financing with a portion of the proceeds of the

sale of the Bonds (see “THE BONDS - Use and Distribution of Bond Proceeds” and “THE SYSTEM”), the District expects to finance the acquisition or construction of additional components of the System, Impact Fees and road bonds with the proceeds of the sale of bonds, if any, to be issued by the District in the future. See “THE BONDS - Issuance of Additional Debt” and “INVESTMENT CONSIDERATIONS - Future Debt.”

Municipal Bond Insurance	Build America Mutual Assurance Company (“BAM” or the “Insurer”). See “BOND INSURANCE” and “BOND INSURANCE RISK FACTORS.”
Municipal Bond Ratings.....	S&P Global Ratings (BAM Insured) “AA” (stable outlook). S&P Global Ratings (Underlying) “A-” (stable outlook). See “BOND INSURANCE,” “BOND INSURANCE RISK FACTORS” and “RATINGS.”
NOT Qualified Tax-Exempt Obligations.....	The Bonds are not “qualified tax-exempt obligations” for financial institutions pursuant. See “TAX MATTERS – NOT Qualified Tax-Exempt Obligations.”
Paying Agent/Registrar	The Paying Agent/Registrar of the Bonds is The Bank of New York Mellon Trust Company, N.A.
Bond Counsel.....	Smith, Murdaugh, Little & Bonham, L.L.P., Houston, Texas, Bond Counsel. See “LEGAL MATTERS” and “TAX MATTERS.”
Disclosure Counsel.....	McCall, Parkhurst & Horton L.L.P., Houston, Texas.

THE DISTRICT

Description	Harris County Municipal Utility District No. 410 was created by the TCEQ on August 27, 2004, and operates pursuant to Chapters 49 and 54 of the Texas Water Code. The District contains approximately 635.8 acres of land consisting of six non-contiguous tracts that are located entirely within the corporate limits of the City of Houston (the “City”) and within Harris County and Fort Bend County. One tract consisting of approximately 278.6 acres within the District is located approximately 14.6 miles southeast of the Houston Central Business District. This portion of the District is located south of the Sam Houston Parkway (Beltway 8), east of Interstate Highway 45 (IH-45), north of Scarsdale Boulevard (F.M. 2553), and west of State Highway 3 (S.H. 3). This portion of the District is located within the Pasadena Independent School District. Another tract consisting of approximately 117.3 acres within the District is located approximately 12 miles south of the Houston Central Business District. This portion of the District is located south of West Orem Road, and west of Almeda Road (F.M. 521). This portion of the District is located within the Houston Independent School District. Another tract consisting of approximately 26.7 acres within District is located approximately 11 miles northeast of the Houston Central Business District. This portion of the District is located north of East Houston Road, west of Feland Street, south of Woodlyn Road, and east of Mesa Road (F.M. 527). This portion of the District is located within the Houston Independent School District. Another tract consisting of approximately 97.9 acres within District is located approximately 16 miles southeast of the Houston Central Business District. This portion of the District is located north of Sam Houston Parkway (Beltway 8), east of Interstate
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Highway 45 (IH-45), south of Kurland Drive, and west of State Highway 3 (S.H. 3). This portion of the District is located within the Houston Independent School District. Another tract consisting of approximately 91.7 acres within District is located approximately 18 miles southwest of the Houston Central Business District. This portion of the District is located west of Fort Bend Parkway, north of McHard Road, and south of Sims Bayou. This portion of the District is located within the Fort Bend Independent School District. The remaining tract consisting of approximately 23.6 acres within District is located approximately 13 miles southeast of the Houston Central Business District. This portion of the District is located at the northwest corner of Interstate Highway 45 and Almeda Genoa Road. This portion of the District is located within the Pasadena Independent School District. In addition, the owners of two tracts totaling approximately 43.77 acres have petitioned the District for annexation, which have been submitted to the City for approval. The District cannot predict whether or when such annexations will be consummated. See “THE DISTRICT - Authority” and - “Description,” “AERIAL PHOTOGRAPH OF THE DISTRICT,” and “APPENDIX A - LOCATION MAP.”

The District obtains water, sewer and drainage service from the City. The District and the City have entered into a “Utility Functions and Services Allocation Agreement” dated March 18, 2005 (hereinafter referred to as the “Utility Agreement”). Under the terms of the Utility Agreement, the District agreed to develop a water distribution system, sanitary sewer collection system and a drainage system (the “System”) to serve the area within the District. In consideration of the District's acquiring and constructing the System, the City agreed, pursuant to the terms and conditions of the Utility Agreement, to own and operate the System. The City also agreed, pursuant to Interlocal Agreements provided for in the Utility Agreement, to reimburse the District a portion of the cost of water, sewer and drainage improvements. The District in turn has reimbursed the developer of property located within the District for the cost of the improvements. Pursuant to the Utility Agreement, the City provides water supply and wastewater treatment to the District. The City collects all water and sewer revenues from residents in the District. See “THE DISTRICT - Utility Agreement” and “THE SYSTEM.”

Authority

The rights, powers, privileges, authority and functions of the District are established by the general laws of the State of Texas pertaining to municipal utility districts, particularly Chapters 49 and 54 of the Texas Water Code. See “THE DISTRICT - Authority.”

Development of the District

To date, land within the District has been developed primarily for single-family residential usage. The remaining developable land located within the District is expected to be developed for commercial usage. As of May 1, 2026, the District contained a total of 1,365 fully developed single-family residential lots, on all of which single-family residences have been constructed. In addition, the 252-unit Regency Park Apartments have been constructed on an approximately 12.5 acre tract within the District and the 153-unit Tarrington Court Apartments have been constructed on an approximately 14.45 acre tract within the District. The Regency Park Apartments located within the District are owned by a housing authority and are not subject to taxation by the District. See “DEVELOPMENT OF THE DISTRICT.”

The development of 1,365 single-family residential lots (approximately 258.2 total acres) is complete within the District in the residential subdivisions that have been platted as Clearview Village, Sections 1 through 7, Southdown Trace, Sections 1 through 5, Bayou Oaks at West Orem, Sections 1 through 9 and Oaks at Lakewood Village, Sections 1 and 2. All of such lots have been provided water supply and distribution, wastewater collection and treatment and storm drainage facilities and street paving.

A/O 100 (described below under the caption “The Developers”) has completed the development of the 443 fully developed single-family residential lots (a total of approximately 85.9 acres) located within the District that have been subdivided as Bayou Oaks at West Orem, Sections 1 through 9, on all of which single-family residences have been constructed and sold to home purchasers.

26.7 acres of land located within the District were developed by Oaks of Lakewood Village Ltd., a Texas limited partnership (“OLV”). Such approximately 26.7 acres have been developed as Oaks at Lakewood Village, Sections 1 and 2 (a total of 129 single-family residential lots). OLV has sold lots in such sections to Camillo Properties, Ltd. (“Camillo Properties”), whose general partner is Camillo Properties GP, a Texas corporation, on which homes were constructed for the purpose of leasing such homes to tenants.

Approximately 42.98 acres of currently undeveloped land located within the District are owned by WDC MAG ONE LLC, a Texas limited liability company (“WDC”). According to WDC, it is developing such acres for future commercial and light industrial/warehouse purposes. Such acreage is referred to herein as the I-45 Business Park. WDC has reported the construction of an aggregate of approximately 264,065 square feet of offices, warehouses and medical office buildings on approximately 36.8 acres of such approximately 42.98 acres. Since WDC has no obligation to the District to undertake the development of the remainder of such currently undeveloped acres, the District cannot represent whether or when the development of any of such acreage might be undertaken. See “FUTURE DEVELOPMENT.”

Approximately 97.9 acres of currently undeveloped land located within the District are owned by Gulfbelt Logistics Park Phase I, LLC, and Gulfbelt Logistics Park Phase II, LLC, both Delaware limited liability companies (together, “Gulfbelt”). According to Gulfbelt, it will develop such acres for future commercial and light industrial/warehouse purposes. Gulfbelt has reported the construction of an aggregate of approximately 490,590 square feet of warehouses on approximately 42.7 acres of such approximately 97.9 acres. Since Gulfbelt has no obligation to the District to undertake the development of such currently undeveloped acres, the District cannot represent whether or when the development of any of such acreage might be undertaken. See “FUTURE DEVELOPMENT.”

Approximately 91.7 acres of land located within the District are owned by Blue Ridge Commerce Center West Member, LLC, which is managed by TC Blue Ridge Commerce Center West Member, LLC, a Delaware limited liability company (“TC Blue Ridge”). TC Blue Ridge has developed such acres as the Blue Ridge Commerce Center.

Approximately 29.6 additional acres of currently undeveloped land located within the District are owned by multiple other land owners. None of the owners of any of such acres has reported any definitive development plan to the District covering any of such acres. The District cannot represent that the development of any of such approximately 29.6 currently undeveloped acres will be undertaken. The balance of the land within the District is located in drainage or street rights-of-way, or is otherwise not available for future development.

In addition to the components of the System and Impact Fees that the District has financed with the proceeds of the sale of the Prior Bonds and the components of the System and Impact Fees that the District is financing with a portion of the proceeds of the sale of the Bonds (see “THE BONDS - Use and Distribution of Bond Proceeds” and “THE SYSTEM”), the District expects to finance the acquisition or construction of additional components of the System, Impact Fees and road bonds with portions of the proceeds of the sale of bonds, if any, to be issued by the District in the future. See “THE BONDS - Issuance of Additional Debt” and “INVESTMENT CONSIDERATIONS - Future Debt.”

The Developers

The developer of Bayou Oaks at West Orem is Almeda/Orem 100, Ltd., a Texas limited partnership (“A/O 100”), whose General Partner is Memorial Park Estates GP, LLC, a Texas limited liability company. A/O 100 has completed the development of the 443 fully developed single-family residential lots (a total of approximately 85.9 acres) located within the District that have been subdivided as Bayou Oaks at West Orem, Sections 1 through 9 as is described above under the caption “Development of the District.” A/O 100 has sold all of such lots to K. Hovnanian Homes, on all of which single-family residences have been constructed and sold to home purchasers.

The developer of approximately 26.7 acres of land located within the District is Oaks of Lakewood Village Ltd., a Texas limited partnership (“OLV”). Such approximately 26.7 acres have been developed as Oaks at Lakewood Village, Sections 1 and 2 (a total of 129 single-family residential lots). OLV has sold lots in such sections to Camillo Properties, Ltd. (“Camillo Properties”), whose general partner is Camillo Properties GP, a Texas corporation, on which homes have been constructed for the purpose of leasing such homes to tenants.

The owner of approximately 42.98 acres of currently undeveloped land located within the District is WDC MAG ONE LLC, a Texas limited liability company (“WDC”). According to WDC, it is developing such acres for future commercial and light industrial/warehouse purposes. Such acreage is referred to herein as the I-45 Business Park. WDC has reported the construction of an aggregate of approximately 264,065 square feet of offices, warehouses and medical office buildings on approximately 36.8 acres of such approximately 42.98 acres. Since WDC has no obligation to the

District to undertake the development of the remainder of such currently undeveloped acres, the District cannot represent whether or when the development of any of such acreage might be undertaken. See “FUTURE DEVELOPMENT.”

Approximately 97.9 acres of currently undeveloped land located within the District are owned by Gulfbelt Logistics Park Phase I, LLC, and Gulfbelt Logistics Park Phase II, LLC, both Delaware limited liability companies (together, “Gulfbelt”). According to Gulfbelt, it will develop such acres for future commercial and light industrial/warehouse purposes. Gulfbelt has reported the construction of an aggregate of approximately 490,590 square feet of warehouses on approximately 42.7 acres of such approximately 97.9 acres. Since Gulfbelt has no obligation to the District to undertake the development of such currently undeveloped acres, the District cannot represent whether or when the development of any of such acreage might be undertaken. See “FUTURE DEVELOPMENT.”

Approximately 91.7 acres of land located within the District are owned by Blue Ridge Commerce Center West Member, LLC, which is managed by TC Blue Ridge Commerce Center West Member, LLC, a Delaware limited liability company (“TC Blue Ridge”). According to TC Blue Ridge, it has developed such acres as the Blue Ridge Commerce Center.

Collective reference is sometimes made in this Official Statement to WDC, Gulfbelt and TC Blue Ridge as the “Developers.” Only WDC, Gulfbelt, TC Blue Ridge and other owners of property located in the District are legally responsible for the payment of ad valorem taxes to the District and other taxing authorities.

INVESTMENT CONSIDERATIONS

THE BONDS ARE SUBJECT TO SPECIAL INVESTMENT CONSIDERATIONS AS SET FORTH IN THIS OFFICIAL STATEMENT. PROSPECTIVE PURCHASERS SHOULD CAREFULLY EXAMINE THE ENTIRE OFFICIAL STATEMENT BEFORE MAKING THEIR INVESTMENT DECISIONS, ESPECIALLY THE PORTION OF THE OFFICIAL STATEMENT ENTITLED “INVESTMENT CONSIDERATIONS.”

SELECTED FINANCIAL INFORMATION
(Unaudited)

2025 Assessed Valuation..... (As of January 1, 2025) See "TAX DATA" and "TAXING PROCEDURES"	\$ 464,030,405 (a)
2026 Preliminary Valuation..... (As of January 1, 2026) See "TAX DATA" and "TAXING PROCEDURES"	\$ 673,501,922 (b)
Direct Debt:	
Outstanding Bonds.....	\$ 26,275,000
The Bonds	<u>22,170,000</u>
Total	\$ 48,445,000 (c)
Estimated Overlapping Debt	\$ <u>25,481,674</u> (c)
Total Direct and Estimated Overlapping Debt	\$ <u>73,926,674</u> (c)
Direct Debt Ratio	
: as a percentage of 2025 Assessed Valuation.....	10.44 %
: as a percentage of 2026 Preliminary Valuation.....	7.19 %
Direct and Estimated Overlapping Debt Ratio	
: as a percentage of 2025 Assessed Valuation.....	15.93 %
: as a percentage of 2026 Preliminary Valuation.....	10.98 %
Debt Service Fund Balance Estimated as of the Delivery of the Bonds.....	\$ 6,080,811 (d)
General Fund Balance as of April 16, 2026.....	\$ 1,218,348
2025 Tax Rate per \$100 of Assessed Valuation	
Debt Service Tax.....	\$0.44
Maintenance Tax	<u>0.07</u>
Total	\$ 0.51 (e)
Average Percentage of Total Tax Collections (2015-2024) as of April 30, 2026	99.87 %
Percentage of Tax Collections (2025) as of April 30, 2026	98.62 %
Average Annual Debt Service Requirements on the Bonds and the Outstanding Bonds (2027-2055)	\$ 2,818,649
Maximum Annual Debt Service Requirements on the Bonds and the Outstanding Bonds (2055)	\$ 2,995,200
Tax Rate per \$100 of Assessed Valuation Required to Pay Average Annual Debt Service Requirements on the Bonds and the Outstanding Bonds (2027-2055) at 95% Tax Collections	
Based Upon 2025 Assessed Valuation.....	\$ 0.64
Based Upon 2026 Preliminary Valuation.....	\$ 0.45

Tax Rate per \$100 of Assessed Valuation Required to Pay Maximum Annual Debt Service Requirements on the Bonds and the Outstanding Bonds (2055) at 95% Tax Collections

Based Upon 2025 Assessed Valuation.....	\$	0.68
Based Upon 2026 Preliminary Valuation.....	\$	0.47

Number of Single-Family Residences as of May 1, 2026 1,365

Completed Multi-Family Residences Within the District

- 252-unit Regency Park Apartments
- 153-unit Tarrington Court Apartments

Completed Commercial Buildings Within the District

264,065 square feet of offices, warehouses and medical office buildings

- (a) As of January 1, 2025, and comprises the District’s 2025 tax roll. All property located in the District is valued on the tax rolls by the Harris Central Appraisal District (the “Appraisal District”) at 100% of assessed value as of January 1 of each year. The District’s tax roll was certified by the Harris County Appraisal Review Board (the “Appraisal Review Board”) for the property located within the District as of January 1, 2025. A portion of the District will be certified by Fort Bend Central Appraisal District in the future for property located in Fort Bend County that was annexed after such date. See “INVESTMENT CONSIDERATIONS - Factors Affecting Taxable Values and Tax Payments” and “TAXING PROCEDURES.”
- (b) This amount is the sum of the preliminary values of all taxable property located within the District as of January 1, 2026, as reflected on the District’s preliminary 2026 tax roll supplied to the District by the Appraisal District, and includes the preliminary 2026 values resulting from the construction of taxable improvements from January 1, 2025, through December 31, 2025. When the Appraisal District supplies a taxing entity with a preliminary tax roll, such preliminary tax roll does not include personal property values. Therefore, this amount includes the 2025 taxable value of personal property located within the District. The taxable value of personal property on the District’s 2025 tax roll was \$14,617,295. The District’s ultimate 2026 Assessed Valuation may vary significantly from such preliminary tax roll once the Appraisal Review Board certifies the value thereof for 2026. See “TAXING PROCEDURES.”
- (c) See “DISTRICT DEBT.” In addition to the components of the System and Impact Fees that the District has financed with the proceeds of the sale of the Prior Bonds and the components of the System and Impact Fees that the District is financing with a portion of the proceeds of the sale of the Bonds (see “THE BONDS - Use and Distribution of Bond Proceeds” and “THE SYSTEM”), the District expects to finance the acquisition or construction of additional components of the System, Impact Fees and road bonds with the proceeds of the sale of bonds, if any, to be issued by the District in the future. See “THE BONDS - Issuance of Additional Debt,” and - “Use and Distribution of Bond Proceeds,” “THE SYSTEM” and “INVESTMENT CONSIDERATIONS - Future Debt.”
- (d) Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the Debt Service Fund. Such fund balance reflects the timely payment by the District of its debt service requirements on the Outstanding Bonds that were due on March 1, 2026, and the contribution by the District of an amount not to exceed \$990,550 of capitalized interest on the Bonds to be deposited upon the date of delivery of the Bonds. The District’s initial debt service requirement on the Bonds is due on March 1, 2027, and consists of an interest payment thereon.
- (e) The District levied a total tax rate of \$0.51 per \$100 of Assessed Valuation for 2025, consisting of debt service and maintenance taxes of \$0.44 and \$0.07 per \$100 of Assessed Valuation, respectively. As is enumerated in this Official Statement under the caption “TAX DATA - Estimated Overlapping Taxes,” the aggregate of the 2025 tax levies of all overlapping taxing units which levy taxes upon property located in the District, plus the District’s 2025 rate, is \$2.984933 per \$100 of Assessed Valuation for the portion of the District located in the Pasadena Independent School District, \$2.63522 per \$100 of Assessed Valuation for the portion of the District located in the Houston Independent School District, and \$1.9889 per \$100 of Assessed Valuation for the portion of the District located in the Fort Bend Independent School District. Such aggregate levies are higher than the aggregate tax levies of some municipal utility districts in the Houston metropolitan area, including the area of the District, but are within the range of the aggregate levies of municipal utility districts in the Houston metropolitan area and the area of the District which are in stages of development comparable with the District.

\$22,170,000
HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 410
UNLIMITED TAX BONDS
SERIES 2026

INTRODUCTION

This Official Statement of Harris County Municipal Utility District No. 410 (the “District”) is provided to furnish information with respect to the sale by the District of its \$22,170,000 Unlimited Tax Bonds, Series 2026 (the “Bonds”). The Bonds are issued pursuant to the Constitution and general laws of the State of Texas, Chapters 49 and 54, Texas Water Code, as amended, Article XVI, Section 59 of the Texas Constitution, an order of the Texas Commission on Environmental Quality (the “TCEQ”) and pursuant to an order (the “Bond Order”) adopted by the Board of Directors of the District (the “Board”).

There follow in this Official Statement descriptions of the Bonds, the use of proceeds of the Bonds, the Bond Order and certain information about the District and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from the District upon payment of the costs of duplication therefor. Certain capitalized terms used in this Official Statement have the same meanings assigned to such terms in the Bond Order, except as otherwise indicated herein.

THE BONDS

General

The following is a description of some of the terms and conditions of the Bonds, which description is qualified in its entirety by reference to the Bond Order of the Board authorizing the issuance of the Bonds. A copy of the Bond Order may be obtained from the District upon request.

The \$22,170,000 Harris County Municipal Utility District No. 410 Unlimited Tax Bonds, Series 2026, are dated July 1, 2026, with interest payable on March 1, 2027, and on each September 1 and March 1 thereafter until the earlier of maturity or redemption. Interest on the Bonds initially accrues from the date of initial delivery (the “Date of Delivery”), and thereafter, from the most recent Interest Payment Date. \$16,700,000 of the Bonds are issued as serial bonds maturing on September 1 in each of the years 2028 through 2052, inclusive, in the principal amounts set forth on the inside cover page of this Official Statement. \$5,470,000 of the Bonds are issued as term bonds maturing on September 1, 2055 (the “Term Bonds”) as set forth on the inside cover page of this Official Statement. The Bonds are issued in fully registered form only, transferrable only upon presentation to the Registrar. The Bonds are issued in the denomination of \$5,000 each, or integral multiples thereof. The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Bonds. Beneficial owners of the Bonds will not receive physical certificates representing the Bonds, but will receive a credit balance on the books of the nominees of such beneficial owners. So long as Cede & Co. is the registered owner of the Bonds, the principal of and interest on the Bonds will be paid by the Paying Agent (hereinafter defined) directly to DTC, which will, in turn, remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described below under “Book-Entry-Only System.”

Book-Entry-Only System

This section describes how ownership of the Bonds is to be transferred and how the principal of and interest on the Bonds are to be paid to and credited by The Depository Trust Company, New York, New York, (“DTC”) while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The District and the Financial Advisor believe the source of such information to be reliable, but neither the District or the Financial Advisor takes any responsibility for the accuracy or completeness thereof.

