OFFICIAL STATEMENT DATED SEPTEMBER 30, 2026

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

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

NEW ISSUE—BOOK-ENTRY ONLY
CUSIP No. 346842

RATINGS: Underlying "Baa1" Moody's
AG Insured "A1" (stable) Moody's / "AA" (stable) S&P
See "MUNICIPAL BOND RATING" and "BOND INSURANCE" herein

$16,675,000
KATY WEST MUNICIPAL UTILITY DISTRICT

(A political subdivision of the State of Texas, located in Fort Bend, Harris, and Waller Counties, Texas)

UNLIMITED TAX BONDS
SERIES 2026

Dated: October 1, 2026 **Due: April 1 (as shown below)**

Interest on the $16,675,000 Unlimited Tax Bonds, Series 2026 (the "Bonds") will accrue from October 1, 2026, and will be payable on April 1 and October 1 of each year, commencing April 1, 2027. The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC"), pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of $5,000 or integral multiples thereof. **No physical delivery of the Bonds will be made to the owners thereof.** Principal of and interest on the Bonds will be payable by the Paying Agent/Registrar 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 "BOOK-ENTRY-ONLY SYSTEM" herein. The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company, N.A., Houston, Texas. See "THE BONDS – Paying Agent/Registrar."

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by ASSURED GUARANTY INC.

ASSURED GUARANTY

MATURITIES, AMOUNTS, INTEREST RATES AND PRICES

Principal Amount	Maturity	Interest Rate	Yield (a)	Principal Amount	Maturity	Interest Rate	Yield (a)
$335,000	2028	7.500%	4.250%	$615,000	2041(b)	5.250%	5.350%
$350,000	2029	7.500%	4.350%	$645,000	2042(b)	5.250%	5.370%
$365,000	2030	7.500%	4.450%	$680,000	2043(b)	5.250%	5.390%
$385,000	2031	7.500%	4.550%	$710,000	2044(b)	5.250%	5.410%
$405,000	2032(b)	7.500%	4.650%	$745,000	2045(b)	5.250%	5.430%
$420,000	2033(b)	7.500%	4.750%	$785,000	2046(b)	5.250%	5.450%
$445,000	2034(b)	5.250%	4.850%	$820,000	2047(b)	5.250%	5.460%
$465,000	2035(b)	5.250%	5.000%	$860,000	2048(b)	5.250%	5.470%
$485,000	2036(b)	5.250%	5.080%	$900,000	2049(b)	5.250%	5.480%
$510,000	2037(b)	5.250%	5.150%	$945,000	2050(b)	5.250%	5.490%
$535,000	2038(b)	5.250%	5.220%	$990,000	2051(b)	5.250%	5.500%
$560,000	2039(b)	5.250%	5.270%	$1,040,000	2052(b)	5.125%	5.510%
$590,000	2040(b)	5.250%	5.310%	$1,090,000	2053(b)	5.000%	5.520%

(a) The initial reoffering yields are established by and are the sole responsibility of the Underwriter (hereinafter defined) and may be subsequently changed. Accrued interest is to be added to the price.

(b) The Bonds maturing on or after April 1, 2032, are subject to redemption in whole or from time to time in part, at the option of the District (hereinafter defined), on April 1, 2031, or on any date thereafter, at a price equal to the par value thereof plus accrued interest from the most recent interest payment date to the date fixed for redemption. In the event the Bonds are to be redeemed in part, the maturities and principal amounts to be redeemed shall be selected by the District. If fewer than all of the Bonds within any one maturity are redeemed, the Bonds to be redeemed shall be selected, on behalf of the District, by the Paying Agent/Registrar by lot or other customary method, in integral multiples of $5,000 in any one maturity. See "THE BONDS – Optional Redemption."

The proceeds of the Bonds will be used by Katy West Municipal Utility District (the "District") to: (1) reimburse certain of the Developers (hereinafter defined) for advancing funds to construct certain water, wastewater, drainage facilities, and detention improvements serving the District and associated engineering and testing costs; (2) fund certain land acquisition costs; (3) fund certain capital recovery fees paid to the City of Katy; (4) fund developer interest related to the advancement of funds for certain construction, engineering, and testing costs; and (5) pay administrative costs and issuance expenses associated with the sale and delivery of the Bonds. See "USE OF BOND PROCEEDS."

The Bonds, when issued, will constitute valid and binding obligations of the District and will be payable from the proceeds of a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within the District. See "THE BONDS – Source of and Security for Payment." The Bonds are obligations solely of the District and are not obligations of the State of Texas, Fort Bend County, Harris County, Waller County, the City of Katy, or any entity other than the District. Neither the faith and credit nor the taxing power of the State of Texas, Fort Bend County, Harris County, Waller County, or the City of Katy is pledged to the payment of the principal of, or interest on, the Bonds. **The Bonds are subject to certain investment considerations described under the caption "RISK FACTORS."**

The Bonds are offered when, as, and if issued by the District, subject to approval by the Attorney General of Texas and the approval of certain legal matters by Allen Boone Humphries Robinson LLP, Houston, Texas, Bond Counsel. The District will be advised on certain legal matters concerning disclosure by Norton Rose Fulbright US LLP, Houston, Texas, Disclosure Counsel. Delivery of the Bonds is expected through the facilities of DTC on or about October 28, 2026.