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

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

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each 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 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 an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

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 securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or Paying Agent. 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 transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

Use of Certain Terms in Other Sections of this Official Statement

In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and, (ii) except as described above, notices that are to be given to registered owners under the Bond Resolution will be given only to DTC.

Record Date

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

Assignments, Transfers and Exchanges

In the event the book-entry-only system is discontinued, the Bonds may be transferred, registered and assigned only on the registration books kept by The Bank of New York Mellon Trust Company, N.A., currently in Dallas, Texas (the "Paying Agent," "Registrar" or "Paying Agent/Registrar"), at the principal payment office of the Registrar, and such registration and transfer shall be without expense or service charge to the owner, except for any tax or other governmental charges required to be paid with respect to such registration and transfer. A Bond may be assigned by the execution of an assignment form on the Bonds or by other instrument of transfer and assignment acceptable to the Registrar. At any time after the date of delivery of the Bonds to the Initial Purchaser (the "Initial Delivery"), any Bond may be transferred or exchanged upon its presentment and surrender at the office of the Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the Registered Owner or assignee of the owner not more than three business days after the receipt of the request in proper form to transfer, exchange or replace the Bonds. New Bonds registered and delivered in an exchange or transfer shall be in denominations of \$5,000 or any integral multiple thereof for any one maturity and for a like aggregate principal amount as the Bond or Bonds surrendered for exchange or transfer. Neither the District nor the Registrar is required (1) to transfer or exchange any Bond during a period beginning at the opening of business on a Record Date and ending at the close of business on the next succeeding interest payment date, or (2) to transfer or exchange any Bond selected for redemption in whole or in part within thirty (30) calendar days of the redemption date.

Redemption Provisions

Optional Redemption

The Bonds, including the Term Bonds, that mature on and after September 1, 2032, shall be subject to redemption and payment prior to their scheduled maturities at the option of the District, in whole or from time to time in part, on September 1, 2031, or on any date thereafter, at a redemption price equal to the principal amount thereof, plus accrued interest to the date of redemption.

If fewer than all of the Bonds are optionally redeemed at any time, the particular maturities and amounts of Bonds to be redeemed shall be selected by the District in denominations of \$5,000 or any integral multiple thereof within any one maturity. If fewer than all of the Bonds within a certain maturity are to be redeemed, the Paying Agent/Registrar shall designate the Bonds within such maturity to be redeemed by method of random selection (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form). In the event the book-entry-only system is discontinued, the Registered Owner of any Bond, all or a portion of which has been called for redemption, shall be required to present same to the Paying Agent/Registrar for payment of the redemption price on the portion of the Bond so called for redemption and issuance of a new Bond in the principal amount equal to the portion of such Bond not redeemed.

Mandatory Redemption

The Term Bonds are subject to mandatory sinking fund redemption by the District by lot or other customary method of random selection (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form) prior to scheduled maturity on September 1 in the years and in the amounts set forth below, subject to reduction by the amount of any prior optional redemption or cancellation, at a redemption price of par plus accrued interest to the date of redemption:

\$5,470,000 Term Bonds Maturing on September 1, 2055	
<u>Mandatory Redemption Dates</u>	<u>Principal Amount</u>
September 1, 2053	\$1,265,000
September 1, 2054	1,325,000
September 1, 2055 (maturity)	2,880,000

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

Notice of any redemption will be given by the Registrar at least thirty (30) days prior to the redemption date by sending such notice by first class mail to the Registered Owner of each Bond to be redeemed in whole or in part at the address shown on the bond register.

Replacement of Bonds

The District has agreed to replace mutilated, destroyed, lost or stolen Bonds upon surrender of the mutilated Bonds at the principal payment office of the Registrar, currently in Dallas, Texas, or receipt of satisfactory evidence by the Registrar and the District of such destruction, loss or theft, and receipt by the District and the Registrar of security or indemnity to hold them harmless. The District and the Registrar may require payment of taxes, governmental charges and other expenses in connection with any such replacement.

Funds

The Bond Order confirms a fund for debt service on the Bonds (the “Debt Service Fund”). The Debt Service Fund, which constitutes a trust fund for the benefit of the owners of the Bonds and any additional unlimited tax bonds issued by the District, is to be kept separate from all other funds of the District, and is to be used for payment of debt service on the Bonds and any of the District’s duly authorized additional bonds payable in whole or part from taxes. Amounts on deposit in the Debt Service Fund may also be used to pay the fees and expenses of the Paying Agent/Registrar, to defray the expenses of assessing and collecting taxes levied for payment of interest on and principal of the Bonds and any additional bonds payable in whole or in part from taxes, and to pay any tax anticipation notes issued, together with interest thereon, as such tax anticipation notes become due. The District will deposit an amount not to exceed \$990,550 of capitalized interest on the Bonds to be deposited in the Debt Service Fund upon the date of delivery of the Bonds.

Source of Payment

The Bonds, when issued, will constitute valid and binding obligations of the District, and the principal thereof and interest thereon, together with the principal of and interest on the Outstanding Bonds (hereinafter defined) and such additional tax bonds of the District, if any, as hereafter may be issued, are payable from and are secured by the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District. In the Bond Order, the District covenants to levy a tax sufficient to pay principal of and interest on the Outstanding Bonds and the Bonds, with full allowance being made for delinquencies, costs of levy and collection, Registrar, Harris Central Appraisal District and Fort Bend Central Appraisal District fees. Tax proceeds, after deduction for collection costs, will be placed in the Debt Service Fund and used solely to pay principal of and interest on the Bonds, the Outstanding Bonds, and on additional bonds payable from taxes which may be issued. See “TAX DATA.”

Authority for Issuance

At elections held within the District on November 2, 2004, May 11, 2013, and May 3, 2025, the District’s voters authorized the issuance of a total of \$411,000,000 unlimited tax bonds for financing the acquisition or construction of the System, or for refunding such bonds. The Bonds are the twelfth issue of bonds of the District and the ninth issue for financing the acquisition or construction of the System. The District has previously issued Unlimited Tax Bonds, Series 2009 (the “Series 2009 Bonds”), Unlimited Tax Bonds, Series 2011 (the “Series 2011 Bonds”), Unlimited Tax Bonds, Series 2012 (the “Series 2012 Bonds”), Unlimited Tax Bonds, Series 2013 (the “Series 2013 Bonds”), Unlimited Tax Bonds, Series 2014 (the “Series 2014 Bonds”), Unlimited Tax Bonds, Series 2020 (the “Series 2020 Bonds”), Unlimited Tax Bonds, Series 2022 (the “Series 2022 Bonds”) and Unlimited Tax Bonds, Series 2024 (the “Series 2024 Bonds”) for the purpose of acquiring and constructing the System; and Unlimited Tax Refunding Bonds, Series 2015 (the “Series 2015 Refunding Bonds”), Unlimited Tax Refunding Bonds, Series 2018 (the “Series 2018 Refunding Bonds”) and Unlimited Tax Refunding Bonds, Series 2020 (the “Series 2020 Refunding Bonds”) to refund such bonds. Collective reference is made in this Official Statement to all of such previously issued bonds as the “Prior Bonds.” Following the issuance of the Bonds, \$358,625,000 additional parity bonds for acquisition or construction of components of the System, or for refunding purposes will remain authorized for issuance by the District. See “Issuance of Additional Debt” below, “DISTRICT DEBT - Debt Service Requirement Schedule” and “THE SYSTEM.”

The Bonds are issued pursuant to the Bond Order; Chapters 49 and 54 of the Texas Water Code, as amended; Article XVI, Section 59 of the Texas Constitution, and an order of the TCEQ.

Issuance of Additional Debt

The District may issue additional bonds, with the approval of the TCEQ, necessary to provide improvements and facilities consistent with the purposes for which the District was created. Following the issuance of the Bonds, \$358,625,000 unlimited tax bonds for financing the acquisition or construction of the System or for refunding purposes and \$160,000,000 for road bonds will remain authorized for issuance by the District. Additional tax bonds may be voted in the future. The Board is further empowered to borrow money for any lawful purpose and to issue bond anticipation notes, tax anticipation notes, and revenue bonds and notes.

The Bond Order imposes no limitation on the amount of additional bonds which may be issued by the District (if authorized by the District's voters and approved by the TCEQ). Any additional bonds issued by the District may be on a parity with the Bonds.

The District's Engineer estimates that the aforementioned \$358,625,000 authorized bonds which remain unissued will be adequate to finance the construction of all water, wastewater and drainage facilities to provide service to all of the currently undeveloped portions of the District. If additional bonds are issued in the future and property values have not increased proportionately, such issuance may increase gross debt/property valuation ratios and thereby adversely affect the investment quality or security of the Bonds.

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

The District also is authorized by statute to develop parks and recreational facilities, including the issuing of bonds payable from taxes for such purpose. Before the District could issue park bonds payable from taxes, the following actions would be required: (a) preparation of a detailed park plan; (b) authorization of park bonds by the qualified voters in the District; (c) approval of the park project and bonds by the TCEQ; and (d) approval of the bonds by the Attorney General of Texas. If the District does issue park bonds, the outstanding principal amount of such bonds may not exceed an amount equal to one percent of the value of the taxable property in the District, unless, the District meets certain financial feasibility requirements under the TCEQ rules, in which case the outstanding principal amount of such bonds issued by the District may exceed an amount equal to one percent but not three percent of the value of the taxable property in the District. The Board has not considered authorizing the preparation of a park plan or calling a park bond election at this time.

The District expressly reserves the right to issue in one or more installments the following: (1) bonds payable solely from net revenues of the District's water and sewer system for the purpose of completing, repairing, improving, extending, enlarging or replacing such system, and such bonds may be payable from and equally secured by a lien on and pledge of said net revenues on a parity with the pledge on any previously issued bonds secured by net revenues to the extent net revenues are used to pay the principal of and interest on such bonds; (2) inferior lien bonds and to pledge the net revenues of such system to the payment thereof, such pledge to be subordinate in all respects to the lien of previously issued revenue bonds and any previously issued or subsequently issued bonds which are on a parity with the Bonds; and (3) special project bonds for the purchase, construction, improvement, extension, replacement, enlargement or repair of water, sewer and/or drainage facilities necessary under a contract or contracts with persons, corporations, municipal corporations, political subdivisions or other entities, such special project bonds to be payable from and secured by the proceeds of such contract or contracts.

Issuance of additional bonds or other subsequently authorized bonds could affect the investment quality or security of the Bonds. See "INVESTMENT CONSIDERATIONS - Future Debt."

Defeasance

The Bond Order provides that the District may discharge its obligations to the Registered Owners of any or all of the Bonds to pay principal, interest and redemption price thereon in any manner permitted by law. Under current Texas law, such discharge may be accomplished as follows: (i) by paying or causing to be paid principal and interest on the Bonds

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

Upon such payment or deposit as described above, such Bonds shall no longer be regarded as outstanding or unpaid. After firm banking and financial arrangements for the discharge and final payment or redemption of the Bonds have been made as described above, all rights of the District to initiate proceedings to call the Bonds for redemption or take any other action amending the terms of the Bonds are extinguished; provided, however, that the right to call the Bonds for redemption is not extinguished if the District: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption; (ii) gives notice of the reservation of that right to the owners of the Bonds immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

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

Consolidation

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

Dissolution

Under existing Texas law, since the District lies wholly within the corporate limits of the City of Houston, Texas, the District may be dissolved by the City of Houston, without the District's consent, subject to compliance by the City of Houston with various requirements of Chapter 43 of the Texas Local Government Code, as amended. If the District is dissolved, the City of Houston must assume the District's assets and obligations (including the Bonds) and abolish the District within 90 days of the date of dissolution. Dissolution of territory by the City of Houston is a policy-making matter within the discretion of the Mayor and City Council of the City of Houston; therefore, the District makes no representation that the City of Houston will ever dissolve the District and assume its debt. Moreover, no representation is made concerning the ability of the City of Houston to make debt service payments should dissolution occur.

Legal Investment and Eligibility to Secure Public Funds in Texas

Pursuant to Section 49.186, Texas Water Code, and Chapter 1201, Texas Government Code, the Bonds, whether rated or unrated, are (a) legal investments for banks, savings banks, trust companies, building and loan associations, savings and loan associations, insurance companies, fiduciaries, and trustees and (b) legal investments for the public funds of cities, towns, villages, school districts, and other political subdivisions or public agencies of the State. The Bonds are also eligible under the Public Funds Collateral Act, Chapter 2257, Texas Government Code, to secure deposits of public funds of the State or any political subdivision or public agency of the State and are lawful and sufficient for those deposits to the extent of their market value. Most political subdivisions in the State of Texas are required to adopt investment guidelines under the Public Funds Investment Act, Chapter 2256, Texas Government Code, and such political subdivisions may impose other, more stringent, requirements in order for the Bonds to be legal investments for such entity's funds or to be eligible to serve as collateral for their funds.

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

Amendments

The District has reserved the right to amend the Bond Order without the consent of the Registered Owners as may be required (a) by the provisions of the Bond Order, (b) for the purpose of curing any ambiguity, inconsistency, or formal defect or omission in the Bond Order, or (c) in connection with any other change not to the prejudice of the holders of the Bonds, but may not otherwise amend the terms of the Bonds or of the Bond Order without the consent of the holders of the Bonds.

Registered Owners' Remedies

The Bond Order contains a covenant that while any of the Bonds is outstanding, there shall be assessed, levied, and collected an annual ad valorem tax, without limit as to rate or amount, on all taxable property within the District, sufficient to pay principal of and interest on the Bonds when due and to pay the expenses necessary in collecting taxes. Pursuant to Texas law, the Bond Order provides that in the event the District defaults in the payment of the principal of or interest on any of the Bonds when due, or fails to make payments required by the Bond Order into the Debt Service Fund, or defaults in the observance or performance of any of the other covenants, conditions or obligations set forth in the Bond Order, any Registered Owner shall be entitled at any time to seek a writ of mandamus from a court of competent jurisdiction compelling and requiring the Board of Directors of the District to make such payments or to observe and perform such covenants, obligations or conditions. Such right is in addition to all other rights the Registered Owners may be provided by the laws of the State of Texas.

In the event of default in the payment of principal of or interest on the Bonds, the Registered Owners may seek a writ of mandamus requiring the District to levy and collect adequate taxes to make such payments. Except for the remedy of mandamus, the Bond Order does not specifically provide for remedies to a Registered Owner in the event of a District default, nor does it provide for the appointment of a trustee to protect and enforce the interests of the Registered Owners. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year by the Registered Owners. Even if the Registered Owners could obtain a judgment against the District, such a judgment could not be enforced by direct levy and execution against the District's property. Further, the Registered Owners cannot themselves foreclose on the property of the District or sell taxable property within the District in order to pay the principal of or interest on the Bonds.

Certain traditional legal remedies also may not be available. The enforceability of the rights and remedies of the Registered Owners may be further 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. See "Bankruptcy Limitation to Registered Owners' Rights" below.

Bankruptcy Limitation to Registered Owners' Rights

The enforceability of the rights and remedies of the 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 Texas law, the District may voluntarily proceed under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. §§ 901-946, if the District (1) is generally authorized to file for federal bankruptcy protection by Texas law; (2) is insolvent or unable to meet its debts as they mature; (3) desires to effect a plan to adjust such debts; and (4) has either obtained the agreement of or negotiated in good faith with its creditors or is unable to negotiate with its creditors because negotiation is impracticable. Under Texas law, a municipal utility district, such as the District, must obtain the approval of the TCEQ prior to filing for bankruptcy protection. Such law requires that the TCEQ investigate the financial condition of the District and authorize the District to proceed only if the District has fully exercised its rights and powers under Texas law and remains unable to meet its debts and other obligations as they mature.

If the District decides in the future to proceed voluntarily under the Federal Bankruptcy Code, the District would develop and file a plan for the adjustment of its debts, and the Bankruptcy Court would confirm the District's plan if (1) the plan complies with the applicable provisions of the Federal Bankruptcy Code, (2) all payments to be made in connection with the plan are fully disclosed and reasonable, (3) the District is not prohibited by law from taking any action necessary to carry out the plan, (4) administrative expenses are paid in full, and (5) the plan is in the best interests of creditors and is feasible. If such a plan were confirmed by the bankruptcy court, it could, among other things, affect the Registered Owners by reducing or eliminating the interest rate or the principal amount, 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 such Registered Owners' claim against the District. See "INVESTMENT CONSIDERATIONS."

The District may not be placed into bankruptcy involuntarily.

Use and Distribution of Bond Proceeds

Proceeds of the sale of the Bonds will be used by the District to (i) finance the District's share of (a) clearing and grubbing, detention and mass grading, and waste, wastewater and drainage facilities to serve the Blue Ridge Commerce Center, including engineering, geotechnical and material testing fees associated with the aforementioned improvements; and (b) City of Houston Impact Fees and Water Meter Fees, annexation expenses and feasibility study, and land acquisition costs; (ii) capitalize interest in an amount not to exceed \$990,550; and (iii) pay administrative and issuance costs, legal fees, fiscal agent's fee, fees to the TCEQ, and the Attorney General of Texas, and certain financing costs related to the issuance of the Bonds.

I. Construction Costs

District's Share

A. Developer Contribution Items

1. Blue Ridge Commerce Center – Clearing and Grubbing	\$763,350
2. Blue Ridge Commerce Center – Detention and Mass Grading	8,465,658
3. Blue Ridge Commerce Center – Water, Wastewater and Drainage	4,460,695
4. Engineering	787,810
5. Preliminary Engineering Expenses	40,968
6. Geotechnical and Materials Testing	<u>377,973</u>
Total Developer Contribution Items	14,896,454

B. District Items

1. City of Houston Impact Fees and Water Meter Fees	\$613,033
2. Annexation Expenses and Feasibility Study	45,000
3. Land Acquisition Costs	<u>1,940,482</u>
Total District Items	\$2,598,515

TOTAL CONSTRUCTION COSTS \$17,494,969

II. Non-Construction Costs

A. Legal Fees	\$665,100
B. Fiscal Agent Fees	443,400
C. Interest	
1. Capitalized Interest	990,550
2. Developer Interest	1,454,346
D. Bond Discount	665,100
E. Bond Issuance Expenses	102,810
F. Bond Application Report Costs	60,000
G. Attorney General Fee	9,500
H. TCEQ Bond Issuance Fee	55,425
I. Contingency *	<u>228,800</u>

TOTAL NON-CONSTRUCTION COSTS \$4,675,031

TOTAL BOND ISSUE REQUIREMENT \$22,170,000

* The TCEQ directed that any surplus funds resulting from the sale of bonds at a lower interest rate than proposed shall be shown as a contingency line item. Represents funds which may be used by the District only in accordance with the rules of the TCEQ as further discussed below.

THE DISTRICT

Authority

Harris County Municipal Utility District No. 410 (the “District”) was created by the TCEQ on August 27, 2004, and operates pursuant to Chapters 49 and 54 of the Texas Water Code. The District contains approximately 635.8 acres of land.

The District is empowered, among other things, to purchase, construct, operate, and maintain all works, improvements, facilities, and plants necessary for the supply of water; the collection, transportation, and treatment of wastewater; and the control and diversion of storm water.

Under certain limited circumstances the District also is authorized to construct, develop and maintain park and recreational facilities and to construct roads. In addition, the District is authorized to establish, operate and maintain a fire department, independently or with one or more other conservation and reclamation districts, and provide such facilities and services to the customers of the District.

The TCEQ exercises continuing supervisory jurisdiction over the District. In order to obtain the consent of the City of Houston, within whose boundaries the District lies, the District has agreed to observe certain City of Houston requirements. These requirements limit the purposes for which the District may sell bonds to the acquisition and improvement of waterworks, wastewater, and drainage facilities, and park and recreational facilities and for refunding purposes; limit the net effective interest rate on such bonds and other terms of such bonds; and require approval by the City of Houston of the District's construction plans and specifications.

Utility Agreement

The District is located wholly within the corporate limits of the City of Houston (the “City”) and obtains water, sewer and drainage service from the City. The District and the City have entered into a “Utility Functions and Services Allocation Agreement” dated March 18, 2005 (hereinafter referred to as the “Utility Agreement”). Under the terms of the Utility Agreement, the District agreed to develop a water distribution system, sanitary sewer collection system and a drainage

system (the "System") to serve the area within the District. In consideration of the District's acquiring and constructing the System, the City agreed, pursuant to the terms and conditions of the Utility Agreement, to own and operate the System, excluding the storm water detention facilities. The City also agreed, pursuant to Interlocal Agreements provided for in the Utility Agreement, to reimburse the District a portion of the cost of water, sewer and drainage improvements. The District in turn has reimbursed the developer of property located within the District for the cost of the improvements. Pursuant to the Utility Agreement, the City provides water supply and wastewater treatment to the District. See "THE SYSTEM."

As construction of each phase of the System is certified to be complete in accordance with the final plans and specifications approved by the City, the District is to transfer such portion of the System with construction drawings thereof to the City. Upon transfer, the City has agreed to operate and maintain the System at its expense. Under the Utility Agreement, the City has agreed to charge customers of the System the same rates charged other similar users within the City. All revenue from the System, including any charges which the City may impose for connection to the System, belongs exclusively to the City.

The maintenance responsibilities of the City as defined in the Utility Agreement exclude maintenance of the District's storm water detention facilities. It is therefore the sole responsibility of the District to provide for maintenance and operation of the District's storm water detention facilities.

The City, as owner and operator of the System, has agreed to supply the District with all of its requirements for potable water and wastewater treatment. See "THE SYSTEM."

In the Utility Agreement, in the event the City fails to participate in the cost of the water, sewer and drainage facilities, the City has agreed to make an annual payment to the District consisting of that portion of the City property tax relating to water, sewer and drainage facilities in accordance with a formula set out in the Utility Agreement (the "Annual Payment"). The Annual Payment is due on April 1st in the year after the District has issued debt and is payable each April 1st thereafter. The District does not expect that the Annual Payment will materially affect the District's financial position and has not pledged such payment as security for the Bonds. The City has never failed to participate in the cost of water, sewer and drainage facilities, and therefore has never made an Annual Payment to the District.

Description

Harris County Municipal Utility District No. 410 was created by the TCEQ on August 27, 2004, and operates pursuant to Chapters 49 and 54 of the Texas Water Code. The District contains approximately 635.8 acres of land consisting of six non-contiguous tracts that are located entirely within the corporate limits of the City of Houston (the "City") and within Harris County and Fort Bend County. One tract consisting of approximately 278.6 acres within the District is located approximately 14.6 miles southeast of the Houston Central Business District. This portion of the District is located south of the Sam Houston Parkway (Beltway 8), east of Interstate Highway 45 (IH-45), north of Scarsdale Boulevard (F.M. 2553), and west of State Highway 3 (S.H. 3). This portion of the District is located within the Pasadena Independent School District. Another tract consisting of approximately 117.3 acres within the District is located approximately 12 miles south of the Houston Central Business District. This portion of the District is located south of West Orem Road, and west of Alameda Road (F.M. 521). This portion of the District is located within the Houston Independent School District. Another tract consisting of approximately 26.7 acres within District is located approximately 11 miles northeast of the Houston Central Business District. This portion of the District is located north of East Houston Road, west of Feland Street, south of Woodlyn Road, and east of Mesa Road (F.M. 527). This portion of the District is located within the Houston Independent School District. Another tract consisting of approximately 97.9 acres within District is located approximately 16 miles southeast of the Houston Central Business District. This portion of the District is located north of Sam Houston Parkway (Beltway 8), east of Interstate Highway 45 (IH-45), south of Kurland Drive, and west of State Highway 3 (S.H. 3). This portion of the District is located within the Houston Independent School District. Another tract consisting of approximately 91.7 acres within District is located approximately 18 miles southwest of the Houston Central Business District. This portion of the District is located west of Fort Bend Parkway, north of McHard Road, and south of Sims Bayou. This portion of the District is located within the Fort Bend Independent School District. The remaining tract consisting of approximately 23.6 acres within District is located approximately 13 miles southeast of the Houston Central Business District. This portion of the District is located at the northwest corner of Interstate Highway 45 and Alameda Genoa Road. This portion of the District is located within the Pasadena Independent School District. In addition, the owners of two tracts totaling approximately 43.77 acres have petitioned the District for annexation, which have been

submitted to the City for approval. The District cannot predict whether or when such annexations will be consummated. See “AERIAL PHOTOGRAPH OF THE DISTRICT,” and “APPENDIX A - LOCATION MAP.”

Management of the District

The District is governed by the Board of Directors (the “Board”), consisting of five directors, who have control over and management supervision of all affairs of the District. None of the Directors resides in the District. The Directors each own separate small parcels of land located in the District. The Directors serve four-year staggered terms. Elections are held in even numbered years in May:

<u>Name</u>	<u>Position</u>	<u>Term Expires in May</u>
Timothy H. Bayles	President	2028
Clark Hibbert	Vice President	2030
Laura G. Edrington	Secretary	2030
Michael Olson	Director	2028
Jason Sirkel	Director	2030

Although the District does not have a general manager or any other full time employees, it has contracted for utility system operating, bookkeeping, tax assessing and collecting, auditing, engineering, financial advisory and legal services as follows:

Tax Assessor/Collector

The District has engaged Tax Tech, Inc. as the District's Tax Assessor/Collector. The Tax Assessor/Collector applies the District's tax levy to tax rolls prepared by the Harris Central Appraisal District and Fort Bend Central Appraisal District and bills and collects such levy.

Bookkeeper

The District's bookkeeper is Municipal Business Services, Inc.

Auditor

The financial statements of the District as of April 30, 2025, and for the year then ended, included in this offering document, have been audited by Forvis Mazars, LLP, independent auditors, as stated in their report appearing herein. A copy of the District's audited financial statements for the fiscal year ended April 30, 2025, is included as “APPENDIX B” to this Official Statement.

Engineer

The consulting engineer for the District in connection with the design of the facilities being acquired with the proceeds of the sale of the Bonds is IDS Engineering Group (the “Engineer”), Houston, Texas.

Attorney

The District has engaged Smith, Murdaugh, Little & Bonham, L.L.P., Houston, Texas as general counsel to the District and as bond counsel (“Bond Counsel”) in connection with the issuance of the Bonds. The fees to be paid Bond Counsel in connection with the issuance of the Bonds are based on a percentage of the Bonds actually issued and sold. Therefore, the payment of such fees is contingent upon the sale and delivery of the Bonds. See “LEGAL MATTERS.”

Disclosure Counsel

McCall, Parkhurst & Horton L.L.P., Houston, Texas, serves as Disclosure Counsel to the District. The fee to be paid Disclosure Counsel for services rendered in connection with the issuance of the Bonds is contingent on the issuance, sale and delivery of the Bonds.

Financial Advisor

The District has engaged Rathmann & Associates, L.P. as financial advisor (the “Financial Advisor”) to the District. The fee paid to the Financial Advisor for services rendered in connection with the issuance of the Bonds is based on a percentage of the Bonds actually issued and sold. Therefore, the payment of such fee is contingent upon the sale and delivery of the Bonds. Rathmann & Associates, L.P. is an independent municipal advisor registered with the United States Securities and Exchange Commission (the “SEC”) and the Municipal Securities Rulemaking Board (the “MSRB”). Rathmann & Associates, L.P.’s SEC registration number is 867-00217 and its MSRB registration number is K0161. Rathmann & Associates, L.P.’s SEC registration Forms MA and MA-1’s, which constitute Rathmann & Associates, L.P.’s registration filings, may be accessed through <http://www.sec.gov/edgar/searchedgar/companysearch.html>.

DEVELOPMENT OF THE DISTRICT

To date, land within the District has been developed primarily for single-family residential usage. The remaining developable land located within the District is expected to be developed for commercial usage. As of May 1, 2026, the District contained a total of 1,365 fully developed single-family residential lots, on all of which single-family residences have been constructed. In addition, the 252-unit Regency Park Apartments have been constructed on an approximately 12.5 acre tract within the District and the 153-unit Tarrington Court Apartments have been constructed on an approximately 14.45 acre tract within the District. The Regency Park Apartments located within the District are owned by a housing authority and are not subject to taxation by the District.

The development of 1,365 single-family residential lots (approximately 258.2 total acres) is complete within the District in the residential subdivisions that have been platted as Clearview Village, Sections 1 through 7, Southdown Trace, Sections 1 through 5, Bayou Oaks at West Orem, Sections 1 through 9 and Oaks at Lakewood Village, Sections 1 and 2. All of such lots have been provided water supply and distribution, wastewater collection and treatment and storm drainage facilities and street paving.

A/O 100 (described below under the caption “THE DEVELOPERS”) has completed the development of the 443 fully developed single-family residential lots (a total of approximately 85.9 acres) located within the District that have been subdivided as Bayou Oaks at West Orem, Sections 1 through 9. A/O 100 has sold all of such lots to K. Hovnanian Homes, on all of which single-family residences have been constructed and sold to home purchasers.

26.7 acres of land located within the District were developed by Oaks of Lakewood Village Ltd., a Texas limited partnership (“OLV”). Such approximately 26.7 acres have been developed as Oaks at Lakewood Village, Sections 1 and 2 (a total of 129 single-family residential lots). OLV has sold lots in such sections to Camillo Properties, Ltd. (“Camillo Properties”), whose general partner is Camillo Properties GP, a Texas corporation, on which homes have been constructed for the purpose of leasing such homes to tenants.

Approximately 42.98 acres of currently undeveloped land located within the District are owned by WDC MAG ONE LLC (“WDC”). According to WDC, it is developing such acres for future commercial and light industrial/warehouse purposes. Such acreage is referred to herein as the I-45 Business Park. WDC has reported the construction of an aggregate of approximately 264,065 square feet of offices, warehouses and medical office buildings on approximately 36.8 acres of such approximately 42.98 acres. Since WDC has no obligation to the District to undertake the development of the remainder of such currently undeveloped acres, the District cannot represent whether or when the development of any of such acreage might be undertaken. See “FUTURE DEVELOPMENT.”

Approximately 97.9 acres of currently undeveloped land located within the District are owned by Gulfbelt Logistics Park Phase I, LLC, and Gulfbelt Logistics Park Phase II, LLC, both Delaware limited liability companies (together, “Gulfbelt”). According to Gulfbelt, it will develop such acres for future commercial and light industrial/warehouse purposes. Gulfbelt

has reported the construction of an aggregate of approximately 490,590 square feet of warehouses on approximately 42.7 acres of such approximately 97.9 acres. Since Gulfbelt has no obligation to the District to undertake the development of such currently undeveloped acres, the District cannot represent whether or when the development of any of such acreage might be undertaken. See “FUTURE DEVELOPMENT.”

Approximately 91.7 acres of land located within the District are owned by TC Blue Ridge Commerce Center West Member, LLC, a Delaware limited liability company (“TC Blue Ridge”). TC Blue Ridge has developed such acres as the Blue Ridge Commerce Center.

Approximately 29.6 additional acres of currently undeveloped land located within the District are owned by multiple other land owners. None of the owners of any of such acres has reported any definitive development plan to the District covering any of such acres. Therefore, the District cannot represent that the development of any of such approximately 29.6 currently undeveloped acres will be undertaken. The balance of the land within the District is located in drainage or street rights-of-way, or is otherwise not available for future development.

In addition to the components of the System and Impact Fees that the District has financed with the proceeds of the sale of the Prior Bonds and the components of the System and Impact Fees that the District is financing with a portion of the proceeds of the sale of the Bonds (see “THE BONDS - Use and Distribution of Bond Proceeds” and “THE SYSTEM”), the District expects to finance the acquisition or construction of additional components of the System, Impact Fees and road bonds with portions of the proceeds of the sale of bonds, if any, to be issued by the District in the future. See “THE BONDS - Issuance of Additional Debt” and “INVESTMENT CONSIDERATIONS - Future Debt.”

The following table reflects the status of the residential development within the District as of May 1, 2026:

Residential Units:

Subdivision	LOTS				HOMES				Totals
	Fully Developed	Acres	Under Development	Acres	Under Construction Sold	Under Construction Unsold	Completed Sold	Completed Unsold	
Clearview Village									
Section 1	77	17.4			0	0	77	0	77
Section 2	106	18.3			0	0	106	0	106
Section 3	76	12.3			0	0	76	0	76
Section 4	58	11.5			0	0	58	0	58
Section 5	63	11.1			0	0	63	0	63
Section 6	51	9.6			0	0	51	0	51
Section 7	46	7.7			0	0	46	0	46
Southdown Trace									
Section 1	71	14.7			0	0	71	0	71
Section 2	79	10.5			0	0	79	0	79
Section 3	60	12.3			0	0	60	0	60
Section 4	39	7.9			0	0	39	0	39
Section 5	67	12.3			0	0	67	0	67
Bayou Oaks at West Orem									
Section 1	66	17.6			0	0	66	0	66
Section 2	70	15.3			0	0	70	0	70
Section 3	50	9.2			0	0	50	0	50
Section 4	25	4.0			0	0	25	0	25
Section 5	35	6.2			0	0	35	0	35
Section 6	46	9.2			0	0	46	0	46
Section 7	15	2.5			0	0	15	0	15
Section 8	71	11.0			0	0	71	0	71
Section 9	65	10.9			0	0	65	0	65
Oaks at Lakewood Village									
Section 1	66	15.4			0	0	66	0	66
Section 2	63	11.3			0	0	63	0	63
TOTALS	1,365	258.2	0	0	0	0	1,365	0	1,365

THE DEVELOPERS

Role of the Developers

In general, the activities of a developer in a municipal utility district such as the District include purchasing the land within the District, designing the subdivision, designing the utilities and streets to be emplaced in the subdivision, designing any community facilities to be built, defining a marketing program and building schedule, securing necessary governmental approvals and permits for development, arranging for the construction of roads and the installation of utilities (including, in some cases, water, sewer, and drainage facilities pursuant to the rules of the TCEQ, as well as gas, telephone, and electric service) and selling improved lots and commercial reserves to builders, developers, or other third parties. In most

instances, the developer will be required to pay up to thirty percent (30%) of the cost of emplacing certain of the water, wastewater and drainage facilities in the utility district pursuant to the rules of the TCEQ. The District requested an exemption from such developer participation requirement with respect to the Prior Bonds and the Bonds on the basis of one of the criteria under TCEQ rules for such exemption. The TCEQ granted the request for such exemption in its orders authorizing the District to issue the Prior Bonds and the Bonds. The relative success or failure of a developer to perform such activities in development of the property within a utility district may have a profound effect on the security of the unlimited tax bonds issued by a district. A developer is generally under no obligation to a district to develop the property which it owns in a district. Furthermore, there is no restriction on the developer's right to sell any or all of the land which the developer owns within a district. See "FUTURE DEVELOPMENT" below.

The Developers

The developer of Bayou Oaks at West Orem is Almeda/Orem 100, Ltd., a Texas limited partnership ("A/O 100"), whose General Partner is Memorial Park Estates GP, LLC, a Texas limited liability company. A/O 100 has completed the development of the 443 fully developed single-family residential lots (a total of approximately 85.9 acres) located within the District that have been subdivided as Bayou Oaks at West Orem, Sections 1 through 9 as is described above under the caption "DEVELOPMENT OF THE DISTRICT." A/O 100 has sold all of such lots to K. Hovnanian Homes, on all of which single-family residences have been constructed and sold to home purchasers.

The developer of approximately 26.7 acres of land located within the District is Oaks of Lakewood Village Ltd., a Texas limited partnership ("OLV"). Such approximately 26.7 acres have been developed as Oaks at Lakewood Village, Sections 1 and 2 (a total of 129 single-family residential lots). OLV has sold lots in such sections to Camillo Properties, Ltd. ("Camillo Properties"), whose general partner is Camillo Properties GP, a Texas corporation, on which homes have been constructed for the purpose of leasing such homes to tenants.

The owner of approximately 42.98 acres of currently undeveloped land located within the District is WDC MAG ONE LLC, a Texas limited liability company ("WDC"). According to WDC, it is developing such acres for future commercial and light industrial/warehouse purposes. Such acreage is referred to herein as the I-45 Business Park. WDC has reported the construction of an aggregate of approximately 264,065 square feet of offices, warehouses and medical office buildings on approximately 36.8 acres of such approximately 42.98 acres. Since WDC has no obligation to the District to undertake the development of the remainder of such currently undeveloped acres, the District cannot represent whether or when the development of any of such acreage might be undertaken. See "FUTURE DEVELOPMENT."

Approximately 97.9 acres of currently undeveloped land located within the District are owned by Gulfbelt Logistics Park Phase I, LLC, and Gulfbelt Logistics Park Phase II, LLC, both Delaware limited liability companies (together, "Gulfbelt"). According to Gulfbelt, it will develop such acres for future commercial and light industrial/warehouse purposes. Gulfbelt has reported the construction of an aggregate of approximately 490,590 square feet of warehouses on approximately 42.7 acres of such approximately 97.9 acres. Since Gulfbelt has no obligation to the District to undertake the development of such currently undeveloped acres, the District cannot represent whether or when the development of any of such acreage might be undertaken. See "FUTURE DEVELOPMENT."

Approximately 91.7 acres of land located within the District are owned by TC Blue Ridge Commerce Center West Member, LLC, a Delaware limited liability company ("TC Blue Ridge"). TC Blue Ridge has developed such acres as the Blue Ridge Commerce Center.

Collective reference is sometimes made in this Official Statement to WDC, Gulfbelt and TC Blue Ridge as the "Developers." Only WDC, Gulfbelt, TC Blue Ridge and other owners of property located in the District are legally responsible for the payment of ad valorem taxes to the District and other taxing authorities.

FUTURE DEVELOPMENT

A tract of approximately 42.98 acres of currently undeveloped land located within the District is owned by WDC (described above under the caption "THE DEVELOPERS"). According to WDC, it is developing such acres for future commercial and light industrial/warehouse purposes. Such acreage is referred to herein as the I-45 Business Park. WDC has reported the construction of an aggregate of approximately 264,065 square feet of offices, warehouses and medical buildings on approximately 36.8 of such approximately 42.98 acres. Since WDC has no obligation to the District to undertake the development of the remainder of such currently undeveloped acres, the District cannot represent whether or when the development of any of such acreage might be undertaken. Approximately 97.9 acres of currently undeveloped land located within the District are owned Gulfbelt (described above under the caption "THE DEVELOPERS"). According to Gulfbelt, it will develop such acres for future commercial and light industrial/warehouse purposes. Gulfbelt has reported the construction of an aggregate of approximately 490,590 square feet of warehouses on approximately 42.7 acres of such approximately 97.9 acres. Since Gulfbelt has no obligation to the District to undertake the development of such currently undeveloped acres, the District cannot represent whether or when the development of any of such acreage might be undertaken. Approximately 29.6 additional acres of currently undeveloped land located within the District are owned by multiple other land owners. None of the owners of any of such acres has reported any definitive development plan to the District covering any of such acres. Therefore, the District cannot represent that the development of any of such approximately 29.6 currently undeveloped acres will be undertaken. The balance of the land within the District is located in drainage or street rights-of-way, or is otherwise not available for development.

In addition to the components of the System and Impact Fees that the District has financed with the proceeds of the sale of the Prior Bonds and the components of the System and Impact Fees that the District is financing with a portion of the proceeds of the sale of the Bonds (see "THE BONDS - Use and Distribution of Bond Proceeds" and "THE SYSTEM"), the District expects to finance the acquisition or construction of additional components of the System, Impact Fees and road bonds with portions of the proceeds of the sale of bonds, if any, to be issued by the District in the future. See "THE BONDS - Issuance of Additional Debt" and "INVESTMENT CONSIDERATIONS - Future Debt." The initiation 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 any party's ability to sell lots and/or other property and of any home builder to sell completed homes described in this Official Statement under the caption "INVESTMENT CONSIDERATIONS." If the undeveloped portion of the District is eventually developed, additions to the District's water, wastewater, and drainage systems required to service such undeveloped acreage may be financed by future issues (if any) of the District's bonds and developer contributions, if any, as required by the TCEQ. The District's Engineer estimates that the \$358,625,000 authorized bonds for water, wastewater and drainage purposes which remain unissued after the sale of the Bonds will be adequate to finance the construction of such facilities to provide service to all of the developable, undeveloped portions of the District. See "THE BONDS - Issuance of Additional Debt."

AERIAL PHOTOGRAPH OF A PORTION OF THE DISTRICT
(taken May 2026)



AERIAL PHOTOGRAPH OF A PORTION OF THE DISTRICT
(taken May 2026)



AERIAL PHOTOGRAPH OF A PORTION OF THE DISTRICT
(taken May 2026)



AERIAL PHOTOGRAPH OF A PORTION OF THE DISTRICT
(taken May 2026)



AERIAL PHOTOGRAPH OF A PORTION OF THE DISTRICT
(taken May 2026)



PHOTOGRAPHS TAKEN WITHIN THE DISTRICT
(taken May 2026)



PHOTOGRAPHS TAKEN WITHIN THE DISTRICT
(taken May 2026)



DISTRICT DEBT

General

The following tables and calculations relate to the Bonds and the Outstanding Bonds. After issuance of the Bonds, the aggregate principal amount of the Outstanding Bonds will be \$26,275,000, and the aggregate principal amount of the District's bonded indebtedness, including the Bonds, will be \$48,445,000. The District is empowered to incur debt to be paid from revenues raised by taxation against all taxable property located within the District, and various other political subdivisions of government which overlap all or a portion of the District are empowered to incur debt to be paid from revenues raised or to be raised by taxation against all or a portion of the property within the District.

2025 Assessed Valuation..... (As of January 1, 2025) See "TAX DATA" and "TAXING PROCEDURES"	\$	464,030,405 (a)
2026 Preliminary Valuation..... (As of January 1, 2026) See "TAX DATA" and "TAXING PROCEDURES"	\$	673,501,922 (b)
Direct Debt:		
Outstanding Bonds.....	\$	26,275,000
The Bonds		<u>22,170,000</u>
Total	\$	48,445,000 (c)
Estimated Overlapping Debt	\$	<u>25,481,674</u> (c)
Total Direct and Estimated Overlapping Debt	\$	<u>73,926,674</u> (c)
Direct Debt Ratio		
: as a percentage of 2025 Assessed Valuation.....		10.44 %
: as a percentage of 2026 Preliminary Valuation.....		7.19 %
Direct and Estimated Overlapping Debt Ratio		
: as a percentage of 2025 Assessed Valuation.....		15.93 %
: as a percentage of 2026 Preliminary Valuation.....		10.98 %
Debt Service Fund Balance Estimated as of Delivery of the Bonds.....	\$	6,080,811 (d)
General Fund Balance as of April 16, 2026.....	\$	1,218,348

-
- (a) As of January 1, 2025, and comprises the District's 2025 tax roll. All property located in the District is valued on the tax rolls by the Harris Central Appraisal District (the "Appraisal District") at 100% of assessed value as of January 1 of each year. The District's tax roll was certified by the Harris County Appraisal Review Board (the "Appraisal Review Board") for the property located within the District as of January 1, 2025. A portion of the District will be certified by Fort Bend Central Appraisal District in the future for property located in Fort Bend County that was annexed after such date. See "INVESTMENT CONSIDERATIONS - Factors Affecting Taxable Values and Tax Payments" and "TAXING PROCEDURES."
- (b) This amount is the sum of the preliminary values of all taxable property located within the District as of January 1, 2026, as reflected on the District's preliminary 2026 tax roll supplied to the District by the Appraisal District, and includes the preliminary 2026 values resulting from the construction of taxable improvements from January 1, 2025, through December 31, 2025. When the Appraisal District supplies a taxing entity with a preliminary tax roll, such preliminary tax roll does not include personal property values. Therefore, this amount includes the 2025 taxable value of personal property located within the District. The taxable value of personal property on the District's 2025 tax roll

was \$14,617,295. The District's ultimate 2026 Assessed Valuation may vary significantly from such preliminary tax roll once the Appraisal Review Board certifies the value thereof for 2026. See "TAXING PROCEDURES."

- (c) In addition to the components of the System and Impact Fees that the District has financed with the proceeds of the sale of the Prior Bonds and the components of the System and Impact Fees that the District is financing with a portion of the proceeds of the sale of the Bonds (see "THE BONDS - Use and Distribution of Bond Proceeds" and "THE SYSTEM"), the District expects to finance the acquisition or construction of additional components of the System, Impact Fees and road bonds with the proceeds of the sale of bonds, if any, to be issued by the District in the future. See "THE BONDS - Issuance of Additional Debt," and - "Use and Distribution of Bond Proceeds," "THE SYSTEM" and "INVESTMENT CONSIDERATIONS - Future Debt."
- (d) Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the Debt Service Fund. Such fund balance reflects the timely payment by the District of its debt service requirements on the Outstanding Bonds that were due on March 1, 2026, and the contribution by the District of an amount not to exceed \$990,550 of capitalized interest on the Bonds to be deposited upon the date of delivery of the Bonds. The District's initial debt service requirement on the Bonds is due on March 1, 2027, and consists of an interest payment thereon.
- (e) The District levied a total tax rate of \$0.51 per \$100 of Assessed Valuation for 2025, consisting of debt service and maintenance taxes of \$0.44 and \$0.07 per \$100 of Assessed Valuation, respectively. As is enumerated in this Official Statement under the caption "TAX DATA - Estimated Overlapping Taxes," the aggregate of the 2025 tax levies of all overlapping taxing units which levy taxes upon property located in the District, plus the District's 2025 rate, is \$2.984933 per \$100 of Assessed Valuation for the portion of the District located in the Pasadena Independent School District, \$2.63522 per \$100 of Assessed Valuation for the portion of the District located in the Houston Independent School District, and \$1.9889 per \$100 of Assessed Valuation for the portion of the District located in the Fort Bend Independent School District. Such aggregate levies are higher than the aggregate tax levies of some municipal utility districts in the Houston metropolitan area, including the area of the District, but are within the range of the aggregate levies of municipal utility districts in the Houston metropolitan area and the area of the District which are in stages of development comparable with the District.

Estimated Direct and Overlapping Debt Statement

The following table indicates the direct and estimated overlapping debt of the District. The table includes the estimated amount of indebtedness of governmental entities overlapping the District, defined as outstanding bonds payable from ad valorem taxes, and the estimated percentages and amounts of such indebtedness attributable to property located within the District. This information is based upon data secured from the individual jurisdictions and/or the Texas Municipal Reports published by the Municipal Advisory Council of Texas. The calculations by which the statement was derived were made in part by comparing the reported assessed valuation of the property in the overlapping taxing jurisdictions with the Assessed Valuation of property within the District. No effect has been given to the tax burden levied by any applicable taxing jurisdiction for maintenance and operational or other purposes. 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 such information as being accurate or complete. Furthermore, certain entities listed below may have issued additional bonds since the dates cited.

<u>Taxing Jurisdiction</u>	<u>Debt as of May 1, 2026</u>	<u>Estimated Overlapping Percent</u>	<u>Amount</u>
Harris County ⁽ⁱ⁾	\$2,254,335,767	0.06740%	\$1,519,338
Harris County Department of Education	28,960,000	0.06740%	19,518
Harris County Flood Control District	937,165,000	0.06740%	631,614
Harris County Hospital District	861,580,000	0.06740%	580,673
Port of Houston Authority	386,074,397	0.06740%	260,200
City of Houston	3,641,320,000	0.13815%	5,030,366
Houston City College	371,540,000	0.15854%	589,022
Houston Independent School District	1,283,145,000	0.06683%	857,520
Pasadena Independent School District	834,915,000	1.61251%	13,463,106
San Jacinto Junior College District	476,530,000	0.53099%	<u>2,530,317</u>
Total Estimated Overlapping Debt			\$25,481,674
Total Direct Debt (the Bonds and the Outstanding Bonds)			<u>48,445,000</u>
Total Direct and Estimated Overlapping Debt			\$73,926,674

⁽ⁱ⁾ Harris County Toll Road Bonds are considered to be self-supporting and are not included in this schedule.

Debt Ratios

	% of 2025 <u>Assessed Valuation</u>	% of 2026 <u>Preliminary Valuation</u>
Direct Debt	10.44%	7.19%
Direct and Overlapping Debt	15.93%	10.98%

Debt Service Requirement Schedule

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

Year Ending December 31	Current Total Debt Service	Plus: The Bonds		New Total Debt Service
		Principal	Interest	
2026	\$1,440,400			\$1,440,400
2027	1,441,356		\$1,114,369	2,555,725
2028	1,441,456	\$330,000	990,550	2,762,006
2029	1,440,956	350,000	969,100	2,760,056
2030	1,444,756	370,000	946,350	2,761,106
2031	1,442,756	390,000	922,300	2,755,056
2032	1,445,156	410,000	896,950	2,752,106
2033	1,442,656	435,000	870,300	2,747,956
2034	1,444,556	460,000	842,025	2,746,581
2035	1,450,656	480,000	812,125	2,742,781
2036	1,450,856	510,000	792,925	2,753,781
2037	1,460,256	530,000	772,525	2,762,781
2038	1,457,156	560,000	751,325	2,768,481
2039	1,458,156	595,000	728,925	2,782,081
2040	1,458,744	625,000	705,125	2,788,869
2041	1,463,794	655,000	680,125	2,798,919
2042	1,468,094	690,000	653,925	2,812,019
2043	1,471,844	725,000	625,463	2,822,306
2044	1,543,482	695,000	595,556	2,834,038
2045	1,547,481	730,000	566,019	2,843,500
2046	1,571,969	755,000	534,994	2,861,963
2047	1,435,331	930,000	501,963	2,867,294
2048	1,433,931	985,000	461,275	2,880,206
2049	1,435,931	1,040,000	418,181	2,894,113
2050	1,441,131	1,095,000	372,681	2,908,813
2051	1,447,869	1,150,000	324,775	2,922,644
2052	1,457,338	1,205,000	273,025	2,935,363
2053	1,467,725	1,265,000*	218,800	2,951,525
2054	1,480,350	1,325,000*	168,200	2,973,550
2055		2,880,000*	115,200	2,995,200
	\$42,386,142	\$22,170,000	\$18,625,076	\$83,181,219

Average Annual Requirements: (2027-2055)	\$2,818,649
Maximum Annual Requirement: (2055)	\$2,995,200

See "TAX DATA - Tax Rate Calculations" and "INVESTMENT CONSIDERATIONS - Maximum Impact on District Tax Rates" for a discussion of the District's projected tax rates and the effect of the Bonds thereon.

* Represents mandatory sinking fund payments on Term Bonds.

TAX DATA

Debt Service Tax

All taxable property within the District is subject to the assessment, levy and collection by the District of an annual ad valorem tax without legal limitation as to rate or amount, sufficient to pay principal of and interest on the Bonds and the Outstanding Bonds (see "TAXING PROCEDURES"). The Board of Directors of the District has in the Bond Order covenanted to assess and levy for each year that all or any part of the Bonds remain outstanding and unpaid a tax ample and sufficient to produce funds to pay the principal of and interest on the Outstanding Bonds and the Bonds (see "THE BONDS" and "INVESTMENT CONSIDERATIONS"). The District levied a debt service tax of \$0.44 per \$100 Assessed Valuation for 2025.

Maintenance Tax

The Board of Directors of the District has the statutory authority to levy and collect an annual ad valorem tax for maintenance of the District's improvements if such maintenance tax is authorized by a vote of the District's electorate. On November 2, 2004, the Board was authorized by a vote of the District's electors to levy such maintenance tax unlimited as to rate or amount. Such tax, when levied, is in addition to taxes which the District is authorized to levy for paying principal of and interest on the Bonds, the Outstanding Bonds, and any parity bonds which may be issued in the future. The District levied a maintenance tax of \$0.07 per \$100 of Assessed Valuation for 2025.

Tax Rate Limitation

Debt Service: Unlimited (no legal limit as to rate or amount)
Maintenance: Unlimited (no legal limit as to rate or amount)

Additional Penalties

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

Exemptions

For the 2026 tax year, the District has granted an exemption of \$10,000 of assessed valuation for persons 65 years of age and older and to individuals who are under disability for purpose of payment of disability insurance benefits under Federal Old-Age Survivors and Disability Insurance Act, but has not adopted a general residential homestead exemption. See "TAXING PROCEDURES."

Tax Rate Distribution

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Debt Service	\$0.44	\$0.40	\$0.41	\$0.42	\$0.44
Maintenance & Operations	<u>0.07</u>	<u>0.11</u>	<u>0.11</u>	<u>0.12</u>	<u>0.12</u>
Total	\$0.51	\$0.51	\$0.52	\$0.54	\$0.56

Historical Values and Tax Collection History

The following statement of tax collections sets forth, in condensed form, the historical Assessed Valuation and tax collections of the District. Such summary has been prepared for inclusion herein based upon information obtained from District records. Reference is made to such records, including the District's annual audited financial statements, for more complete information.

<u>Tax Year</u>	<u>Assessed Valuation</u>	<u>Tax Rate^(a)</u>	<u>Adjusted Levy</u>	<u>% Collections</u>	
				<u>Current & Prior Years^(b)</u>	<u>Year Ended 09/30</u>
2013	\$134,763,445	\$0.75	\$1,010,726	99.89%	2014
2014	155,406,500	0.69	1,072,305	99.90	2015
2015	176,792,392	0.63	1,113,792	99.90	2016
2016	191,024,395	0.59	1,127,044	99.88	2017
2017	202,526,857	0.59	1,194,908	99.87	2018
2018	204,766,929	0.56	1,146,695	99.90	2019
2019	233,415,817	0.56	1,307,129	99.91	2020
2020	253,415,817	0.56	1,418,819	99.90	2021
2021	279,071,197	0.56	1,562,798	99.83	2022
2022	351,538,205	0.54	1,898,306	99.85	2023
2023	428,427,161	0.52	2,227,821	99.86	2024
2024	442,481,026	0.51	2,256,653	99.75	2025
2025	464,030,405	0.51	2,206,548	98.62	2026

(a) Per \$100 of Assessed Valuation.

(b) Such percentages reflect cumulative total collections for each year from the time each respective annual tax was levied through April 30, 2026. The amount of tax collected for each levy on a current basis (by September 30 of the year following each respective levy) is not reflected in this statement.

(c) As of April 30, 2026. In process of collection.

Analysis of Tax Base

The following table illustrates the composition of property located within the District for the past five years.

<u>Type of Property</u>	<u>2025</u>		<u>2024</u>		<u>2023</u>	
	<u>Assessed Valuation</u>	<u>%</u>	<u>Assessed Valuation</u>	<u>%</u>	<u>Assessed Valuation</u>	<u>%</u>
Land	\$114,144,646	24.60%	\$96,928,715	21.91%	\$91,096,763	21.26%
Improvements	352,181,446	75.90%	341,548,247	77.19%	334,234,488	78.01%
Personal Property	16,546,592	3.57%	13,610,494	3.08%	11,823,006	2.76%
Exemptions	<u>-18,842,279</u>	<u>-4.06%</u>	<u>-9,606,430</u>	<u>-2.17%</u>	<u>-8,727,096</u>	<u>-2.03%</u>
TOTAL	\$464,030,405	100.00%	\$442,481,026	100.00%	\$428,427,161	100.00%

<u>Type of Property</u>	<u>2022</u>		<u>2021</u>	
	<u>Assessed Valuation</u>	<u>%</u>	<u>Assessed Valuation</u>	<u>%</u>
Land	\$69,083,507	19.65%	\$63,485,841	22.75%
Improvements	281,825,917	80.17%	218,582,586	78.33%
Personal Property	8,160,824	2.32%	3,140,977	1.13%
Exemptions	<u>-7,532,043</u>	<u>-2.14%</u>	<u>-6,138,297</u>	<u>-2.20%</u>
TOTAL	\$351,538,205	100.00%	\$279,071,107	100.00%

Principal 2025 Taxpayers

Based upon information supplied by the District’s Tax Assessor/Collector, the following table lists principal District taxpayers, type of property owned by such taxpayers, and the assessed valuation of such property as of January 1, 2025. The information reflects the composition of the Appraisal District’s record of property ownership as of January 1, 2025.

<u>Taxpayer</u>	<u>Type of Property</u>	<u>Assessed Valuation 2025 Tax Roll</u>	<u>% of 2025 Tax Roll</u>
TAS Energy Inc.	Land and Improvements	\$26,921,739	5.80%
WDC Re II LLC	Land and Improvements	17,108,833	3.69%
Orion Medical 13009 LLC	Land and Improvements	16,639,700	3.59%
Camillo ML 2022 DD SFR LLC	Land and Improvements	13,299,971	2.87%
Blue Ridge Commerce Center West LLC	Land and Improvements	11,404,351	2.46%
Tenet Equity Funding SPE V LLC	Land and Improvements	10,500,000	2.26%
Gulfbelt Logistics Park Phase I LLC	Land	9,828,999	2.12%
Texas Injection Molding, LLC	Land and Improvements	9,075,584	1.96%
Houston Housing Authority	Land and Improvements	6,756,022	1.46%
Tarrington Court Apartments LP	Land and Improvements	<u>6,637,575</u>	<u>1.43%</u>
		\$128,172,774	27.62%

Tax Rate Calculations

The tax rate calculations set forth below are presented to indicate the tax rates per \$100 of Assessed Valuation which would be required to meet certain debt service requirements if no growth in the District’s tax base occurs beyond the 2025 Assessed Valuation or the 2026 Preliminary Valuation. The calculations assume collection of 95% of taxes levied, no use of other legally available District funds on hand in addition to tax revenues and the sale of no additional bonds by the District except the Bonds and the Prior Bonds.

Average Annual Debt Service Requirements (2027-2055).....	\$2,818,649
Tax Rate of \$0.64 on the 2025 Assessed Valuation (\$464,030,405) produces.....	\$2,821,305
Tax Rate of \$0.45 on the 2026 Preliminary Valuation (\$673,501,922) produces.....	\$2,879,221
Maximum Annual Debt Service Requirement (2055)	\$2,995,200
Tax Rate of \$0.68 on the 2025 Assessed Valuation (\$464,030,405) produces.....	\$2,997,636
Tax Rate of \$0.47 on the 2026 Preliminary Valuation (\$673,501,922) produces.....	\$3,007,186

The District levied a debt service tax of \$0.44 per \$100 of Assessed Valuation and a maintenance tax of \$0.07 per \$100 of Assessed Valuation for 2025. As the above table indicates, a debt service tax of \$0.44 per \$100 of Assessed Valuation is not sufficient to pay the Average Annual Debt Service Requirements and the Maximum Annual Debt Service Requirement of the Bonds and the Outstanding Bonds assuming taxable values within the District at the level of the District’s 2025 Assessed Valuation or 2026 Preliminary Valuation, assuming that the District will have a tax collection rate of 95%, no use of other legally available District funds on hand in addition to tax revenues and the issuance of no additional bonds by the District other than the Bonds and the Prior Bonds. However, as is illustrated in this Official Statement under the caption “TAX DATA - Historical Values and Tax Collection History,” the District had collected an average of 99.87% of its tax levies for the period 2015 through 2024 as of April 30, 2026, and its 2025 levy was 98.62% collected as of such date. Moreover, the District’s Debt Service Fund balance is estimated to be \$6,080,811 as the date of delivery of the Bonds. Although neither Texas law nor the Bond Order requires that any specific amount be retained in the Debt Service Fund at any time, the District has in the past applied earnings from the investment of monies held in the Debt Service Fund to meet the debt service requirements of the Prior Bonds. See “APPENDIX B - INDEPENDENT AUDITOR’S REPORT AND FINANCIAL STATEMENTS.” Therefore, the District anticipates that it will be able to meet the debt service requirements on the Bonds and the Outstanding Bonds without increasing the debt service tax rate above the debt service tax rate which

the District levied for 2025 - \$0.44 per \$100 of Assessed Valuation. See “THE BONDS - Source of Payment” and “TAXING PROCEDURES.” However, the District can make no representation that the taxable property values in the District will increase in the future or will maintain a value sufficient to support the aforementioned tax rate or to justify continued payment of taxes by property owners. In addition to the components of the System and Impact Fees that the District has financed with the proceeds of the sale of the Prior Bonds and the components of the System and Impact Fees that the District is financing with a portion of the proceeds of the sale of the Bonds (see “THE BONDS - Use and Distribution of Bond Proceeds” and “THE SYSTEM”), the District expects to finance the acquisition or construction of additional components of the System, Impact Fees and road bonds with the proceeds of the sale of bonds, if any, to be issued by the District in the future. See “INVESTMENT CONSIDERATIONS - Future Debt” and “THE SYSTEM.”

Estimated Overlapping Taxes

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

Set forth below is an estimation of all taxes per \$100 of assessed valuation levied by all such jurisdictions in 2025 and the District’s 2023 tax rate. No recognition is given to local assessments for civic association dues, emergency medical service contributions, fire department contributions or any other charges made by entities other than political subdivisions.

**Composite Tax Rates Covering the
Portion of the District Which Lies Within
Pasadena Independent School District**

<u>Taxing Jurisdiction</u>	<u>2025 Tax Rate Per \$100 of A.V.</u>
The District *	\$0.510000
Harris County	0.380960
Harris County Department of Education	0.004798
Harris County Flood Control District	0.049660
Harris County Hospital District	0.187610
Port of Houston Authority	0.005900
City of Houston	0.519190
Pasadena Independent School District	1.172200
San Jacinto Community College District	<u>0.154615</u>
Total Tax Rate	<u>\$2.984933</u>

* The District has levied a debt service tax rate of \$0.44 per \$100 of Assessed Valuation and a maintenance tax of \$0.07 per \$100 of Assessed Valuation for 2025.

**Composite Tax Rates Covering the
Portion of the District Which Lies Within
Houston Independent School District**

<u>Taxing Jurisdiction</u>	<u>2025 Tax Rate Per \$100 of A.V.</u>
The District *	\$0.510000
Harris County	0.380960
Harris County Department of Education	0.004798
Harris County Flood Control District	0.049660
Harris County Hospital District	0.187610
Port of Houston Authority	0.005900
City of Houston	0.519190
Houston Community College District	0.098802
Houston Independent School District	<u>0.878300</u>
Total Tax Rate	\$2.635220

**Composite Tax Rates Covering the
Portion of the District Which Lies Within
Fort Bend Independent School District**

<u>Taxing Jurisdiction</u>	<u>2025 Tax Rate Per \$100 of A.V.</u>
The District *	\$0.5100
Fort Bend County	0.4120
Fort Bend County Drainage District	0.0100
Fort Bend Independent School District	<u>1.0569</u>
Total Tax Rate	\$1.9889

* The District has levied a debt service tax rate of \$0.44 per \$100 of Assessed Valuation and a maintenance tax of \$0.07 per \$100 of Assessed Valuation for 2025.

TAXING PROCEDURES

Authority to Levy Taxes

The Board is authorized to levy an annual ad valorem tax, without legal limitation as to rate or amount, on all taxable property within the District in an amount sufficient to pay the principal of and interest on the Bonds, the Outstanding Bonds and any additional bonds payable from taxes which the District may hereafter issue (see “INVESTMENT CONSIDERATIONS - Future Debt”) and to pay the expenses of assessing and collecting such taxes. The District agrees in the Bond Order to levy such a tax from year to year as described more fully above under “THE BONDS - Source of Payment.” Under Texas law, the Board may also levy and collect annual ad valorem taxes for the operation and maintenance of the District and the System and for the payment of certain contractual obligations. See “TAX DATA - Maintenance Tax” and - “Tax Rate Distribution.”

Property Tax Code and County-Wide Appraisal District

The Texas Property Tax Code (the “Property Tax Code”) specifies the taxing procedures of all political subdivisions of the State of Texas, including the District. Provisions of the Property Tax Code are complex and are not fully summarized here. The Property Tax Code requires, among other matters, county-wide appraisal and equalization of taxable property

values and establishes in each county of the State of Texas an appraisal district with the responsibility for recording and appraising property for all taxing units within a county and an appraisal review board with responsibility for reviewing and equalizing the values established by the appraisal district. The Fort Bend Central Appraisal District and the Harris Central Appraisal District (together, the “Appraisal Districts”) have the responsibility of appraising property for all taxing units within Brazoria and Harris Counties, respectively, including the District. Such appraisal values will be subject to review and change by the Fort Bend County Appraisal Review Board and the Harris County Appraisal Review Board (together, the “Appraisal Review Boards”). The appraisal rolls, as approved by the applicable Appraisal Review Boards, will be used by the District in establishing its tax rolls and tax rate.

Property Subject to Taxation by the District

Except for certain exemptions provided by Texas law, all real property and tangible personal property and certain categories of intangible personal property with a tax situs in the District are subject to taxation by the District; however, no effort is expected to be made by Appraisal District described below to assess taxes against tangible or intangible personal property not devoted to commercial or industrial use. Principal categories of exempt real property include: property owned by the State of Texas or its political subdivisions, if the property is used for public purposes; property exempt from ad valorem taxation by federal law; nonprofit cemeteries; and certain property owned by qualified charitable, religious, veterans, fraternal, or educational organizations. In addition, the District may by its own action exempt residential homesteads of persons sixty-five (65) years or older and of certain disabled persons to the extent deemed advisable by the Board. In addition, the District would be required to call such an election upon petition by twenty percent (20%) of the number of qualified voters who voted in the District’s preceding election and would be required to offer such an exemption if a majority of voters approve it at such election. For the 2026 tax year, the District has granted an exemption of \$10,000 of assessed valuation for persons 65 years of age and older and to individuals who are under disability for purpose of payment of disability insurance benefits under Federal Old-Age Survivors and Disability Insurance Act. The District must grant exemptions to disabled veterans or certain surviving dependents of disabled veterans, if requested, to between \$5,000 and \$12,000 of assessed valuation depending upon the disability rating of the veteran. A veteran who receives a disability rating of 100% is entitled to an exemption for the full amount of the veteran’s residence homestead. Additionally, and 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 (i) the residence homestead was donated by a charitable organization at no cost to the disabled veteran or, (ii) the residence was donated by a charitable organization at some cost to the disabled veteran if such cost is less than or equal to fifty percent (50%) of the total good faith estimate of the market value of the residence as of the date the donation is made. Also, the surviving spouse of (i) a member of the armed forces or, (ii) a first responder as defined under Texas law, who was killed in action is, subject to certain conditions, entitled to an exemption of the total appraised value of the surviving spouse’s residence homestead, and subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse.

Residential Homestead Exemptions: The Property Tax Code authorizes the governing body of each political subdivision in the State of Texas to exempt up to twenty percent (20%) of the appraised market value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption may be considered each year, but must be adopted by May 1. The District has not adopted a residential homestead exemption to date. See “TAX DATA - Exemptions.”

Freeport Goods Exemption: A “Freeport Exemption” applies to goods, wares, ores, and merchandise other than oil, gas, and petroleum products (defined as liquid and gaseous materials immediately derived from refining petroleum or natural gas), and to aircraft or repair parts used by a certified air carrier acquired in or imported into Texas which are destined to be forwarded outside of Texas and which are detained in Texas for assembling, storing, manufacturing, processing or fabricating for less than 175 days. Although certain taxing units may take official action

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

Tax Abatement

Harris County, Fort Bend County or the City of Houston may designate all or part of the area within the District as a reinvestment zone. Thereafter, the City of Houston, Harris County, Fort Bend County and the District, at the option and discretion of each entity, may enter into tax abatement agreements with owners of property within the zone. Prior to entering into a tax abatement agreement, each entity must adopt guidelines and criteria for establishing tax abatement, which each entity will follow in granting tax abatement to owners of property. The tax abatement agreements may exempt from ad valorem taxation by each of the applicable taxing jurisdictions, including the District, for a period of up to ten (10) years, all or any part of any increase in the assessed valuation of property covered by the agreement over its assessed valuation in the year in which the agreement is executed, on the condition that the property owner make specified improvements or repairs to the property in conformity with the terms of the tax abatement. The terms of all tax abatement agreements must be substantially the same. The District has not entered into any tax abatements to date.

Valuation of Property for Taxation

Generally, property in the District must be appraised by the Appraisal District at market value as of January 1 of each year. Once an appraisal roll is prepared and finally approved by the Appraisal Review Board, it is used by the District in establishing its tax rolls and tax rate. Assessments under the Property Tax Code are to be based on 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 market value. The Property Tax Code permits under certain circumstances that residential real property inventory held by a person in the trade or business be valued at the price all of such property would bring if sold as a unit to a purchaser who would continue the business. Provisions of the Property Tax Code are complex and are not fully summarized here. Landowners wishing to avail themselves of the agricultural use, open space or timberland designation or residential real property inventory designation must apply for the designation and the appraiser is required by the Property Tax Code to act on each claimant’s right to the designation individually. A claimant may waive the special valuation as to taxation by some political subdivisions while claiming it for another. If a claimant receives the agricultural use designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use, including taxes for the previous three (3) years for agricultural use and taxes for the previous five (5) years for open space land and timberland.

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

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

District and Taxpayer Remedies

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

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

Rollback of Operation and Maintenance Tax Rate

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

Special Taxing Units

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

Developed Districts

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

Developing Districts

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

The District

A determination as to a district's status as a Special Taxing Unit, Developed District or Developing District will be made by the Board of Directors on an annual basis. The District cannot give any assurances as to what its classification will be at any point in time or whether the District's future tax rates will result in a total tax rate that will reclassify the District into a new classification and new election calculation. For the 2025 tax rate year, a determination was made by the District's Board of Directors that the District is a Developing District.

Levy and Collection of Taxes

The District is responsible for the levy and collection of its taxes unless it elects to transfer such functions to another governmental entity. The rate of taxation is set by the Board of Directors, after the legally required notice has been given to owners of property within the District, based upon: a) the valuation of property within the District as of the preceding January 1, and b) the amount required to be raised for debt service, maintenance purposes, and authorized contractual obligations. Taxes are due October 1, or when billed, whichever comes later, and become delinquent if not paid before February 1 of the year following the year in which imposed. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent and incurs an additional penalty for collection costs of an amount established by the District and a delinquent tax attorney. A delinquent tax on personal property incurs an additional penalty, in an amount established by the District and a delinquent tax attorney, 60 days after the date the taxes become delinquent. The delinquent tax accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code makes provisions for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes under certain circumstances which, at the option of the District, which may be rejected by taxing units. The District's tax collector is required to enter into an installment payment agreement with any person who is delinquent on the payment of tax on a residence homestead for payment of tax, penalties and interest, if the person requests an installment agreement and has not entered into an installment agreement with the collector in the preceding 24 months. The installment agreement must provide for payments to be made in monthly installments and must extend for a period of at least 12 months and no more than 36 months. Additionally, the owner of a residential homestead property who is (i) sixty-five (65) years of age or older, (ii) disabled, or (iii) a disabled veteran, is entitled by law to pay current taxes on a residential homestead in installments without penalty or to defer the payment of taxes during the time of ownership. In the instance of tax deferral, a tax lien remains on the property and interest continue to accrue during the period of deferral.

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.

District's Rights in the Event of Tax Delinquencies

Taxes levied by the District are a personal obligation of the owner of the property as of January 1 of the year for which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties and interest ultimately imposed for the year on the property. The lien exists in favor of each local taxing unit, including the District, having the power to tax the property. The District's tax lien is on a parity with the tax liens of other such taxing units (see "TAX DATA - Estimated Overlapping Taxes"). A tax lien on real property takes priority over the claims 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 six (6) months for commercial property and two (2) years for residential and all other types of property after the purchaser's deed issued at the foreclosure sale is filed in the county records) or by bankruptcy proceedings which restrict the collection of taxpayer debts. The District's ability to foreclose its tax lien or collect penalties or interest on delinquent taxes may be limited on property owned by a financial institution which is under receivership by the Federal Deposit Insurance Corporation pursuant to the Federal Deposit Insurance Act, 12 U.S.C. 1825, as amended. See "INVESTMENT CONSIDERATIONS - Tax Collection Limitations."

THE SYSTEM

According to the District's Engineer, the District's water distribution, wastewater collection and storm drainage facilities (collectively, the "System") have been designed in accordance with the criteria of various regulatory agencies including the City of Houston, Harris County, the Harris County Flood Control District, and the TCEQ. The construction and installation of the facilities must be made in accordance with the standards and specifications of such entities and are subject to inspection by each such entity. The total number of connections currently projected for the District at the full development of its current area of approximately 635.8 acres of land is 1,435 with a total estimated population of 4,305.

The District is located totally within the corporate limits of the City of Houston (the "City") and obtains water, sewer and drainage service from the City. The District operates subject to a Utility Agreement (see "THE DISTRICT - Utility Agreement") to provide a water distribution system, sanitary sewer collection system and a drainage system (the "System") to serve the District. In consideration of the District's acquiring and constructing the System, the City agreed, pursuant to the terms and conditions of the Utility Agreement, to own and operate the System, with the exception of the District's storm water detention facilities.

As construction of each phase of the System is certified to be complete in accordance with the final plans and specifications approved by the City, the District is to transfer such portion of the System with construction drawings thereof to the City reserving a security interest therein until the bonds issued to acquire and construct the System have been retired. Upon transfer, the City has agreed to operate and maintain the System at its expense. Under the Utility Agreement, the City has agreed to charge customers of the System the same rates charged other similar users within the City. All revenue from the System, including any charges which the City may impose for connection to the System, belongs exclusively to the City.

The City, as owner and operator of the System, has agreed to supply the District with all of its requirements for potable water and wastewater treatment in consideration of the payment of Impact Fees. The City's current Impact Fee is \$1,989.66 per connection.

The District financed the cost of acquisition or construction of the water distribution, wastewater collection, and storm drainage facilities serving the single-family residential lots developed as Southdown Trace, Sections 1 through 5, Bayou Oaks at West Orem, Sections 1 through 9, and Clearview Village, Sections 1 through 7; components of the System to serve Oaks at Lakewood Village, Sections 1 and 2, and the I-45 Business Park and certain other facilities with portions of the

proceeds of the sale of the Prior Bonds. The District is financing stormwater detention and stormwater quality basin improvements to serve Bayou Oaks at West Orem North, Bayou Oaks at West Orem South, Clearview Village North and Southdown Trace with a portion of the proceeds of the sale of the Bonds. In addition to the components of the System and Impact Fees that the District has financed with the proceeds of the sale of the Prior Bonds and the components of the System and Impact Fees that the District is financing with a portion of the proceeds of the sale of the Bonds (see "THE BONDS - Use and Distribution of Bond Proceeds" and "THE SYSTEM"), the District expects to finance the acquisition or construction of additional components of the System, Impact Fees and road bonds with portions of the proceeds of the sale of bonds, if any, to be issued by the District in the future. See "THE BONDS - Issuance of Additional Debt" and "INVESTMENT CONSIDERATIONS - Future Debt."

Water Supply

Pursuant to the Utility Agreement, the City is required to provide the District with potable water. The District's Engineer believes that the City's facilities contain sufficient capacity to provide adequate water supply to all connections in the District developed with the proceeds of the sale of the Bonds and the Prior Bonds, plus all connections in the District expected to be developed in the future to complete the development of the District, although the District must rely on the City's obligations to supply the District with water under the terms of the Utility Agreement.

Wastewater Treatment

Pursuant to the Utility Agreement, the City is required to receive and treat all wastewater from the District. The District believes that the City's facilities contain sufficient capacity to provide wastewater treatment to all connections in the District developed with the proceeds of the sale of the Bonds and the Prior Bonds, plus all connections in the District expected to be developed in the future to complete the development of the District, although the District must rely on the City's obligations to treat the District's wastewater under the terms of the Utility Agreement.

Drainage Improvements

Storm drainage for the District is provided by internal drainage networks of underground storm drainage lines that outfall into detention basins that drain into Harris County Flood Control Ditch Unit Nos. A119-005-00, A119-06-00, C100-00-00 and P118-05-00. Operation and maintenance of the District's stormwater detention facilities is the sole responsibility of the District.

100-Year Flood Plain

According to the District's Engineer, no currently developed portion of the District is located within the designated 100-year flood plain. Certain developed areas of the District have been filled to remove the developed lot areas from the designated 100-year flood plain, and appropriate Letters of Map Revision Based on Fill have been issued by FEMA removing such areas from the mapped 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 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. 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 subsidies. An engineering or regulatory determination that an area is above the 100-year flood plain is no assurance that homes built in such area will not be flooded. If substantial or frequent flooding of homes were to occur in the District, the maintenance of or the future growth of property values in the District could be adversely affected.

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

INVESTMENT CONSIDERATIONS

General

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

Factors Affecting Taxable Values and Tax Payments

Economic Factors: To date, a substantial proportion of the assessed valuation of the property located within the District is attributable to the current market value of (i) single-family residences that have been constructed within the District, and (ii) apartments that have been constructed within the District. The market value of such homes and lots is related to general economic conditions affecting the demand for residences. The remaining developable land located within the District is expected to be developed for commercial usage. The construction of new commercial improvements and related development activities can be significantly affected by factors such as interest rates, credit availability, construction costs, energy availability and costs and consumer demand. Decreased levels of construction activity would tend to restrict the growth of property values in the District or could adversely impact such values. Recent changes in federal tax law limiting deductions for ad valorem taxes may adversely affect the demand for housing and the prices thereof. Volatility in the price of oil could adversely affect job stability, wages, and salaries, thereby negatively affecting the demand for new commercial improvements and the value of existing improvements (see “Potential Effects of Oil Price Volatility on the Houston Area” below). Were the District to experience a significant number of residential foreclosures, the value of all homes within the District could be adversely affected. Although development and home construction has occurred as to date as described in this Official Statement under the caption “DEVELOPMENT OF THE DISTRICT,” the District cannot predict the pace or magnitude of any future commercial development or the construction of future commercial projects or any other taxable improvements in the District in addition to the aforementioned development and improvements.

National Economy: The commercial development and building industry has historically been a cyclical industry, affected by both short- and long-term interest rates, availability of mortgage and development funds, employment levels and general economic conditions. Although development and home construction has occurred as to date as described in this Official Statement under the caption “DEVELOPMENT OF THE DISTRICT,” the District cannot predict the pace or magnitude of any future commercial development or the construction of future commercial projects or any other taxable improvements in the District in addition to the aforementioned development and improvements. The District cannot predict what impact, if any, a downturn in the local housing market and in the national housing and financial markets may have on the Houston market generally and the District specifically, or the maintenance of assessed values in the District. Moreover, the District cannot predict the level of occupancy of the aforementioned Regency Park Apartments and Tarrington Court Apartments that have been constructed within

the District. In addition, the Regency Park Apartments located within the District are owned by a housing authority and are not subject to taxation by the District.

Credit Markets and Liquidity in the Financial Markets: Interest rates and the availability of mortgage and development funding have a direct impact on development and homebuilding activity and the construction of apartments and other commercial improvements, particularly short-term interest rates at which developers are able to obtain financing for development costs and at which homebuilders are able to finance the construction of new homes for sale and at which the construction of apartments or other commercial improvements might be undertaken. Interest rate levels may affect the ability of a developer with undeveloped property to undertake and complete development activities within the District or the construction of future apartments or other commercial improvements. Because of the numerous and changing factors affecting the availability of funds, particularly liquidity in the national credit markets, the District is unable to assess the future availability of such funds for continued development and/or home construction or construction of future apartments or other commercial improvements within the District. The success of development within the District and growth of District taxable property values are, to a great extent, a function of the Houston metropolitan and regional economies and national credit and financial markets. A downturn in the economic conditions of Houston and further decline in real estate and financial markets in the United States could adversely affect development and homebuilding plans or construction of future apartments and other commercial improvements in the District and restrain the growth of the District's property tax base.

Developer/Builder Obligation to the District: There is no commitment by or legal requirement of Gulfbelt, TC Blue Ridge or WDC (defined herein under "THE DEVELOPERS"), or any other owner of currently undeveloped land located within the District that is also available for future development, to the District to proceed at any particular rate or according to any specified plan with the development of land in the District (see "DEVELOPMENT OF THE DISTRICT" and "THE DEVELOPERS"), or of any party to undertake the construction of future apartments within the District, and there is no restriction on any landowner's right to sell its land. Therefore, the District can make no representation about the probability of future development, if any, or the rate of home construction activity or the likelihood that any party will undertake the construction of future apartments or commercial improvements within the District. See "FUTURE DEVELOPMENT."

Principal Land Owners' Obligations to the District: TAS Energy Inc. was the District's largest taxpayer in 2025 with land and improvements the 2025 Assessed Valuation of which was \$26,921,739, or approximately 5.80% of the District's 2025 tax roll. WDC RE II LLC was the District's second largest taxpayer in 2025 with land and improvements the 2025 Assessed Valuation of which was \$17,108,833, or approximately 3.69% of the District's 2025 tax roll. Therefore, the District's two largest taxpayers owned property in the District that in 2025 comprised approximately 9.49% of the District's 2025 tax roll. The District cannot represent that its tax roll will not continue to be concentrated to such a degree in a small number of taxpayers. See "DEVELOPMENT OF THE DISTRICT," "THE DEVELOPERS" and "TAX DATA - Principal 2025 Taxpayers." The ability of TAS Energy Inc. and WDC RE II LLC, or any other principal taxpayer within the District to make full and timely payments of taxes levied against their property by the District and similar taxing authorities will directly affect the District's ability to meet its debt service obligations.

Maximum Impact on District Tax Rates

Assuming no further development, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of District property owners to pay their taxes. After issuance of the Bonds, the Maximum Annual Debt Service Requirement on the Bonds and the Outstanding Bonds will be \$2,995,200 (2055) and the Average Annual Debt Service Requirements will be \$2,818,649 (2027 through 2055, inclusive). The 2025 Assessed Valuation of property located within the District (see "TAX DATA") is \$464,030,405. Assuming no increase to nor decrease from the 2025 Assessed Valuation, no use of other legally available District funds on hand other than debt service tax receipts, and the issuance of no bonds by the District in addition to the Bonds and the Outstanding Bonds, tax rates of \$0.68 and \$0.64 per \$100 of Assessed Valuation at a 95% tax collection rate would be necessary to pay the Maximum Annual Debt Service Requirement and the Average Annual Debt Service Requirements, respectively, on the Bonds and the Outstanding Bonds. The 2026 Preliminary Valuation of property located within the District (see "TAX DATA") is \$673,501,922. Assuming no increase to nor decrease from the 2026 Preliminary Valuation, no use of other legally available

District funds on hand other than debt service tax receipts, and the issuance of no bonds by the District in addition to the Bonds and the Outstanding Bonds, tax rates of \$0.47 and \$0.45 per \$100 of Assessed Valuation at a 95% tax collection rate would be necessary to pay the Maximum Annual Debt Service Requirement and the Average Annual Debt Service Requirements, respectively, on the Bonds and the Outstanding Bonds.

The District levied a debt service tax of \$0.44 per \$100 of Assessed Valuation and a maintenance tax of \$0.07 per \$100 of Assessed Valuation for 2025. As is illustrated above, the District's 2023 debt service tax rate will not be sufficient to pay the Average Annual Debt Service Requirements and the Maximum Annual Debt Service Requirement of the Bonds and the Outstanding Bonds, assuming that taxable values within the District at the level of the 2026 Preliminary Valuation or the 2026 Preliminary Valuation, assuming that the District will have a tax collection rate of 95%, and that there will be no use of other legally available District funds on hand other than debt service tax receipts and the issuance of no bonds by the District in addition to the Bonds and the Outstanding Bonds. However, the District's Debt Service Fund balance is estimated to be \$6,080,811 as of the date of delivery of the Bonds. Although neither Texas law nor the Bond Order requires that any specific amount be retained in the Debt Service Fund at any time, the District expects to apply earnings from the investment of monies held in the Debt Service Fund to meet the debt service requirements of the Bonds and the Outstanding Bonds. The District has in the past applied earnings from the investment of monies held in the Debt Service Fund to meet the debt service requirements of the Prior Bonds as is delineated in "APPENDIX B - INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS" that is appended to this Official Statement. Moreover, the District had, as of April 30, 2026, total annual tax collections averaging 99.87% for the years 2015 through 2024, and its 2025 tax was 98.62% collected as of such date. Therefore, the District expects to be able to pay debt service on the Outstanding Bonds and the Bonds without increasing the total of its debt service tax plus its maintenance tax above the total \$0.51 per \$100 of Assessed Valuation that the District levied in 2025. See "THE BONDS - Source of Payment" and "TAXING PROCEDURES." However, the District can make no representation that the taxable property values in the District will increase in the future or will maintain a value sufficient to support the aforementioned tax rate or to justify continued payment of taxes by property owners.

As is described in this Official Statement under the caption "TAX DATA - Estimated Overlapping Taxes," the aggregate of the 2025 tax levies of all overlapping taxing units which levy taxes upon property located in the District, plus the District's 2025 rate, was \$2.984933 per \$100 of Assessed Valuation for the portion of the District located in the Pasadena Independent School District, \$2.63522 per \$100 of Assessed Valuation for the portion of the District located in the Houston Independent School District, and \$1.9889 per \$100 of Assessed Valuation for the portion of the District located in the Fort Bend Independent School District. Such aggregate levies are higher than the aggregate of the tax levies of some municipal utility districts located in the greater Houston metropolitan area, but are within the range of the aggregate tax levies of municipal utility districts in the Houston metropolitan area which are in stages of development comparable with the District. To the extent that such composite tax rates are not competitive with competing developments, the growth of property tax values in the District and the investment quality or security of the Bonds could be adversely affected. Increases in the District's tax rate to substantially higher levels than the total rate of \$0.51 per \$100 of Assessed Valuation which the District levied in 2025 may have an adverse impact upon the ability of the District to collect, and the willingness of owners of property located within the District to pay, ad valorem taxes levied by the District. In addition, the collection by the District of delinquent taxes owed to it and the enforcement by a Registered Owner of the District's obligations to collect sufficient taxes may be a costly and lengthy process.

One must consider the total tax burden of all overlapping jurisdictions imposed upon property located within the District as contrasted with property located in comparable real estate developments to gauge the relative tax burden on property within the District. The tax rate necessary to service the debt issued or to be issued by the District, and the tax rates levied by other overlapping jurisdictions, are subject to numerous uncertainties and variables, and thus the District can give no assurance that the composite tax rates imposed by overlapping jurisdictions, plus the District's tax rate, will be competitive with the tax rates of competing projects. See "THE BONDS - Registered Owners' Remedies and Bankruptcy," "TAX DATA - Estimated Overlapping Taxes," and "TAXING PROCEDURES."

Tax Collection Limitations

The District's ability to make debt service payments may be adversely affected by its inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on a parity with the liens of all other taxing authorities on the property against which taxes are levied, and such lien may be enforced by foreclosure. The District's ability to collect ad valorem taxes through such foreclosure may be impaired by (a) cumbersome, time-consuming and expensive collection procedures, (b) a bankruptcy court's stay of tax collection procedures against a taxpayer, (c) market conditions limiting the proceeds from a foreclosure sale of taxable property or (d) the taxpayer's right to redeem the property within two years of foreclosure for residential homestead and agricultural use property and within six (6) months of foreclosure for other property. While the District has a lien on taxable property within the District for taxes levied against such property, such lien can be foreclosed only in a judicial proceeding.

Registered Owners' Remedies and Bankruptcy

In the event of default in the payment of principal of or interest on the Bonds, the Registered Owners have a 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 provide for remedies to protect and enforce the interests of the Registered Owners. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Statutory language authorizing local governments such as the District to sue and be sued does not waive the local government's sovereign immunity from suits for money damages, so that in the absence of other waivers of such immunity by the Texas legislature, a default by the District in its covenants in the Bond Order may not be reduced to a judgment for money damages. Even if the Registered Owners could obtain a judgment against the District, such a judgment could not be enforced by a 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. Since there is no trust indenture or trustee, the Registered Owners would have to initiate and finance the legal process to enforce their remedies.

The enforceability of the rights and remedies of the Registered Owners may be further 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. In this regard, should the District file a petition for protection from creditors under federal bankruptcy laws, a suit seeking the remedy of mandamus would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See "THE BONDS - Registered Owners' Remedies" and "DISTRICT BANKRUPTCY."

Marketability

The District has no understanding (other than the initial reoffering yields) with the Underwriter regarding the reoffering yields or prices of the Bonds and has no control over the trading of the Bonds in the secondary market. Moreover, there is no assurance that a secondary market will be made for the Bonds. If there is a secondary market, the difference between the bid and asked price of the Bonds may be greater than the bid and asked spread of other bonds generally bought, sold or traded in the secondary market. See "SALE AND DISTRIBUTION OF THE BONDS."

Future Debt

The District reserved in the Bond Order the right to issue the remaining \$358,625,000 unlimited tax bonds authorized but unissued for waterworks, wastewater and drainage facilities or for refunding purposes, and such additional bonds as may hereafter be approved by the voters of the District. The District has also reserved the right to issue certain other additional bonds, special project bonds, and other obligations described in the Bond Order. All of the remaining \$358,625,000 for waterworks, wastewater and drainage facilities or for refunding purposes and \$160,000,000 for road bonds which have heretofore been authorized by the voters of the District may be issued by the District from time to time as needed. The issuance of such \$358,625,000 in bonds for waterworks, wastewater and drainage facilities is also subject to TCEQ authorization.

The District's Engineer estimates that the aforementioned \$358,625,000 authorized bonds which remain unissued will be adequate to finance the construction of all water, wastewater and drainage facilities to provide service to all of the currently undeveloped portions of the District. If additional bonds are issued in the future and property values have not increased proportionately, such issuance may increase gross debt/property valuation ratios and thereby adversely affect the investment quality or security of the Bonds and the Outstanding Bonds. In addition to the components of the System and Impact Fees that the District has financed with the proceeds of the sale of the Prior Bonds and the components of the System and Impact Fees that the District is financing with a portion of the proceeds of the sale of the Bonds (see "THE BONDS - Use and Distribution of Bond Proceeds" and "THE SYSTEM"), the District expects to finance the acquisition or construction of additional components of the System, Impact Fees and road bonds with the proceeds of the sale of bonds, if any, to be issued by the District in the future. See "THE BONDS - Issuance of Additional Debt" and "THE SYSTEM."

Certain Tax Exemptions Provided for Affordable Housing

There are two multifamily apartment complexes located within the District, including the 252-unit Regency Park Apartments and the 153-unit Tarrington Court Apartments. Certain multi-family housing may be exempt from ad valorem taxation by the District pursuant to Chapter 303 of the Texas Local Government Code (the "PFC Act"), Chapter 392 of the Texas Local Government Code (the "Housing Authority Act"), or Chapter 394 of the Texas Local Government Code (the "HFC Act"), if certain conditions are met.

The Housing Authority Act authorizes cities and counties to create housing authorities to provide safe and sanitary housing for persons of low income within the area of operation of the housing authority. Multi-family property owned by a housing authority, including property for which a housing authority holds an equitable interest, is exempt from all taxes and special assessments of a city, county, the state, or another political subdivision, including conservation and reclamation districts such as the District, if certain conditions are met under the Housing Authority Act. The Regency Park Apartments located within the District are owned by a housing authority and are not subject to taxation by the District. The District has not been given notice that any apartment complex other than the Regency Park Apartments is exempt from taxation.

The PFC Act authorizes cities, counties, school districts, housing authorities and special districts (a "Sponsor") to create a sponsored Public Facility Corporation ("PFC") to acquire, construct, rehabilitate, renovate, repair, equip, furnish and place in service public facilities. These activities may be financed through certain obligations of either the Sponsor or the PFC. Under the PFC Act, a "public facility" includes any real, personal, or mixed property, or an interest in property devoted or to be devoted to public use, and authorized to be financed under the PFC Act. A public facility, including a leasehold estate in a public facility, that is owned by a PFC is exempt from taxation by the State or a municipality or other political subdivision of the State, including the District. This exemption applies to both ad valorem and sales taxes levied by such taxing authorities.

Subject to certain restrictions, a leasehold or other possessory interest granted by the PFC to the user of a PFC-owned multifamily residential development entitles that user to this same exemption. A PFC project approved on or after June 18, 2023, does not qualify for an exemption with respect to taxes imposed by a conservation and reclamation district providing water, sewer, or drainage services to the development, unless an agreement is entered into with the district concerning payments in lieu of taxation. Projects for which PFC or Sponsor approval was received prior to the effective date of H.B. 2071 are governed by the prior law and are not subject to the same requirements. The District is not aware of any public facilities located within the boundaries of the District that are either owned or leased by a PFC.

The HFC Act provides for the formation of housing finance corporations ("HFCs") by municipalities and counties for the purpose of providing decent, safe, and sanitary housing at affordable prices to residents of local governments. Public property owned by an HFC, including property for which an HFC holds an equitable interest, is exempt from taxes imposed by the state or any political subdivision of the state, including conservation and reclamation districts such as the District, provided certain conditions are met under the HFC Act. This exemption applies to both ad valorem and sales taxes levied by taxing authorities where the qualified project is located. Section 394.904(d) (as added by H.B. 21, 89th Texas Legislature, Regular Session) provides in part that, for property acquired by an HFC after May 28, 2025, such ad valorem tax exemptions do not apply to taxes levied by a conservation or reclamation district created under Section 52, Article III, or Section 59, Article XVI, Texas Constitution, that provides water, sewer, or drainage service to the multifamily residential development owned by the HFC, unless the applicable HFC has entered into a written agreement with the

district to make a payment to the district in lieu of taxation, in the amount specified in the agreement. Further, property acquired by an HFC prior to May 28, 2025, may become subject to taxation by a conservation and reclamation district in future tax years unless certain additional requirements are met under the HFC Act. The District is not aware of any public property located within the boundaries of the District that is owned by an HFC.

Continuing Compliance with Certain Covenants

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

Environmental Regulations

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

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

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

Air Quality Issues

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

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

The HGB Area is currently designated as a “moderate” nonattainment area under the 2015 Ozone Standard, with an attainment deadline of August 3, 2024. For purposes of the 2015 Ozone Standard, the HGB Area consists of only six counties: Brazoria, Chambers, Fort Bend, Galveston, Harris, and Montgomery Counties.

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

Water Supply & Discharge Issues

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

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

Pursuant to the federal Safe Drinking Water Act ("SDWA") and the EPA's National Primary Drinking Water Regulations ("NPDWRs"), which are implemented by the TCEQ's Water Supply Division, a municipal utility district's provision of water for human consumption is subject to extensive regulation as a public water system.

Municipal utility districts must generally provide treated water that meets the primary and secondary drinking water quality standards adopted by the TCEQ, the applicable disinfectant residual and inactivation standards, and the other regulatory action levels established under the agency's rules. The EPA has established NPDWRs for more than ninety (90) contaminants and has identified and listed other contaminants which may require national drinking water regulation in the future. Further, the EPA has established a NPDWR for six (6) Per- and Polyfluoroalkyl 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, 2018, which is a general permit authorizing the discharge of stormwater runoff associated with small and large construction sites and certain non-stormwater discharges into surface water in the state. 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.

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

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

to a continuous surface connection. Subsequently, the EPA and USACE issued a final rule amending the definition of “waters of the United States” under the CWA to conform with the Supreme Court’s decision.

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

Extreme Weather Events

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

The greater Houston area, including the District, has experienced multiple storms exceeding a 0.2% probability (i.e., “500 year flood” events) since 2015, including Hurricane Harvey, which made landfall along the Texas Gulf Coast on August 26, 2017, and brought historic levels of rainfall during the successive four days. According to the District's Engineer, the District’s System did not sustain any material damage from Hurricane Harvey and there was no interruption of water or sewer service. The District’s Engineer is not aware of any homes or other structures within the District that experienced structural flooding or other significant damage as a result of Hurricane Harvey.

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

Specific Flood Type Risks

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

Potential Effects of Oil Price Volatility on the Houston Area

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

Changes in Tax Legislation

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

LEGAL MATTERS

Legal Opinions

The District will furnish the Underwriter a transcript of certain certified proceedings had incident to the authorization and issuance of the Bonds. Such transcript will include a certified copy of the approving opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State of Texas, to the effect that the Bonds are valid and binding obligations of the District. The District also will furnish the approving legal opinion of Smith, Murdaugh, Little & Bonham, L.L.P., Houston, Texas, Bond Counsel (“Bond Counsel”), to the effect that, based upon an examination of such transcript, the Bonds are valid and binding obligations of the District under the Constitution and laws of the State of Texas. The legal opinion of Bond Counsel will further state that the Bonds, including principal of and interest thereon, are payable from ad valorem taxes, without legal limit as to rate or amount, upon all taxable property located within the District and that interest on the Bonds is excludable from gross income for federal income tax purposes under the statutes, regulations, published rulings and court decisions existing on the date of such opinion, assuming compliance by the District with certain covenants relating to the use and investment of the proceeds of the Bonds as described under “TAX MATTERS” below. Moreover, the statutes, regulations, rulings, and court decisions as to the excludability of interest on the Bonds from gross income on which such opinions are based are subject to change.

Legal Review

In its capacity as Bond Counsel, Smith, Murdaugh, Little & Bonham, L.L.P., has reviewed the information appearing in this Official Statement under the captions “THE BONDS” (except for “Book Entry Only System” and “Use and Distribution of Bond Proceeds”), “THE DISTRICT - Authority,” and - “Attorney,” “TAXING PROCEDURES,” “LEGAL MATTERS - Legal Opinions,” “TAX MATTERS” and “CONTINUING DISCLOSURE OF INFORMATION” to determine whether such information fairly summarizes the procedures, law and documents referred to therein. Bond Counsel has not, however, independently verified any of the other factual information contained in this Official Statement nor has it conducted an investigation of the affairs of the District for the purpose of passing upon the accuracy or completeness of this Official Statement. No person is entitled to rely upon such parties’ limited participation as an assumption of responsibility for, or an expression of opinion of any kind with regard to the accuracy or completeness of any of the information contained herein. The legal fees to be paid Bond Counsel for services rendered in connection with the issuance of the Bonds are based on a percentage of the Bonds actually issued, sold and delivered. Bond Counsel acts as general counsel for the District on matters other than the issuance of bonds. Certain legal matters will be passed upon for the District by McCall, Parkhurst & Horton L.L.P., Houston, Texas, as Disclosure Counsel.

No-Litigation Certificate

The District will furnish to the Underwriter a certificate, dated as of the date of 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, to the knowledge of the signatories, 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 Underwriter to take up and pay for the Bonds, and of the District to deliver the Bonds, are subject to the condition that, up to the time of delivery of and receipt of payment for the Bonds, there shall have been no material adverse change in the financial condition of the District subsequent to the date of sale from that set forth in the Preliminary Official Statement, as it may have been supplemented or amended through the date of sale. The rating of the Insurer’s creditworthiness by any rating agency does not and will not in any manner affect the District’s financial condition, and thus any change to such rating, including a downgrade thereof, at any time, does not and will not constitute a change, material or otherwise, in the District’s financial condition, and therefore cannot be a basis for termination by the Underwriter of its obligations to take up and pay for the Bonds.

TAX MATTERS

Opinion

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.

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

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 interest on the Bonds to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The opinion of Bond Counsel is conditioned on compliance by the District with such requirements, 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 the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of 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 proceeds of the Bonds or the Refunded Bonds. 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 and Premium Bonds

The initial public offering price to be paid for one or more maturities of the Bonds is 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 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 (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the 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 INTEREST ACCRUED UPON REDEMPTION, SALE OR OTHER DISPOSITION OF SUCH ORIGINAL ISSUE DISCOUNT BONDS AND WITH RESPECT TO THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP, REDEMPTION, SALE OR OTHER DISPOSITION OF SUCH ORIGINAL ISSUE DISCOUNT BONDS.

The initial public offering price to be paid for certain maturities of the Bonds is greater than the amount payable on such Bonds at maturity (the "Premium Bonds"). An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial purchaser of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial purchaser must be reduced each year by the amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser's yield to maturity. PURCHASERS OF THE PREMIUM BONDS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS WITH RESPECT TO THE DETERMINATION OF AMORTIZABLE BOND PREMIUM WITH RESPECT TO THE PREMIUM BONDS FOR FEDERAL INCOME TAX PURPOSES AND WITH RESPECT TO THE STATE AND LOCAL TAX CONSEQUENCES OF OWNING PREMIUM BONDS.

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, 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 accumulated earnings and profits and excess passive investment income, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit, and 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.

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.

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 Internal Revenue Service. 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 Non-U.S. Holders, 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 deduction and exclusions, including the exclusion of 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.

NOT Qualified Tax-Exempt Obligations

The Bonds are **not** “qualified tax-exempt obligations” for financial institutions.

OFFICIAL STATEMENT

General

The information contained in this Official Statement has been obtained primarily from the District’s records, the District’s Engineer, the Appraisal District, the District’s Tax Assessor/Collector and other sources believed to be reliable. The District, however, makes no representation as to the accuracy or completeness of the information derived from sources other than the District. The summaries of the statutes, orders, agreements and engineering and other related documents and reports set forth in this Official Statement are included herein subject to all of the provisions of such documents. These

summaries are not purported to be complete statements of such provisions and reference is made to such documents for further information.

The financial statements of the District as of April 30, 2025, and for the year then ended, included in this offering document, have been audited by Forvis Mazars, LLP, independent auditors, as stated in their report appearing herein. A copy of the District's audited financial statements for the fiscal year ended April 30, 2025, are included as "APPENDIX B" to this Official Statement.

Experts

The information contained in the Official Statement relating to engineering and to the description of the System, and, in particular, that engineering information included in the sections entitled "THE BONDS - Use and Distribution of Bond Proceeds," "THE DISTRICT" and "THE SYSTEM" has been provided by the District's Engineer, IDS Engineering Group and has been included herein in reliance upon the authority of said firm as experts in the field of civil engineering.

The information contained in the Official Statement relating to assessed valuations of property generally and, in particular, that information concerning collection rates and valuations contained in the sections captioned "TAX DATA" and "DISTRICT DEBT" was provided by Tax Tech, Inc., Houston, Texas, and the Appraisal District. Such information has been included herein in reliance upon Tax Tech, Inc.'s authority as an expert in the field of tax collection and the Appraisal District's authority as an expert in the field of tax appraisal.

Certification as to Official Statement

The District, acting by and through its Board of Directors in its official capacity and 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, descriptions and statements concerning entities other than the District, including particularly other governmental entities, have been obtained from sources believed to be reliable, but the District has made no independent investigation or verification of such matters and makes no representation as to the accuracy or completeness thereof.

Updating of Official Statement

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

CONTINUING DISCLOSURE OF INFORMATION

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

Annual Reports

The District will provide certain updated financial information and operating data to the MSRB 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 the headings “DISTRICT DEBT” and “TAX DATA” and in “APPENDIX B - INDEPENDENT AUDITOR’S REPORT AND FINANCIAL STATEMENTS.” The District will update and provide this information within six months after the end of each fiscal year ending in or after 2026.

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 updated information will include audited financial statements, if the District's audit is completed by the required time. If audited financial statements are not available by the required time, the District will provide unaudited financial statements within the required time, and audited financial statements when the audit report becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in the Bond Order or such other accounting principles as the District may be required to employ from time to time pursuant to state law or regulation.

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

Event Notices

The District will provide timely notices of certain events to the MSRB, but in no event will such notices be provided to the MSRB in excess of 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; 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 determination 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 events affecting the tax status of the Bonds; (7) modifications to rights of Beneficial Owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District or other obligated person; (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person or the sale of all or substantially all of the assets of the District or other obligated person other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or other obligated person, any of which affect Beneficial Owners of the Bonds, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District or other obligated person, any of which reflect financial difficulties. The terms “obligated person” and “financial obligation” when used in this paragraph shall have the meanings ascribed to them under the Rule. The term “material” when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Order makes any provision for debt service reserves or liquidity enhancement. In addition, the District will provide timely notice of any failure by the District to provide financial information, operating data, or financial statements in accordance with its agreement described above under “Annual Reports.”

Availability of Information

The District has agreed to provide the foregoing information only to the MSRB. Investors will be able to access, without charge from the MSRB, continuing disclosure information filed with the MSRB through its EMMA system at www.emma.msrb.org.

Limitations and Amendments

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

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

Compliance With Prior Undertakings

During the last five years, the District has complied in all material respects with all continuing disclosure agreements made by it in accordance with SEC Rule 15c2-12.

This Official Statement was approved by the Board of Directors of Harris County Municipal Utility District No. 410 as of the date shown on the first page hereof.

/s/ Timothy H. Bayles
President, Board of Directors
Harris County Municipal Utility District No. 410

ATTEST:

/s/ Michael Olson
Pro Tem Secretary, Board of Directors
Harris County Municipal Utility District No. 410

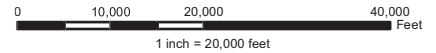
APPENDIX A
LOCATION MAP



IDS
Engineering Group

13430 NW, Freeway
Suite 700
Houston, Texas 77040
713.462.3178
TxEng Firm 2726
TxSurv Firm 10110700

**HARRIS COUNTY
MUD NO. 410
VICINITY MAP**



APPENDIX B

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 410

HARRIS COUNTY, TEXAS

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

APRIL 30, 2025



**Harris County Municipal
Utility District No. 410
Harris County, Texas**

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

April 30, 2025



Harris County Municipal Utility District No. 410
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April 30, 2025

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Independent Auditor's Report

Board of Directors
Harris County Municipal Utility District No. 410
Harris County, Texas

Opinions

We have audited the financial statements of the governmental activities and each major fund of Harris County Municipal Utility District No. 410 (District), as of and for the year ended April 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

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

Forvis Mazars, LLP

Houston, Texas
October 30, 2025

**Harris County Municipal Utility District No. 410
Management's Discussion and Analysis
Year Ended April 30, 2025**

Overview of the Financial Statements

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

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

**Harris County Municipal Utility District No. 410
Management’s Discussion and Analysis
Year Ended April 30, 2025**

Governmental Funds

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

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

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

Notes to Financial Statements

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

Financial Analysis of the District as a Whole

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

Summary of Net Position

	2025	2024
Current and other assets	\$ 14,134,027	\$ 6,736,310
Capital assets	6,375,848	6,375,848
Total assets	20,509,875	13,112,158
Deferred outflows of resources	425,136	450,917
Total assets and deferred outflows of resources	\$ 20,935,011	\$ 13,563,075
Long-term liabilities	\$ 26,291,102	\$ 20,070,715
Other liabilities	301,764	142,670
Total liabilities	26,592,866	20,213,385

**Harris County Municipal Utility District No. 410
Management's Discussion and Analysis
Year Ended April 30, 2025**

Summary of Net Position (Continued)

	<u>2025</u>	<u>2024</u>
Net position		
Net investment in capital assets	\$ (11,863,498)	\$ (11,843,783)
Restricted	4,887,223	4,025,832
Unrestricted	<u>1,318,420</u>	<u>1,167,641</u>
Total net position	<u>\$ (5,657,855)</u>	<u>\$ (6,650,310)</u>

The total net position of the District increased by \$992,455, or about 15%. The majority of the increase in net position is related to property taxes revenues exceeding services and debt service expenses. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Summary of Changes in Net Position

	<u>2025</u>	<u>2024</u>
Revenues		
Property taxes	\$ 2,240,611	\$ 2,256,987
Other revenues	<u>447,176</u>	<u>582,172</u>
Total revenues	<u>2,687,787</u>	<u>2,839,159</u>
Expenses		
Services	449,351	420,790
Debt service	<u>1,245,981</u>	<u>690,717</u>
Total expenses	<u>1,695,332</u>	<u>1,111,507</u>
Change in net position	992,455	1,727,652
Net position, beginning of year	<u>(6,650,310)</u>	<u>(8,377,962)</u>
Net position, end of year	<u>\$ (5,657,855)</u>	<u>\$ (6,650,310)</u>

Financial Analysis of the District's Funds

The District's combined fund balances as of the end of the fiscal year ended April 30, 2025 were \$13,986,589, an increase of \$7,349,578 from the prior year.

The general fund's fund balance increased by \$148,343 due to property taxes revenues and investment income exceeding service operations expenditures.

The debt service fund's fund balance increased by \$774,920 because tax revenues generated were greater than bond principal and interest requirements.

The capital projects fund's fund balance increased by \$6,426,315 primarily due to net proceeds received from the sale of the Series 2024 bonds exceeding debt issuance costs.

**Harris County Municipal Utility District No. 410
Management’s Discussion and Analysis
Year Ended April 30, 2025**

General Fund Budgetary Highlights

There were several differences between the final budgetary amounts and actual amounts. The major differences between budget and actual were due to property taxes revenues, professional fees expenditures and repairs and maintenance expenditures being greater than anticipated. The fund balance as of April 30, 2025 was expected to be \$1,356,595, and the actual end-of-year fund balance was \$1,306,288.

Capital Assets and Related Debt

Capital Assets

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

Capital Assets

	2025	2024
Land and improvements	\$ 6,375,848	\$ 6,375,848

During the current year there were no additions to capital assets.

Debt

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

Long-term debt payable, beginning of year	\$ 20,070,715
Increases in long-term debt	6,674,818
Decreases in long-term debt	(454,431)
Long-term debt payable, end of year	\$ 26,291,102

At April 30, 2025, the District had \$20,795,000 of unlimited tax and refunding bonds authorized, but unissued, for the purpose of acquiring, constructing, and improving the water, sanitary sewer, and drainage systems within the District and for the issuance of refunding bonds.

The District’s bonds carry an underlying rating of “A-” from Standard & Poor’s. The Series 2014, Series 2015 refunding, and Series 2020 refunding bonds carry a “AA” rating from Standard & Poor’s by virtue of bond insurance issued by Build America Mutual Assurance Company. The Series 2018 refunding, Series 2020, Series 2022, and Series 2024 bonds carry a “AA” rating from Standard & Poor’s by virtue of bond insurance issued by Assured Guaranty, Inc.

Other Relevant Factors

Utility Agreement Between the District and the City of Houston

All land within the District is located within the city limits of the City. On November 10, 2004, the District approved a Utility Functions and Service Allocation Agreement (Agreement). The Agreement obligates the District to acquire, construct and extend water, sanitary sewer, and drainage facilities to serve land in the District, and when completed in accordance with approved plans and specifications, the District is to convey title to such utility facilities to the City. The City then operates and maintains such facilities and is responsible for establishing water and sewer rates and collection charges for water and sewer service from District residents.

**Harris County Municipal Utility District No. 410
Management's Discussion and Analysis
Year Ended April 30, 2025**

Subsequent Event

On May 3, 2025, District voters authorized the issuance of \$160,000,000 in unlimited tax bonds for the construction of roads and an additional \$360,000,000 in unlimited tax bonds for the construction of water, sewer, and drainage facilities.

Harris County Municipal Utility District No. 410
Statement of Net Position and Governmental Funds Balance Sheet
April 30, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets						
Cash	\$ 4,678	\$ 106,145	\$ 3,400	\$ 114,223	\$ -	\$ 114,223
Short-term investments	1,343,486	4,574,352	8,024,965	13,942,803	-	13,942,803
Property taxes receivable	12,132	46,385	-	58,517	-	58,517
Accrued penalty and interest	-	-	-	-	18,484	18,484
Interfund receivables	54,424	25,889	-	80,313	(80,313)	-
Capital assets, land and improvements	-	-	-	-	6,375,848	6,375,848
Total Assets	<u>1,414,720</u>	<u>4,752,771</u>	<u>8,028,365</u>	<u>14,195,856</u>	<u>6,314,019</u>	<u>20,509,875</u>
Deferred Outflows of Resources						
Deferred amount on debt refundings	-	-	-	-	425,136	425,136
Total Assets and Deferred Outflows of Resources	<u>\$ 1,414,720</u>	<u>\$ 4,752,771</u>	<u>\$ 8,028,365</u>	<u>\$ 14,195,856</u>	<u>\$ 6,739,155</u>	<u>\$ 20,935,011</u>

Harris County Municipal Utility District No. 410
Statement of Net Position and Governmental Funds Balance Sheet
April 30, 2025

(Continued)

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Liabilities						
Accounts payable	\$ 68,439	\$ 26	\$ -	\$ 68,465	\$ -	\$ 68,465
Accrued interest payable	-	-	-	-	231,327	231,327
Due to others	1,972	-	-	1,972	-	1,972
Interfund payables	25,889	13,912	40,512	80,313	(80,313)	-
Long-term liabilities						
Due within one year	-	-	-	-	480,000	480,000
Due after one year	-	-	-	-	25,811,102	25,811,102
Total Liabilities	96,300	13,938	40,512	150,750	26,442,116	26,592,866
Deferred Inflows of Resources						
Deferred property tax revenues	12,132	46,385	-	58,517	(58,517)	-
Fund Balances/Net Position						
Fund balances						
Restricted						
Water, sewer, and drainage	-	-	7,987,853	7,987,853	(7,987,853)	-
Debt service on unlimited tax bonds	-	4,692,448	-	4,692,448	(4,692,448)	-
Unassigned	1,306,288	-	-	1,306,288	(1,306,288)	-
Total Fund Balances	1,306,288	4,692,448	7,987,853	13,986,589	(13,986,589)	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,414,720	\$ 4,752,771	\$ 8,028,365	\$ 14,195,856		
Net position						
Net investment in capital assets					(11,863,498)	(11,863,498)
Restricted for debt service					4,525,990	4,525,990
Restricted for capital projects					361,233	361,233
Unrestricted					1,318,420	1,318,420
Total net position					\$ (5,657,855)	\$ (5,657,855)

Harris County Municipal Utility District No. 410
Statement of Activities and Governmental Funds Revenues,
Expenditures, and Changes in Fund Balances
Year Ended April 30, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues						
Property taxes	\$ 480,999	\$ 1,748,749	\$ -	\$ 2,229,748	\$ 10,863	\$ 2,240,611
Penalty and interest	-	14,118	-	14,118	1,704	15,822
Investment income	53,463	177,879	200,012	431,354	-	431,354
Total Revenues	<u>534,462</u>	<u>1,940,746</u>	<u>200,012</u>	<u>2,675,220</u>	<u>12,567</u>	<u>2,687,787</u>
Expenditures/Expenses						
Service operations						
Professional fees	291,751	5,561	-	297,312	-	297,312
Contracted services	7,597	39,886	-	47,483	-	47,483
Repairs and maintenance	61,750	-	-	61,750	-	61,750
Other expenditures	25,021	17,635	150	42,806	-	42,806
Debt service						
Principal retirement	-	460,000	-	460,000	(460,000)	-
Interest and fees	-	642,744	-	642,744	154,872	797,616
Debt issuance costs	-	-	448,365	448,365	-	448,365
Total Expenditures/Expenses	<u>386,119</u>	<u>1,165,826</u>	<u>448,515</u>	<u>2,000,460</u>	<u>(305,128)</u>	<u>1,695,332</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>148,343</u>	<u>774,920</u>	<u>(248,503)</u>	<u>674,760</u>	<u>(674,760)</u>	
Other Financing Sources (Uses)						
General obligation bonds issued	-	-	6,880,000	6,880,000	(6,880,000)	
Discount on debt issued	-	-	(205,182)	(205,182)	205,182	
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>6,674,818</u>	<u>6,674,818</u>	<u>(6,674,818)</u>	
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>148,343</u>	<u>774,920</u>	<u>6,426,315</u>	<u>7,349,578</u>	<u>(7,349,578)</u>	
Change in Net Position					992,455	992,455
Fund Balances/Net Position						
Beginning of year	1,157,945	3,917,528	1,561,538	6,637,011	-	(6,650,310)
End of year	<u>\$ 1,306,288</u>	<u>\$ 4,692,448</u>	<u>\$ 7,987,853</u>	<u>\$ 13,986,589</u>	<u>\$ -</u>	<u>\$ (5,657,855)</u>

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

Harris County Municipal Utility District No. 410 (District) was created by an order of the Texas Commission on Environmental Quality (Commission), effective August 27, 2004, in accordance with the Texas Water Code, Chapter 54. The District operates in accordance with Chapters 49 and 54 of the Texas Water Code and is subject to the continuing supervision of the Commission. The principal functions of the District are to finance and construct waterworks, wastewater, and drainage facilities and to provide such facilities and services to the customers of the District. All services are provided by the City of Houston (City).

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

Reporting Entity

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

Government-Wide and Fund Financial Statements

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

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

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

The District presents the following major governmental funds:

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

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

Harris County Municipal Utility District No. 410
Notes to Financial Statements
April 30, 2025

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

Fund Balances – Governmental Funds

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

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

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

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

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

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

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

Measurement Focus and Basis of Accounting

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

Harris County Municipal Utility District No. 410
Notes to Financial Statements
April 30, 2025

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

Deferred Outflows and Inflows of Resources

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

Interfund Transactions

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

Pension Costs

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

Use of Estimates

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

Investments and Investment Income

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

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

Property Taxes

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

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

Harris County Municipal Utility District No. 410
Notes to Financial Statements
April 30, 2025

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

Capital Assets

The District conveys title to its capital assets, except drainage facilities, to the City upon completion pursuant to an agreement originating in 2004.

Deferred Amount on Debt Refundings

In the government-wide financial statements, the difference between the reacquisition price and the net carrying amount of the old debt in a debt refunding is deferred and amortized to interest expense using the effective interest rate method over the remaining life of the old debt or the life of the new debt, whichever is shorter. Such amounts are classified as deferred outflows or inflows of resources.

Debt Issuance Costs

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

Long-Term Obligations

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

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

Net Position/Fund Balances

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

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

Reconciliation of Government-Wide and Fund Financial Statements

Amounts reported for net position of governmental activities in the statement of net position and fund balances in the governmental funds balance sheet are different because of the items on the following page.

Harris County Municipal Utility District No. 410
Notes to Financial Statements
April 30, 2025

Capital assets used in governmental activities are not financial resources and are not reported in the funds. \$ 6,375,848

Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements. 58,517

Penalty and interest on delinquent taxes is not receivable in the current period and is not reported in the funds. 18,484

Deferred amounts on debt refundings for governmental activities are not financial resources and are not reported in the funds. 425,136

Accrued interest on long-term liabilities is not payable with current financial resources and is not reported in the funds. (231,327)

Long-term debt obligations are not due and payable in the current period and are not reported in the funds. (26,291,102)

Adjustment to fund balances to arrive at net position. \$ (19,644,444)

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

Change in fund balances. \$ 7,349,578

Governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. 205,182

Governmental funds report proceeds from the sale of bonds because they provide current financial resources to governmental funds. Principal payments on debt are recorded as expenditures. None of these transactions, however, have any effect on net position. (6,420,000)

Revenues that do not provide current financial resources are not reported as revenues for the funds but are reported as revenues in the statement of activities. 12,567

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (154,872)

Change in net position of governmental activities. \$ 992,455

Note 2. Deposits, Investments, and Investment Income

Deposits

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

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

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

Investments

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

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

The District invests in TexPool, an external investment pool that is not registered with the Securities and Exchange Commission. The State Comptroller of Public Accounts of the State of Texas has oversight of TexPool. The District’s investments in TexPool are reported at amortized cost.

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

<u>Type</u>	<u>Maturities in Years</u>				
	<u>Amortized Cost</u>	<u>Less Than 1</u>	<u>1–5</u>	<u>6–10</u>	<u>More Than 10</u>
TexPool	<u>\$13,942,803</u>	<u>\$13,942,803</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At April 30, 2025, the District’s investments in TexPool were rated “AAAm” by Standard & Poor’s.

Harris County Municipal Utility District No. 410
Notes to Financial Statements
April 30, 2025

Summary of Carrying Values

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

Carrying value	
Deposits	\$ 114,223
Investments	<u>13,942,803</u>
 Total	 <u><u>\$ 14,057,026</u></u>

Investment Income

Investment income of \$431,354 for the year ended April 30, 2025 consisted of interest income.

Note 3. Capital Assets

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

<u>Governmental Activities</u>	<u>Balances, Beginning of Year</u>	<u>Additions</u>	<u>Balances, End of Year</u>
Capital assets, non-depreciable			
Land and improvements	<u>\$ 6,375,848</u>	<u>\$ -</u>	<u>\$ 6,375,848</u>

Note 4. Long-Term Liabilities

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

<u>Governmental Activities</u>	<u>Balances, Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balances, End of Year</u>	<u>Amounts Due in One Year</u>
Bonds payable					
General obligation bonds	\$ 20,335,000	\$ 6,880,000	\$ 460,000	\$ 26,755,000	\$ 480,000
Less discounts on bonds	375,578	205,182	12,171	568,589	-
Add premiums on bonds	<u>111,293</u>	<u>-</u>	<u>6,602</u>	<u>104,691</u>	<u>-</u>
 Total governmental activities long-term liabilities	 <u>\$ 20,070,715</u>	 <u>\$ 6,674,818</u>	 <u>\$ 454,431</u>	 <u>\$ 26,291,102</u>	 <u>\$ 480,000</u>

Harris County Municipal Utility District No. 410
Notes to Financial Statements
April 30, 2025

General Obligation Bonds

	Series 2014	Refunding Series 2015
Amounts outstanding, April 30, 2025	\$1,500,000	\$3,640,000
Interest rates	2.00% to 4.25%	2.00% to 4.00%
Maturity dates, serially beginning/ending	September 1, 2025/2044	September 1, 2025/2036
Interest payment dates	September 1/March 1	September 1/March 1
Callable dates*	September 1, 2021	September 1, 2022
	Refunding Series 2018	Refunding Series 2020
Amounts outstanding, April 30, 2025	\$1,720,000	\$4,340,000
Interest rates	2.50% to 4.00%	2.00%
Maturity dates, serially beginning/ending	September 1, 2025/2038	September 1, 2025/2043
Interest payment dates	September 1/March 1	September 1/March 1
Callable dates*	September 1, 2023	September 1, 2025
	Series 2020	Series 2022
Amounts outstanding, April 30, 2025	\$4,825,000	\$3,850,000
Interest rates	2.00% to 4.50%	4.00% to 6.00%
Maturity dates, serially beginning/ending	September 1, 2025/2046	September 1, 2026/2049
Interest payment dates	September 1/March 1	September 1/March 1
Callable dates*	September 1, 2025	September 1, 2027

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

Harris County Municipal Utility District No. 410
Notes to Financial Statements
April 30, 2025

	<u>Series 2024</u>
Amount outstanding, April 30, 2025	\$6,880,000
Interest rates	4.00% to 4.25%
Maturity dates, serially beginning/ending	September 1, 2047/2054
Interest payment dates	September 1/March 1
Callable dates*	September 1, 2029

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

Annual Debt Service Requirements

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 480,000	\$ 989,411	\$ 1,469,411
2027	540,000	890,878	1,430,878
2028	560,000	871,407	1,431,407
2029	580,000	851,206	1,431,206
2030	600,000	830,357	1,430,357
2031–2035	3,345,000	3,817,832	7,162,832
2036–2040	4,010,000	3,203,625	7,213,625
2041–2045	4,720,000	2,622,825	7,342,825
2046–2050	5,470,000	1,863,967	7,333,967
2051–2054	6,450,000	708,847	7,158,847
Total	<u>\$ 26,755,000</u>	<u>\$ 16,650,355</u>	<u>\$ 43,405,355</u>

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

Water, sewer, and drainage facilities and refunding bonds voted	\$ 51,000,000
Water, sewer, and drainage facilities and refunding bonds issued	30,205,000

Note 5. Significant Bond Order and Commission Requirements

The Bond Orders require that the District levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due. During the year ended April 30, 2025, the District levied an ad valorem debt service tax at the rate of \$0.4000 per \$100 of assessed valuation, which resulted in a tax levy of \$1,790,242 on the taxable valuation of \$447,560,397 for the 2024 tax year. The interest and principal requirements to be paid from the tax revenues are \$1,334,164, of which \$314,953 has been paid and \$1,019,211 is due September 1, 2025.

Note 6. Maintenance Taxes

At an election held November 2, 2004, voters authorized an unlimited maintenance tax on all property within the District subject to taxation. During the year ended April 30, 2025, the District levied an ad valorem maintenance tax at the rate of \$0.1100 per \$100 of assessed valuation, which resulted in a tax levy of \$492,317 on the taxable valuation of \$447,560,397 for the 2024 tax year. The maintenance tax is being used by the general fund to pay expenditures of operating the District.

Note 7. Contract With the City of Houston

The District approved a 50-year contract with the City on November 10, 2004. Under the terms of the contract, the District is to pay for construction of water distribution, sanitary sewer, and drainage facilities to serve the District.

The District shall be the owner of the facilities until the facilities are completed and approved by the City, at which time ownership of the facilities will vest in the City; however, the District shall have a security interest therein until all bonds issued by the District pursuant to the contract are retired. The City agrees to reserve water and sewer capacity to serve persons within the District. The District has no oversight responsibilities for the operation of the facilities.

Customer Service Revenues

During the term of the contract, the City is obligated to maintain and operate the facilities in good working condition and to provide services to users within the District without discrimination. The City will fix rates and charges for customers in the District equal and uniform to the rates charged to other similar users within the City and all revenue from the facilities shall be exclusively to the City.

Note 8. Risk Management

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

Note 9. Subsequent Event

On May 3, 2025, District voters authorized the issuance of \$160,000,000 in unlimited tax bonds for the construction of roads and an additional \$360,000,000 in unlimited tax bonds for the construction of water, sewer, and drainage facilities.

Required Supplementary Information

**Harris County Municipal Utility District No. 410
 Budgetary Comparison Schedule – General Fund
 Year Ended April 30, 2025**

	<u>Original Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Property taxes	\$ 470,000	\$ 480,999	\$ 10,999
Investment income	50,000	53,463	3,463
Total Revenues	<u>520,000</u>	<u>534,462</u>	<u>14,462</u>
Expenditures			
Service operations			
Professional fees	240,000	291,751	(51,751)
Contracted services	7,500	7,597	(97)
Repairs and maintenance	50,000	61,750	(11,750)
Other expenditures	23,850	25,021	(1,171)
Total Expenditures	<u>321,350</u>	<u>386,119</u>	<u>(64,769)</u>
Excess of Revenues Over Expenditures	198,650	148,343	(50,307)
Fund Balance, Beginning of Year	<u>1,157,945</u>	<u>1,157,945</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 1,356,595</u></u>	<u><u>\$ 1,306,288</u></u>	<u><u>\$ (50,307)</u></u>

Budgets and Budgetary Accounting

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

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

Supplementary Information

Harris County Municipal Utility District No. 410
Other Schedules Included Within This Report
April 30, 2025

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

- [X] Notes Required by the Water District Accounting Manual
See "Notes to Financial Statements," Pages 11–20
- [X] Schedule of Services
- [X] Schedule of General Fund Expenditures
- [X] Schedule of Temporary Investments
- [X] Analysis of Taxes Levied and Receivable
- [X] Schedule of Long-Term Debt Service Requirements by Years
- [X] Changes in Long-Term Bonded Debt
- [X] Comparative Schedules of Revenues and Expenditures – General Fund and Debt Service Fund -
Five Years
- [X] Board Members, Key Personnel, and Consultants

Harris County Municipal Utility District No. 410
Schedule of Services
Year Ended April 30, 2025

1. Services provided by the District

- | | | |
|---|---|--|
| <input type="checkbox"/> Retail Water | <input type="checkbox"/> Wholesale Water | <input checked="" type="checkbox"/> Drainage |
| <input type="checkbox"/> Retail Wastewater | <input type="checkbox"/> Wholesale Wastewater | <input type="checkbox"/> Irrigation |
| <input type="checkbox"/> Parks/Recreation | <input type="checkbox"/> Fire Protection | <input type="checkbox"/> Security |
| <input type="checkbox"/> Solid Waste/Garbage | <input type="checkbox"/> Flood Control | <input type="checkbox"/> Roads |
| <input type="checkbox"/> Participates in joint venture, regional system and/or wastewater service (other than emergency interconnect) | | |
| <input checked="" type="checkbox"/> Other District services are provided by the City of Houston. | | |
-

Harris County Municipal Utility District No. 410
Schedule of General Fund Expenditures
Year Ended April 30, 2025

Personnel (including benefits)		\$	-
Professional Fees			
Auditing	\$	23,000	
Legal		161,961	
Engineering		106,790	
Financial advisor		-	291,751
		<u> </u>	
Purchased Services for Resale			
Bulk water and wastewater service purchases			-
Regional Water Fee			-
Contracted Services			
Bookkeeping		7,597	
General manager		-	
Appraisal district		-	
Tax collector		-	
Security		-	
Other contracted services		-	7,597
		<u> </u>	
Utilities			-
Repairs and Maintenance			61,750
Administrative Expenditures			
Directors' fees		9,945	
Office supplies		-	
Insurance		3,465	
Other administrative expenditures		11,611	25,021
		<u> </u>	
Capital Outlay			
Capitalized assets		-	
Expenditures not capitalized		-	-
		<u> </u>	
Tap Connection Expenditures			-
Solid Waste Disposal			-
Fire Fighting			-
Parks and Recreation			-
Other Expenditures			-
			<u> </u>
Total Expenditures		<u>\$</u>	<u>386,119</u>

Harris County Municipal Utility District No. 410
Schedule of Temporary Investments
April 30, 2025

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Face Amount</u>	<u>Accrued Interest Receivable</u>
General Fund				
TexPool	4.35%	Demand	\$ 1,343,486	\$ -
Debt Service Fund				
TexPool	4.35%	Demand	4,574,352	-
Capital Projects Fund				
TexPool	4.35%	Demand	<u>8,024,965</u>	<u>-</u>
Totals			<u><u>\$ 13,942,803</u></u>	<u><u>\$ -</u></u>

**Harris County Municipal Utility District No. 410
 Analysis of Taxes Levied and Receivable
 Year Ended April 30, 2025**

	<u>Maintenance Taxes</u>	<u>Debt Service Taxes</u>
Receivable, Beginning of Year	\$ 9,696	\$ 37,958
Additions and corrections to prior years' taxes	<u>(8,882)</u>	<u>(33,066)</u>
Adjusted Receivable, Beginning of Year	<u>814</u>	<u>4,892</u>
2024 Original Tax Levy	460,584	1,674,851
Additions and corrections	<u>31,733</u>	<u>115,391</u>
Adjusted tax levy	<u>492,317</u>	<u>1,790,242</u>
Total to Be Accounted For	493,131	1,795,134
Tax collections: Current year	(484,957)	(1,763,481)
Prior year	<u>3,958</u>	<u>14,732</u>
Receivable, End of Year	<u>\$ 12,132</u>	<u>\$ 46,385</u>
Receivable, by Years		
2024	\$ 7,360	\$ 26,761
2023	1,992	7,424
2022	651	2,279
2021	559	2,050
2020	311	1,141
2019	199	1,041
2018	183	954
2017	183	1,015
2016	166	924
2015	159	956
2014	193	918
2013	<u>176</u>	<u>922</u>
Receivable, End of Year	<u>\$ 12,132</u>	<u>\$ 46,385</u>

**Harris County Municipal Utility District No. 410
Analysis of Taxes Levied and Receivable
Year Ended April 30, 2025**

(Continued)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Property Valuations				
Land	\$ 96,821,187	\$ 91,096,663	\$ 69,083,407	\$ 63,485,741
Improvements	346,415,901	342,367,546	284,315,814	219,920,248
Personal property	13,483,799	11,823,877	8,159,442	2,641,549
Exemptions	<u>(9,160,490)</u>	<u>(8,700,240)</u>	<u>(7,437,202)</u>	<u>(5,556,489)</u>
Total Property Valuations	<u>\$ 447,560,397</u>	<u>\$ 436,587,846</u>	<u>\$ 354,121,461</u>	<u>\$ 280,491,049</u>
Tax Rates Per \$100 Valuation				
Debt service tax rates	\$ 0.4000	\$ 0.4100	\$ 0.4200	\$ 0.4400
Maintenance tax rates*	<u>0.1100</u>	<u>0.1100</u>	<u>0.1200</u>	<u>0.1200</u>
Total Tax Rates Per \$100 Valuation	<u>\$ 0.5100</u>	<u>\$ 0.5200</u>	<u>\$ 0.5400</u>	<u>\$ 0.5600</u>
Tax Levy	<u>\$ 2,282,559</u>	<u>\$ 2,270,257</u>	<u>\$ 1,912,256</u>	<u>\$ 1,570,750</u>
Percent of Taxes Collected to Taxes Levied**	<u>99%</u>	<u>99%</u>	<u>99%</u>	<u>99%</u>

*Maximum tax rate approved by voters: Unlimited on November 2, 2004

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

Harris County Municipal Utility District No. 410
Schedule of Long-Term Debt Service Requirements by Years
April 30, 2025

<u>Due During Fiscal Years Ending April 30</u>	<u>Series 2014</u>		<u>Total</u>
	<u>Principal Due September 1</u>	<u>Interest Due September 1, March 1</u>	
2026	\$ 25,000	\$ 62,000	\$ 87,000
2027	25,000	61,172	86,172
2028	25,000	60,250	85,250
2029	25,000	59,250	84,250
2030	25,000	58,250	83,250
2031	25,000	57,250	82,250
2032	25,000	56,250	81,250
2033	25,000	55,250	80,250
2034	25,000	54,250	79,250
2035	25,000	53,250	78,250
2036	25,000	52,250	77,250
2037	25,000	51,250	76,250
2038	25,000	50,250	75,250
2039	25,000	49,250	74,250
2040	50,000	47,750	97,750
2041	50,000	45,688	95,688
2042	50,000	43,563	93,563
2043	50,000	41,438	91,438
2044	125,000	37,719	162,719
2045	825,000	17,531	842,531
Totals	<u>\$ 1,500,000</u>	<u>\$ 1,013,861</u>	<u>\$ 2,513,861</u>

Harris County Municipal Utility District No. 410
 Schedule of Long-Term Debt Service Requirements by Years
 April 30, 2025

(Continued)

Due During Fiscal Years Ending April 30	Refunding Series 2015		
	Principal Due September 1	Interest Due September 1, March 1	Total
2026	\$ 235,000	\$ 140,900	\$ 375,900
2027	240,000	131,400	371,400
2028	255,000	121,500	376,500
2029	265,000	111,100	376,100
2030	280,000	100,200	380,200
2031	295,000	88,700	383,700
2032	305,000	76,700	381,700
2033	325,000	64,100	389,100
2034	335,000	50,900	385,900
2035	350,000	37,200	387,200
2036	370,000	22,800	392,800
2037	385,000	7,700	392,700
Totals	<u>\$ 3,640,000</u>	<u>\$ 953,200</u>	<u>\$ 4,593,200</u>

Harris County Municipal Utility District No. 410
 Schedule of Long-Term Debt Service Requirements by Years
 April 30, 2025

(Continued)

Due During Fiscal Years Ending April 30	Refunding Series 2018		
	Principal Due September 1	Interest Due September 1, March 1	Total
2026	\$ 55,000	\$ 67,700	\$ 122,700
2027	55,000	65,500	120,500
2028	55,000	63,300	118,300
2029	55,000	61,100	116,100
2030	55,000	58,900	113,900
2031	55,000	56,700	111,700
2032	55,000	54,500	109,500
2033	55,000	52,300	107,300
2034	55,000	50,100	105,100
2035	55,000	47,900	102,900
2036	50,000	45,800	95,800
2037	50,000	43,800	93,800
2038	525,000	32,300	557,300
2039	545,000	10,900	555,900
Totals	\$ 1,720,000	\$ 710,800	\$ 2,430,800

Harris County Municipal Utility District No. 410
 Schedule of Long-Term Debt Service Requirements by Years
 April 30, 2025

(Continued)

Due During Fiscal Years Ending April 30	Refunding Series 2020		
	Principal Due September 1	Interest Due September 1, March 1	Total
2026	\$ 80,000	\$ 86,000	\$ 166,000
2027	75,000	84,450	159,450
2028	100,000	82,700	182,700
2029	100,000	80,700	180,700
2030	100,000	78,700	178,700
2031	100,000	76,700	176,700
2032	100,000	74,700	174,700
2033	100,000	72,700	172,700
2034	95,000	70,750	165,750
2035	95,000	68,850	163,850
2036	95,000	66,950	161,950
2037	95,000	65,050	160,050
2038	90,000	63,200	153,200
2039	90,000	61,400	151,400
2040	590,000	54,600	644,600
2041	600,000	42,700	642,700
2042	615,000	30,550	645,550
2043	620,000	18,200	638,200
2044	600,000	6,000	606,000
Totals	\$ 4,340,000	\$ 1,184,900	\$ 5,524,900

Harris County Municipal Utility District No. 410
 Schedule of Long-Term Debt Service Requirements by Years
 April 30, 2025

(Continued)

Due During Fiscal Years Ending April 30	Series 2020		Total
	Principal Due September 1	Interest Due September 1, March 1	
2026	\$ 85,000	\$ 104,388	\$ 189,388
2027	95,000	101,525	196,525
2028	75,000	99,825	174,825
2029	85,000	98,225	183,225
2030	90,000	96,475	186,475
2031	100,000	94,575	194,575
2032	110,000	92,475	202,475
2033	115,000	90,225	205,225
2034	130,000	87,775	217,775
2035	140,000	85,075	225,075
2036	155,000	82,125	237,125
2037	165,000	78,925	243,925
2038	115,000	76,125	191,125
2039	120,000	73,775	193,775
2040	170,000	70,769	240,769
2041	180,000	67,050	247,050
2042	190,000	63,000	253,000
2043	210,000	58,500	268,500
2044	180,000	54,113	234,113
2045	175,000	50,118	225,118
2046	1,045,000	36,393	1,081,393
2047	1,095,000	12,318	1,107,318
Totals	\$ 4,825,000	\$ 1,673,774	\$ 6,498,774

Harris County Municipal Utility District No. 410
 Schedule of Long-Term Debt Service Requirements by Years
 April 30, 2025

(Continued)

Due During Fiscal Years Ending April 30	Series 2022		Total
	Principal Due September 1	Interest Due September 1, March 1	
2026	\$ -	\$ 160,000	\$ 160,000
2027	50,000	158,500	208,500
2028	50,000	155,500	205,500
2029	50,000	152,500	202,500
2030	50,000	149,500	199,500
2031	50,000	146,500	196,500
2032	50,000	143,500	193,500
2033	50,000	141,000	191,000
2034	50,000	139,000	189,000
2035	50,000	137,000	187,000
2036	50,000	135,000	185,000
2037	50,000	133,000	183,000
2038	50,000	131,000	181,000
2039	50,000	129,000	179,000
2040	50,000	127,000	177,000
2041	50,000	125,000	175,000
2042	50,000	123,000	173,000
2043	50,000	121,000	171,000
2044	50,000	119,000	169,000
2045	50,000	117,000	167,000
2046	50,000	115,000	165,000
2047	50,000	113,000	163,000
2048	900,000	94,000	994,000
2049	925,000	57,500	982,500
2050	975,000	19,500	994,500
Totals	\$ 3,850,000	\$ 3,142,000	\$ 6,992,000

Harris County Municipal Utility District No. 410
 Schedule of Long-Term Debt Service Requirements by Years
 April 30, 2025

(Continued)

Due During Fiscal Years Ending April 30	Series 2024		Total
	Principal Due September 1	Interest Due September 1, March 1	
2026	\$ -	\$ 368,423	\$ 368,423
2027	-	288,331	288,331
2028	-	288,332	288,332
2029	-	288,331	288,331
2030	-	288,332	288,332
2031	-	288,331	288,331
2032	-	288,332	288,332
2033	-	288,331	288,331
2034	-	288,332	288,332
2035	-	288,331	288,331
2036	-	288,332	288,332
2037	-	288,331	288,331
2038	-	288,331	288,331
2039	-	288,331	288,331
2040	-	288,331	288,331
2041	-	288,331	288,331
2042	-	288,331	288,331
2043	-	288,331	288,331
2044	-	288,331	288,331
2045	-	288,331	288,331
2046	-	288,331	288,331
2047	-	288,331	288,331
2048	135,000	285,632	420,632
2049	150,000	279,931	429,931
2050	145,000	274,031	419,031
2051	1,170,000	247,000	1,417,000
2052	1,225,000	197,603	1,422,603
2053	1,285,000	145,031	1,430,031
2054	1,350,000	89,038	1,439,038
2055	1,420,000	30,175	1,450,175
Totals	\$ 6,880,000	\$ 7,971,820	\$ 14,851,820

Harris County Municipal Utility District No. 410
 Schedule of Long-Term Debt Service Requirements by Years
 April 30, 2025

(Continued)

Due During Fiscal Years Ending April 30	Annual Requirements For All Series		
	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2026	\$ 480,000	\$ 989,411	\$ 1,469,411
2027	540,000	890,878	1,430,878
2028	560,000	871,407	1,431,407
2029	580,000	851,206	1,431,206
2030	600,000	830,357	1,430,357
2031	625,000	808,756	1,433,756
2032	645,000	786,457	1,431,457
2033	670,000	763,906	1,433,906
2034	690,000	741,107	1,431,107
2035	715,000	717,606	1,432,606
2036	745,000	693,257	1,438,257
2037	770,000	668,056	1,438,056
2038	805,000	641,206	1,446,206
2039	830,000	612,656	1,442,656
2040	860,000	588,450	1,448,450
2041	880,000	568,769	1,448,769
2042	905,000	548,444	1,453,444
2043	930,000	527,469	1,457,469
2044	955,000	505,163	1,460,163
2045	1,050,000	472,980	1,522,980
2046	1,095,000	439,724	1,534,724
2047	1,145,000	413,649	1,558,649
2048	1,035,000	379,632	1,414,632
2049	1,075,000	337,431	1,412,431
2050	1,120,000	293,531	1,413,531
2051	1,170,000	247,000	1,417,000
2052	1,225,000	197,603	1,422,603
2053	1,285,000	145,031	1,430,031
2054	1,350,000	89,038	1,439,038
2055	1,420,000	30,175	1,450,175
Totals	\$ 26,755,000	\$ 16,650,355	\$ 43,405,355

Harris County Municipal Utility District No. 410
Changes in Long-Term Bonded Debt
Year Ended April 30, 2025

	Bond		
	Series 2014	Refunding Series 2015	Refunding Series 2018
Interest rates	2.00% to 4.25%	2.00% to 4.00%	2.50% to 4.00%
Dates interest payable	September 1/ March 1	September 1/ March 1	September 1/ March 1
Maturity dates	September 1, 2025/2044	September 1, 2025/2036	September 1, 2025/2038
Bonds outstanding, beginning of current year	\$ 1,525,000	\$ 3,865,000	\$ 1,775,000
Bonds sold during current year	-	-	-
Retirements, principal	25,000	225,000	55,000
Bonds outstanding, end of current year	<u>\$ 1,500,000</u>	<u>\$ 3,640,000</u>	<u>\$ 1,720,000</u>
Interest paid during current year	<u>\$ 62,781</u>	<u>\$ 150,100</u>	<u>\$ 69,900</u>
Paying agent's name and address			
Series 2014	– Wells Fargo Bank Texas, N.A., Minneapolis, Minnesota		
Series 2015R	– Wells Fargo Bank Texas, N.A., Minneapolis, Minnesota		
Series 2018R	– The Bank of New York Mellon Trust Company, N.A., Houston, Texas		
Series 2020R	– The Bank of New York Mellon Trust Company, N.A., Houston, Texas		
Series 2020	– The Bank of New York Mellon Trust Company, N.A., Houston, Texas		
Series 2022	– The Bank of New York Mellon Trust Company, N.A., Houston, Texas		
Series 2024	– The Bank of New York Mellon Trust Company, N.A., Houston, Texas		
Bond authority			
	Tax Bonds	Other Bonds	
Amount authorized by voters	\$ 51,000,000	\$ -	
Amount of authorization issued	\$ 30,205,000	\$ -	
Remaining authorization to be issued	<u>\$ 20,795,000</u>	<u>\$ -</u>	
Debt service fund cash and temporary investment balances as of April 30, 2025:		<u>\$ 4,680,497</u>	
Average annual debt service payment (principal and interest) for remaining term of all debt:		<u>\$ 1,446,845</u>	

Issues

Refunding Series 2020	Series 2020	Series 2022	Series 2024	Totals
2.00%	2.00% to 4.50%	4.00% to 6.00%	4.00% to 4.25%	
September 1/ March 1	September 1/ March 1	September 1/ March 1	September 1/ March 1	
September 1, 2025/2043	September 1, 2025/2046	September 1, 2026/2049	September 1, 2047/2054	
\$ 4,420,000	\$ 4,900,000	\$ 3,850,000	\$ -	\$ 20,335,000
-	-	-	6,880,000	6,880,000
80,000	75,000	-	-	460,000
<u>\$ 4,340,000</u>	<u>\$ 4,825,000</u>	<u>\$ 3,850,000</u>	<u>\$ 6,880,000</u>	<u>\$ 26,755,000</u>
<u>\$ 87,600</u>	<u>\$ 107,988</u>	<u>\$ 160,000</u>	<u>\$ -</u>	<u>\$ 638,369</u>

Harris County Municipal Utility District No. 410
Comparative Schedule of Revenues and Expenditures – General Fund
Five Years Ended April 30,

	Amounts				
	2025	2024	2023	2022	2021
General Fund					
Revenues					
Property taxes	\$ 480,999	\$ 478,742	\$ 417,982	\$ 330,064	\$ 307,784
Investment income	53,463	51,353	25,525	515	853
Total Revenues	<u>534,462</u>	<u>530,095</u>	<u>443,507</u>	<u>330,579</u>	<u>308,637</u>
Expenditures					
Service operations					
Professional fees	291,751	277,043	208,382	175,014	180,631
Contracted services	7,597	6,883	7,284	7,261	7,716
Repairs and maintenance	61,750	55,530	50,000	40,000	62,313
Other expenditures	25,021	16,262	15,462	13,255	20,666
Debt service, debt issuance costs	-	-	-	50,012	6,750
Total Expenditures	<u>386,119</u>	<u>355,718</u>	<u>281,128</u>	<u>285,542</u>	<u>278,076</u>
Excess of Revenues Over Expenditures	148,343	174,377	162,379	45,037	30,561
Other Financing Sources					
Interfund transfers in	-	-	-	-	45,000
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	148,343	174,377	162,379	45,037	75,561
Fund Balance, Beginning of Year	<u>1,157,945</u>	<u>983,568</u>	<u>821,189</u>	<u>776,152</u>	<u>700,591</u>
Fund Balance, End of Year	<u>\$ 1,306,288</u>	<u>\$ 1,157,945</u>	<u>\$ 983,568</u>	<u>\$ 821,189</u>	<u>\$ 776,152</u>
Total Active Retail Water Connections	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Total Active Retail Wastewater Connections	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

Percent of Fund Total Revenues				
2025	2024	2023	2022	2021
90.0 %	90.3 %	94.2 %	99.8 %	99.7 %
10.0	9.7	5.8	0.2	0.3
100.0	100.0	100.0	100.0	100.0
54.6	52.2	47.0	53.0	58.5
1.4	1.3	1.6	2.2	2.5
11.5	10.5	11.3	12.1	20.2
4.7	3.1	3.5	4.0	6.7
-	-	-	15.1	2.2
72.2	67.1	63.4	86.4	90.1
27.8 %	32.9 %	36.6 %	13.6 %	9.9 %

Harris County Municipal Utility District No. 410
Comparative Schedule of Revenues and Expenditures – Debt Service Fund
Five Years Ended April 30,

	Amounts				
	2025	2024	2023	2022	2021
Debt Service Fund					
Revenues					
Property taxes	\$ 1,748,749	\$ 1,783,056	\$ 1,462,990	\$ 1,211,225	\$ 1,128,946
Penalty and interest	14,118	14,025	5,378	8,450	6,279
Investment income	177,879	153,518	72,144	1,539	2,323
Total Revenues	1,940,746	1,950,599	1,540,512	1,221,214	1,137,548
Expenditures					
Current					
Professional fees	5,561	5,097	1,904	2,221	1,051
Contracted services	39,886	37,764	34,088	29,220	30,269
Other expenditures	17,635	22,058	9,747	7,582	3,814
Debt service					
Principal retirement	460,000	445,000	340,000	335,000	295,000
Interest and fees	642,744	657,556	596,590	543,146	451,414
Debt issuance costs	-	-	-	-	212,154
Debt defeasance	-	-	-	-	8,000
Total Expenditures	1,165,826	1,167,475	982,329	917,169	1,001,702
Excess of Revenues Over Expenditures	774,920	783,124	558,183	304,045	135,846
Other Financing Sources (Uses)					
General obligation bonds issued	-	-	-	-	4,585,000
Discount on debt issued	-	-	-	-	(126,673)
Deposit with escrow agent	-	-	-	-	(4,235,374)
Total Other Financing Sources	-	-	-	-	222,953
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	774,920	783,124	558,183	304,045	358,799
Fund Balance, Beginning of Year	3,917,528	3,134,404	2,576,221	2,272,176	1,913,377
Fund Balance, End of Year	\$ 4,692,448	\$ 3,917,528	\$ 3,134,404	\$ 2,576,221	\$ 2,272,176

Percent of Fund Total Revenues

<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
90.1 %	91.4 %	95.0 %	99.2 %	99.2 %
0.7	0.7	0.3	0.7	0.6
9.2	7.9	4.7	0.1	0.2
<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>
0.3	0.3	0.1	0.2	0.1
2.1	1.9	2.2	2.4	2.7
0.9	1.1	0.6	0.6	0.3
23.7	22.8	22.1	27.4	25.9
33.1	33.7	38.8	44.5	39.7
-	-	-	-	18.7
-	-	-	-	0.7
<u>60.1</u>	<u>59.8</u>	<u>63.8</u>	<u>75.1</u>	<u>88.1</u>
<u>39.9 %</u>	<u>40.2 %</u>	<u>36.2 %</u>	<u>24.9 %</u>	<u>11.9 %</u>

**Harris County Municipal Utility District No. 410
Board Members, Key Personnel, and Consultants
Year Ended April 30, 2025**

Complete District mailing address:	Harris County Municipal Utility District No. 410 c/o Smith, Murdaugh, Little & Bonham, L.L.P. 2727 Allen Parkway, Suite 1100 Houston, TX 77019
District business telephone number:	713.652.6500
Submission date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):	August 27, 2024
Limit on fees of office that a director may receive during a fiscal year:	\$ 7,200

Board Members	Term of Office Elected & Expires	Fees*	Expense Reimbursements	Title at Year-End
Jason Sirkel	Elected 05/22– 05/26	\$ 1,768	\$ -	President
Clark Hibbert	Elected 05/22– 05/26	1,326	-	Vice President
Laura Edrington	Elected 05/22– 05/26	1,547	-	Secretary
Tim Bayles	Elected 05/24– 05/28	2,873	1,531	Director
Michael Olson	Elected 05/24– 05/28	2,431	869	Director

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

**Harris County Municipal Utility District No. 410
Board Members, Key Personnel, and Consultants
Year Ended April 30, 2025**

(Continued)

Consultants	Date Hired	Fees and Expense Reimbursements	Title
Forvis Mazars, LLP	11/07/07	\$ 23,000	Auditor
Harris Central Appraisal District	Legislative Action	17,443	Appraiser
IDS Engineering Group	09/01/04	142,101	Engineer
Municipal Business Services, Inc.	09/01/04	9,097	Bookkeeper
Rathmann & Associates, L.P.	09/01/04	139,100	Financial Advisor
Smith, Murdaugh, Little & Bonham, L.L.P.	09/01/04	167,522 209,683	General Counsel Bond Counsel
Tax Tech, Incorporated	09/01/04	35,482	Tax Assessor/ Collector
Investment Officer			
Robert L. Ideus	09/01/04	N/A	Bookkeeper

APPENDIX C

SPECIMEN OF MUNICIPAL BOND INSURANCE POLICY



MUNICIPAL BOND
INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

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

Effective Date: _____

Risk Premium: \$ _____

Member Surplus Contribution: \$ _____

Total Insurance Payment: \$ _____

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

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

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

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

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

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

SPECIMEN

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

28 Liberty Street, 59th Floor
New York, New York 10005

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN