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USE OF INFORMATION IN OFFICIAL STATEMENT

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

This Official Statement is not to be used in connection with 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 registered or 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 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.

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

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

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

Assured Guaranty Inc. (“AG”) makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AG supplied by AG and presented under the heading “BOND INSURANCE” and “APPENDIX B - Specimen 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 producing the lowest net interest cost to the District, which was tendered by Robert W. Baird & Co., Inc. (the "Underwriter"), to purchase the Bonds bearing the rates shown on the cover page of this Official Statement at a price of 97.00% of par plus accrued interest to the date of delivery, which resulted in a net effective interest rate of 5.468637%, as calculated pursuant to Chapter 1204 of the Texas Government Code, as amended.

The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into unit investment trusts) and others at prices lower than the public offering price stated on the cover page hereof. The initial offering price may be changed from time to time by the Underwriter.

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 does not guarantee the accuracy or completeness of such information.

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 number 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 their initial sale by the District. Information concerning reoffering yields or prices is the responsibility of the Underwriter.

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 PRICES, 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 THAT STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE THAT MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

The District 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 in the Bonds. If there is a secondary market, the difference between the bid and asked price of the Bonds may be greater than the difference between the bids 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.

Securities Laws

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

CONTINUING DISCLOSURE OF INFORMATION – SEC RULE 15c2-12

In the resolution adopted by the Board of Directors of the District authorizing the issuance of the Bonds (the "Bond Resolution"), 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 certain material events, to the Municipal Securities Rulemaking Board ("MSRB"). The MSRB has established the Electronic Municipal Market Access ("EMMA") system.

Annual Reports

The District will provide certain updated financial information and operating data to the MSRB. The information to be updated with respect to the District includes the quantitative financial information and operating data of the general type included in "DISTRICT DEBT," "DISTRICT TAX DATA," and "APPENDIX A" (Independent Auditor's Report and Financial Statements of the District) of this Official Statement. The District will update and provide this information within six months after the end of each of its fiscal years ending in or after 2026. The District will provide certain updated information and operating data to the MSRB or any successor to its functions as a repository through its EMMA system.

The District may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by the Rule. The updated information will include audited financial statements if it commissions an audit and the audit is completed by the required time. If the audit of such financial statements is not complete within such period, the District shall provide unaudited financial statements for the applicable fiscal year to each EMMA within such six-month period, and audited financial statements when the audit report on such statements becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in the Bond Resolution 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 May 31. Accordingly, it must provide updated information by November 30 in each year unless the District changes its fiscal year. If the District changes its fiscal year, it will notify the MSRB via EMMA 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; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds; (7) modifications to rights of beneficial owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the District or other obligated person; (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 Resolution makes any provisions 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 updated information only to the MSRB via EMMA. Investors will be able to access, without charge from the MSRB, continuing disclosure information filed with the MSRB at www.emma.msrb.org.

Limitations and Amendments

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

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

Compliance with Prior Undertakings

During the past five years, the District has complied in all material respects with its previous continuing disclosure agreements made in accordance with the Rule.

MUNICIPAL BOND RATING

In connection with the sale of the Bonds the District made application to Moody's Investors Service, Inc. ("Moody's") which assigned a rating of "Baa1" on the Bonds based upon the District's underlying credit without bond insurance. An explanation of the significance of such rating may be obtained from Moody's. The rating reflects only the view of Moody's and the District makes no representation as to the appropriateness of such rating. The District can make no assurance that the Moody's rating will continue for any period of time or that such rating will not be revised downward or withdrawn entirely by Moody's if in the judgment of Moody's circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

Moody's is expected to assign its municipal bond insured rating of "A1" (stable outlook) to this issue of Bonds with the understanding that upon issuance and delivery of the Bonds, a municipal bond insurance policy insuring the timely payment of the principal of and interest on the Bonds will be issued by Assured Guaranty Inc. The District can make no assurance that the Moody's rating will continue for any period of time or that such rating will not be revised downward or withdrawn entirely by Moody's if in the judgment of Moody's circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds. See "BOND INSURANCE."

S&P Global Ratings ("S&P") assigned its municipal bond insured rating of "AA" (stable outlook) to this issue of Bonds with the understanding that upon issuance and delivery of the Bonds, a municipal bond insurance policy insuring the timely payment of the principal of and interest on the Bonds will be issued by Assured Guaranty Inc. The District can make no assurance that the S&P rating will continue for any period of time or that such rating will not be revised downward or withdrawn entirely by S&P if, in the judgment of S&P, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds. See "BOND INSURANCE."

BOND INSURANCE

Bond Insurance Policy

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

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

Assured Guaranty Inc.

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

AG's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A1" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AG should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AG in its sole discretion. In addition, the rating agencies may at any time change AG's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AG. AG only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AG on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

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

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

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

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

Capitalization of AG

At June 30, 2026:

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

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

Incorporation of Certain Documents by Reference

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

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

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

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

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

Any information regarding AG included herein under the caption "BOND INSURANCE – Assured Guaranty Inc." or included in a document incorporated by reference herein (collectively, the "AG Information") shall be modified or superseded to the extent that any subsequently included AG Information (either directly or through incorporation by reference) modifies or supersedes such previously included AG Information. Any AG Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

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

OFFICIAL STATEMENT SUMMARY

The following material is a summary of certain information contained herein and is qualified in its entirety by the detailed information appearing elsewhere in this Official Statement. The reader should refer particularly to sections that are indicated for more complete information.

THE BONDS

Description: The $16,675,000 Unlimited Tax Bonds, Series 2026 (the "Bonds"), are dated October 1, 2026. The Bonds represent the thirteenth series of bonds to be issued by Katy West Municipal Utility District (the "District"), formerly known as Fort Bend-Waller Counties Municipal Utility District No. 2. The Bonds mature on April 1 in the years as shown in the table on the cover page of this Official Statement. Interest on the Bonds is payable April 1, 2027, and each October 1 and April 1 thereafter until the earlier of maturity or redemption. The Bonds are issued pursuant to Article XVI, Section 59 of the Texas Constitution and the general laws of the State of Texas, relating to the issuance of bonds by political subdivisions, including but not limited to Chapters 49 and 54, Texas Water Code, as amended, a resolution authorizing the issuance of the Bonds (the "Bond Resolution") adopted by the Board of Directors of the District, an approving order of the Texas Commission on Environmental Quality (the "TCEQ"), an election held within the District, and a resolution adopted by the City of Katy, Texas approving the sale of the Bonds. See "THE BONDS."

Source of Payment: The Bonds are payable from a continuing direct annual ad valorem tax levied against all taxable property within the District, which, under Texas law, is not limited as to rate or amount. The Bonds are obligations of the District and are not obligations of the State of Texas, Fort Bend County, Harris County, Waller County, the City of Katy, or any other political subdivision or agency. See "THE BONDS – Source of and Security for Payment."

Redemption Provisions: The Bonds maturing on or after April 1, 2032, are subject to early redemption in whole or in part from time to time at the option of the District, on April 1, 2031, or on any date thereafter at the option of the District at a price of par plus accrued interest from the most recent interest payment date to the date of redemption. See "THE BONDS – Optional Redemption."

Book-Entry-Only System: The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC"), pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of $5,000 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 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 "BOOK-ENTRY-ONLY SYSTEM."

Use of Proceeds: Proceeds from the sale of the Bonds will be used by the District to: (1) reimburse certain of the Developers (hereinafter defined) for advancing funds to construct certain water, wastewater, drainage facilities, and detention improvements serving the District and associated engineering and testing costs; (2) fund certain land acquisition costs; (3) fund certain capital recovery fees paid to the City of Katy; (4) fund developer interest related to the advancement of funds for certain construction, engineering, and testing costs; and (5) pay administrative costs and issuance expenses associated with the sale and delivery of the Bonds. See "USE OF BOND PROCEEDS."

Payment Record: The District has previously issued six (6) series of unlimited tax bonds for water, wastewater, and drainage facilities, four (4) series of unlimited tax road bonds, one (1) series of unlimited tax refunding bonds, and one (1) series of unlimited tax road refunding bonds, of which $51,145,000 principal amount was outstanding as of August 1, 2026 (the "Outstanding Bonds"). The District has never defaulted in the payment of principal of or interest on the Outstanding Bonds. See "DISTRICT DEBT."

NOT Qualified Tax-Exempt Obligations: The Bonds have not been designated "qualified tax-exempt obligations" for financial institutions.

Municipal Bond Rating: In connection with the sale of the Bonds, the District made application to Moody's which assigned a rating of "Baa1" to the Bonds based upon the District's underlying credit without bond insurance. An explanation of the significance of such rating may be obtained from Moody's. The rating reflects only the view of Moody's and the District makes no representation as to the appropriateness of such rating. See "MUNICIPAL BOND RATING."

Bond Insurance: Moody's is expected to assign its municipal bond insured rating of "A1" (stable outlook) to this issue of Bonds with the understanding that upon issuance and delivery of the Bonds, a municipal bond insurance policy insuring the timely payment of the principal of and interest on the Bonds will be issued by Assured Guaranty Inc.

S&P assigned its municipal bond insured rating of "AA" (stable outlook) to this issue of Bonds with the understanding that upon issuance and delivery of the Bonds, a municipal bond insurance policy insuring the timely payment of the principal of and interest on the Bonds will be issued by Assured Guaranty Inc. See

"MUNICIPAL BOND RATING," "BOND INSURANCE" and "APPENDIX B – Specimen Municipal Bond Insurance Policy."

Legal Opinion: Allen Boone Humphries Robinson LLP, Bond Counsel, Houston, Texas. See "LEGAL MATTERS" and "TAX MATTERS."

Paying Agent/Registrar: The Bank of New York Mellon Trust Company, N.A., Houston, Texas. See "THE BONDS – Paying Agent/Registrar."

Risk Factors: The Bonds are subject to certain investment considerations as set forth in this Official Statement. Prospective purchasers should carefully examine this Official Statement with respect to the investment security of the Bonds, particularly the sections captioned "RISK FACTORS" and "LEGAL MATTERS."

THE DISTRICT

Description: The District is a municipal utility district created on June 19, 2009, with the passage of Senate Bill 860 in the 81st Texas Legislative Session (codified as Chapter 8329, Texas Special District Local Laws Code). The District was created pursuant to the authority of Article XVI, Section 59, of the Texas Constitution and operates pursuant to Chapters 49 and 54, Texas Water Code, as amended. On June 16, 2022, the District obtained approval from the TCEQ to change the District's name from Fort Bend-Waller Counties Municipal Utility District No. 2 to Katy West Municipal Utility District. The District is located entirely within the corporate limits of the City of Katy, Texas (the "City"). The District is located in southeast Waller County, Texas, northern Fort Bend County, Texas, and western Harris County, Texas. The District includes two (2) noncontiguous tracts of land that are generally located approximately two (2) miles west and four (4) miles north of the central business district of the City, and approximately 30 miles west of the central business district of the City of Houston, Texas. One tract of the District is bisected on the west by Commerce Parkway, and bounded on the south by Interstate Highway 10, on the north by U.S. Highway 90, and on the east by Snake Creek. The second tract of the District is bounded on the north by Clay Road and on the east by Katy Hockley Cut Off Road. Business owners and residents gain access to the District by traveling west from the central business district of the City on U.S. Highway 90 and south on Cane Island Parkway and by traveling north from the central business district of the City on Katy Hockley Cut Off Road and west on Clay Road. See "THE DISTRICT – Authority" and "– Description and Location."

Development of the District: The District, as it was originally created, included approximately 472 acres. Since its creation, the District has annexed certain tracts of land, and the District presently includes approximately 835 acres. As of August 1, 2026, the District consists of approximately 394 acres that have been developed and improved for commercial and light industrial purposes, approximately 131 acres that have been developed and improved for single-family residential purposes, approximately 22 acres currently under development, approximately 64 acres available for future development, and approximately 224 undevelopable acres that include street rights-of-way, detention ponds, drainage easements, park, recreation, and open spaces. See "THE DISTRICT – Description and Location" and "– Land Uses and Status of Land Development."

The District has been developed for predominantly commercial and light industrial purposes in the master planned business park known as the West Ten Business Park and includes certain other tracts developed and improved for commercial and light industrial purposes. As of August 1, 2026, commercial and light industrial building development in the District includes warehouse and distribution buildings; office, research and development, or showroom buildings; a Buc-ee's fueling station and travel center; manufacturing facilities; multi-tenant industrial facilities; multi-tenant retail facilities; and other commercial, light industrial, and retail establishments. Such commercial and light industrial buildings total approximately 3,500,650 sq. ft. In addition, the District also includes the mixed-use commercial development project known as The Green at Katy Park. Land development for The Green at Katy Park is complete, and Phase I building construction commenced in August of 2026. Based on current land plans, Phase I will contain five (5) buildings, totaling approximately 63,000 sq. ft., which will be utilized for retail and restaurant spaces. See "THE DISTRICT – Status of Commercial and Industrial Building Development."

A portion of the District is being developed for single-family residential purposes in the subdivision known as Katy Court. Homebuilding in the District has taken place in Katy Court, Sections 1A, 1B, and 2–6. As of August 1, 2026, the District included approximately 243 completed homes (of which approximately 224 homes were owner-occupied), 35 homes under construction, and 129 vacant developed lots. Additionally, approximately 63 single-family residential lots are currently under development in Katy Court, Section 7, and are anticipated to be available for homebuilding during the first quarter of 2027. See "THE DISTRICT – Status of Residential Development."

The Developers: Parkside-Stratford/I-10, Ltd. ("Parkside-Stratford") is a Texas limited partnership that was established for the purpose of developing approximately 472 acres of land in the District located within the West Ten Business Park. The limited partners of Parkside-Stratford are PRF/I-10 Partners, Ltd., a Texas limited partnership, comprised of a number of individual investors and investment entities and Stratford Land Fund II, LP, a Delaware limited partnership based in Dallas, Texas that provides land investment management services to

private and institutional investors. The general partner of Parkside-Stratford/I-10, Ltd. is Parkside Capital, LLC ("Parkside Capital"), a Texas limited liability company.

Parkside Clay KHC, LLC, a Texas limited liability company and a special purpose entity that was established for the sole purpose of developing approximately 213 acres of land within the District, is wholly owned and controlled by Parkside Capital. As noted above, Parkside Capital is also the general partner of Parkside-Stratford. On January 19, 2022, the District annexed an approximately 24-acre tract of land owned by Parkside Capital, which was developed by Parkside Capital and subsequently sold to Ace Manor Commercial Properties. According to Parkside Capital, the 24-acre tract is anticipated to be improved for commercial purposes. On February 22, 2024, the District annexed two tracts of land, totaling approximately 189 acres, which were owned by Parkside Capital. On February 4, 2025, Parkside Capital sold approximately 38 acres to Pulte Homes of Texas, L.P., and approximately 34 acres to PHHOU – KC2, LLC and Newmark Homes Houston, LLC (with each holding a 50% interest).

Pulte Homes of Texas, L.P. ("Pulte") is a Texas limited partnership whose sole general partner is PulteGroup, Inc., a Michigan corporation, the stock of which is publicly traded on the New York Stock Exchange under the ticker symbol "PHM." On January 19, 2022, the District annexed approximately 87 acres of land owned by Pulte, which Pulte developed into 194 single-family residential lots in Katy Court, Sections 1A, 1B, and 2. On February 4, 2025, Pulte purchased approximately 38 acres of land located within the District from Parkside Capital, which Pulte subsequently developed into 125 single-family residential lots in Katy Court, Sections 3 and 5.

PHHOU – KC2, LLC ("Perry") is a Texas limited liability company whose sole member is PH Land Holdings, LLC, a Texas limited liability company and an affiliate of Perry Homes, LLC, a Texas limited liability company. Newmark Homes Houston, LLC ("Newmark") is a Texas limited liability company. On February 4, 2025, Perry and Newmark purchased approximately 34 acres of land located within the District from Parkside Capital, with each holding a 50% interest. Perry and Newmark subsequently developed such land into 88 single-family residential lots in Katy Court, Sections 4 and 6. In addition, Perry and Newmark are under contract to acquire approximately 59 acres of land located within the District from Parkside Capital. According to Perry and Newmark, approximately 22 of these 59 acres are currently being developed into 63 single-family residential lots in Katy Court, Section 7, with homebuilding anticipated to commence during the first quarter of 2027.

RK Katy Park NWC LLC ("Read King") is a Texas limited liability company and a special purpose entity that was established by Read King, Inc. for the sole purpose of developing an approximately 46-acre tract of land. On February 27, 2025, the District annexed the approximately 46-acre tract of land into the District's boundaries, which has been developed by Read King into the mixed-use commercial development project known as The Green at Katy Park.

Parkside-Stratford, Parkside Capital, Pulte, Perry, Newmark, and Read King are collectively referred to herein as the "Developers." See "THE DEVELOPERS."

Homebuilders: The homes in Katy Court, Sections 1A, 1B, and 2, were constructed by Pulte and Perry Homes on 55-foot, 65-foot, and 70-foot lots and were marketed and sold in the $349,990–$447,990 price range. The homes in Katy Court, Sections 3 and 5, are being constructed by Pulte on 55-foot and 65-foot lots and are currently being marketed and sold in the $390,990–$542,990 price range. The homes in Katy Court, Sections 4 and 6, are being constructed by Perry and Newmark on 65-foot and 70-foot lots and are currently being marketed and sold in the $574,900–$849,900 price range. See "THE DISTRICT – Status of Residential Development" and "THE DEVELOPERS – Homebuilders."

Major Property Owners in the District: Major property owners in the District include commercial and industrial building owners and tenants of such buildings. According to the District's 2025 certified tax roll, the ten (10) principal taxpayers represent approximately $555,717,504 of taxable assessed valuation, or approximately 66.95% of the District's 2025 Certified Taxable Value of $829,562,181. Major property owners include, but are not limited to, Southern Glazer's Wine and Spirits of Texas, LLC ("SGWS") and Houston Property Partners II, LLC (an entity owned by SGWS); Crawford Electric Supply Co., Inc; Pool 4 Industrial TX LLC; Bit Holdings Seventy-Nine, Inc.; Sara Katy 10 LLC (an entity owned by Bel Furniture); Buc-ee's Ltd; and EAN Holdings, LLC. See "RISK FACTORS – Dependence on Principal Taxpayers," "THE DISTRICT – Status of Commercial and Industrial Building Development," and "DISTRICT TAX DATA – Principal Taxpayers." Effective December 11, 2018, the District entered into a tax abatement agreement with Houston Property Partners II, LLC, and SGWS, which continues for a term of 10 years subject to certain terms and conditions. See "TAXING PROCEDURES – Tax Abatement."

The System: The District's water supply and wastewater treatment capacity is provided by the City pursuant to the terms of the Utilities Functions and Services Allocation Agreement, as amended ("Utility Service Agreement"). The Utility Service Agreement was executed by Proterra-Stratford I-10, Ltd. ("Proterra") and the City on September 22, 2008, with a term of 40 years. The Utility Service Agreement was subsequently assigned to the District by Proterra (except for the financing obligations of Proterra) on August 27, 2009. Proterra

subsequently changed its name to Parkside-Stratford. The Utility Service Agreement was amended on July 23, 2012, January 27, 2014, June 28, 2021, July 25, 2022, and February 24, 2025. The District does not operate any water supply or wastewater treatment facilities. The Utility Service Agreement requires the City to provide the District with up to 1,983 equivalent single-family connections ("ESFCs") of water supply capacity and 1,983 ESFCs of wastewater treatment capacity, both of which are adequate to serve the District at ultimate buildout based on current land plans. In the event the District's ultimate requirements for water supply or wastewater treatment capacity exceed the ESFC commitments contemplated in the Utility Agreement, the City may be required to construct additional capacity for water supply and wastewater treatment. See "UTILITIES FUNCTIONS AND SERVICES ALLOCATION AGREEMENT WITH THE CITY OF KATY" and "THE SYSTEM."

For the tract located north of I-10 and west of Commerce Parkway within the District, the natural course of drainage in the District flows from northwest to southeast. Storm water is conveyed by overland flow and eventually reaches Snake Creek. Storm sewer collector systems drain runoff from the developed areas and the remaining undeveloped area in the District. The District's system of detention and drainage facilities detains and conveys storm water into Snake Creek. For the portion of the District located at the intersection of Clay Road and Katy Hockley Cut Off Road, the natural course of drainage flows from northwest to southeast. Storm water is conveyed by overland flow and eventually reaches Harris County Flood Control District Unit No. U101-08-00. The District's system of detention and drainage facilities detains and conveys storm water into Harris County Flood Control District Unit No. U101-08-00. The portion of the District located in Katy Court Phase 2 also follows the natural course of drainage flow from the northwest to the southeast. The Katy Court Phase 2 Detention Ponds 1, 2, and 3 represent the improved drainage system for the Katy Court Phase 2 area.

According to the Engineer (hereinafter defined), the Flood Hazard Boundary Map published by the Federal Emergency Management Agency (FEMA), currently in effect, and which covers land located in the District, indicates that approximately 35 acres of the land located in the District is located within the 100-year floodplain. All of the acreage located within the 100-year floodplain represents drainage easements, detention ponds, or other designated drainage facilities. None of the developed and improved land and none of the land that is planned for future building development is located in the 100-year floodplain. See "THE SYSTEM."

SELECTED FINANCIAL INFORMATION
(Unaudited)

2026 Preliminary Taxable Value	$933,717,843	(a)
2025 Certified Taxable Value	$829,562,181	(b)
Direct Debt:		
Outstanding Bonds (as of August 1, 2026)	$51,145,000	
The Bonds	$16,675,000	
Total Direct Debt	$67,820,000	
See “DISTRICT DEBT”		
Estimated Overlapping Debt	$47,076,293	(c)
Direct and Estimated Overlapping Debt	$114,896,293	
Percentage of Direct Debt to:		
2026 Preliminary Taxable Value	7.26%	
2025 Certified Taxable Value	8.18%	
See “DISTRICT DEBT”		
Percentage of Direct and Estimated Overlapping Debt to:		
2026 Preliminary Taxable Value	12.31%	
2025 Certified Taxable Value	13.85%	
See “DISTRICT DEBT”		
2025 Tax Rate Per $100 of Assessed Value:		
Debt Service Tax	$0.32	
Road Debt Service Tax	$0.08	
Maintenance Tax	$0.40	
Total 2025 Tax Rate	$0.80	
Cash and Temporary Investment Balances as of August 27, 2026:		
General Fund	$14,785,322	(d)
Debt Service Fund	$2,410,221	(e)
Road Debt Service Fund	$885,905	(e)

(a) The January 1, 2026 Preliminary Taxable Value was prepared by the Fort Bend Central Appraisal District (“FBCAD”), Harris Central Appraisal District (“HCAD”), and Waller County Appraisal District (“WCAD”). FBCAD, HCAD, and WCAD are collectively referred to herein as the “Appraisal Districts.” The Appraisal Districts provided the January 1, 2026 Preliminary Taxable Value to the District for informational purposes only. The preliminary values are not binding on FBCAD, HCAD, or WCAD; such values are subject to protest and review by the Appraisal Districts’ respective appraisal review boards. The District is authorized by law to levy taxes only against certified values. See "DISTRICT TAX DATA” and “TAXING PROCEDURES.”

(b) Reflects the January 1, 2025 Certified Taxable Value according to data supplied by the Appraisal Districts. See "DISTRICT TAX DATA” and “TAXING PROCEDURES.”

(c) See “DISTRICT DEBT – Estimated Overlapping Debt.”

(d) Unaudited figure per the District’s records. See “THE SYSTEM – General Fund Operating History.”

(e) Unaudited figures per the District’s records. Neither Texas law nor the District's Bond Resolution requires that the District maintain any particular balance in the Debt Service Fund or the Road Debt Service Fund. The cash and investment balances in the Road Debt Service Fund are not available to make debt service payments on the Bonds, and any funds in the Debt Service Fund are not available to make debt service payments on the District’s outstanding road bonds. See "DISTRICT TAX DATA – Tax Adequacy of Tax Revenue" and “THE BONDS – Funds.”

DEBT SERVICE REQUIREMENTS

The following table sets forth the debt service requirements for the District's Outstanding Bonds plus the debt service requirements for the Bonds.

Year	Outstanding Debt Service Requirements	Plus: Debt Service on the Bonds		Total Debt Service Requirements
		Principal	Interest	
2026	$3,061,789	-	-	$3,061,789
2027	$3,268,170	-	$922,263	$4,190,432
2028	$3,269,155	$335,000	$909,700	$4,513,855
2029	$3,302,848	$350,000	$884,013	$4,536,861
2030	$3,295,950	$365,000	$857,200	$4,518,150
2031	$3,283,762	$385,000	$829,075	$4,497,837
2032	$3,318,871	$405,000	$799,450	$4,523,321
2033	$3,339,565	$420,000	$768,513	$4,528,077
2034	$3,358,348	$445,000	$741,081	$4,544,430
2035	$3,356,648	$465,000	$717,194	$4,538,842
2036	$3,376,255	$485,000	$692,256	$4,553,512
2037	$3,395,723	$510,000	$666,138	$4,571,860
2038	$3,415,253	$535,000	$638,706	$4,588,959
2039	$3,420,655	$560,000	$609,963	$4,590,618
2040	$3,479,892	$590,000	$579,775	$4,649,667
2041	$3,492,908	$615,000	$548,144	$4,656,052
2042	$3,487,093	$645,000	$515,069	$4,647,162
2043	$3,536,471	$680,000	$480,288	$4,696,758
2044	$3,501,281	$710,000	$443,800	$4,655,081
2045	$3,575,827	$745,000	$405,606	$4,726,433
2046	$2,767,556	$785,000	$365,444	$3,917,999
2047	$2,050,888	$820,000	$323,313	$3,194,200
2048	$2,068,091	$860,000	$279,213	$3,207,303
2049	$2,081,256	$900,000	$233,013	$3,214,269
2050	$1,527,081	$945,000	$184,581	$2,656,663
2051	$1,067,300	$990,000	$133,788	$2,191,088
2052	$1,076,100	$1,040,000	$81,150	$2,197,250
2053	-	$1,090,000	$27,250	$1,117,250
TOTALS	**$80,174,733**	**$16,675,000**	**$14,635,981**	**$111,485,714**

Maximum Annual Debt Service Requirements (2045) ..... $4,726,433 (a)

$0.54 debt service tax rate on the 2026 Preliminary Taxable Value of $933,717,843
at 95% collections ..... $4,789,973 (a)

$0.60 debt service tax rate on the 2025 Certified Taxable Value of $829,562,181
at 95% collections ..... $4,728,504 (a)

(a) A certain portion of the maximum annual debt service requirement will be paid for with the District's debt service tax rate (for water, sewer, and drainage purposes) and a certain portion will be paid for with the District's road debt service tax rate. See "DISTRICT TAX DATA – Tax Adequacy of Tax Revenue."

OFFICIAL STATEMENT

relating to

KATY WEST MUNICIPAL UTILITY DISTRICT
(A political subdivision of the State of Texas located within Fort Bend, Harris, and Waller Counties, Texas)

$16,675,000
UNLIMITED TAX BONDS
SERIES 2026

INTRODUCTION

This Official Statement provides certain information in connection with the issuance by Katy West Municipal Utility District of its $16,675,000 Unlimited Tax Bonds, Series 2026 (the “Bonds”).

The Bonds are issued pursuant to Article XVI, Section 59 of the Texas Constitution and the general laws of the State of Texas, including but not limited to Chapters 49 and 54, Texas Water Code, as amended, a resolution authorizing the issuance of the Bonds (the "Bond Resolution") adopted by the Board of Directors of Katy West Municipal Utility District (the "District"), an approving order of the Texas Commission on Environmental Quality (the “TCEQ”), an election held within the District, and a resolution adopted by the City of Katy, Texas (the “City”) approving the sale of the Bonds.

This Official Statement includes descriptions of the Bonds, the Bond Resolution, certain information about the District and its financial condition, and the developers in the District. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from Bond Counsel upon payment of duplication costs thereof.

RISK FACTORS

General

The Bonds are obligations of the District and are not obligations of the State of Texas, Fort Bend County, Harris County, Waller County, the City, or any other political subdivision. The Bonds are payable from a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, on all taxable property within the District. See “THE BONDS – Source of and Security for Payment.” The investment quality of the Bonds depends on the ability of the District to collect all taxes levied against the taxable property within the District and, in the event of foreclosure of the District's tax lien, on the marketability of the property and the ability of the District to sell the property at a price sufficient to pay taxes levied by the District and by other overlapping taxing authorities. The District cannot and does not make any representations that over the life of the Bonds the taxable property within the District will accumulate or maintain taxable values sufficient to generate property taxes to pay debt service at current levels.

Marketability

The District has no understanding (other than the initial reoffering yields) with the Underwriter (hereinafter defined) regarding the reoffering yields or prices of the Bonds and has no control over trading of the Bonds in the secondary market. Moreover, there is no assurance that a secondary market will be made in the Bonds. If there is a secondary market, the difference between the bid and asked price of the Bonds may be greater than the spread between the bid and asked price of more traditional issuers as such bonds are generally bought, sold, or traded in the secondary market.

Tax Collections

The District’s ability to make debt service payments may be adversely affected by its inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on a parity with the liens of all other state and local taxing authorities on the property against which taxes are levied, and such lien may be enforced by foreclosure. The District’s ability to collect ad valorem taxes through such foreclosure may be impaired by (a) cumbersome, time-consuming and expensive collection procedures, (b) a bankruptcy court’s stay of tax collection procedures against a taxpayer, (c) market conditions affecting the marketability of taxable property within the District and limiting the proceeds from a foreclosure sale of taxable property or (d) the taxpayer’s right to redeem the property within six (6) months for commercial property and two (2) years for residential and all other property after the purchaser’s deed issued at the foreclosure sale is filed in the county records. While the District has a lien on taxable property within the District for taxes levied against such property, such lien can be foreclosed only in a judicial proceeding. Attorney’s fees and other costs of collecting any such taxpayer’s delinquencies could substantially reduce the net proceeds to the District from a tax foreclosure sale. Finally, any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the District pursuant to the Federal Bankruptcy Code could stay any attempt by the District to collect delinquent ad valorem taxes against such taxpayer. In addition to the automatic stay against collection of delinquent taxes afforded a taxpayer during the pendency of a bankruptcy, a bankruptcy could affect payment of taxes in two (2) other ways: first, a debtor’s confirmation plan may allow a debtor to make installment payments on delinquent taxes for up to six (6) years; and, second, a debtor may challenge, and a bankruptcy court may reduce, the amount of any taxes assessed against the debtor, including taxes that have already been paid. See “TAXING PROCEDURES – District’s Rights in the Event of Tax Delinquencies.”

A substantial portion of the District's certified assessed valuation for the 2025 tax year is comprised of personal property. See "DISTRICT TAX DATA – Analysis of Tax Base." The amount of personal property value in the District is greater than that found in most Houston area districts where the taxable value generally reflects residential property, land, and improvement values. Collection of delinquent personal property taxes may represent special issues including a shorter "four-year" statute of limitations relative to the collection of such taxes. See "– Personal Property Tax Collections" herein. During the past five years (i.e., the 2021 tax year through and including the 2025 tax year), the District has collected an average of 99.90% of its tax levy, including taxes levied against personal property. See "DISTRICT TAX DATA – Tax Rate and Collections." The District makes no representation that such tax collection percentage will continue in the future.

According to the District's 2025 certified tax roll, the District includes approximately $492,475,991 of assessed personal property value, or approximately 55.01% of the District's 2025 gross valuation. While the value of taxable real property is subject to fluctuation, taxable personal property is mobile and capable of being removed entirely from the District and its tax rolls. The personal property on the District's 2025 certified tax roll was primarily owned by several businesses that have operations within the District. To the extent that, for any reason, any of such businesses with large personal property holdings reduce the size of their operations in the District or cease to operate in the District altogether, and are not replaced by a similar business, the impact on the taxable valuation of the District would be significant. In addition, should any of such businesses vacate its facilities, there may be a limited market for such facility. The District makes no representation regarding the likelihood that personal property currently listed on the District's tax rolls will remain in the District, or regarding the portion of future District tax rolls that will be represented by personal property. See "– Dependence on Principal Taxpayers" herein, "DISTRICT TAX DATA – Principal Taxpayers," and "– Analysis of Tax Base."

Personal Property Tax Collection

Unlike real property, there is no certainty that personal property will remain in the District from year to year. Personal property is portable and could be removed from the District at any time. Personal property removed from the District as of January 1 of any year is not subject to taxation by the District for that year.

If personal property is subject to a lien for unpaid District taxes for any year, the District's lien is lost if the property is sold in the ordinary course of business. While a lien in the amount of the personal property taxes owed by a taxpayer attaches not only to personal property owned by the taxpayer as of January 1 with a tax situs in the District, but to any personal property located outside the District. Furthermore, locating and foreclosing on property held outside the District may be costly, inefficient, and difficult.

The statute of limitations for collection of personal property taxes is four years from the date of delinquency, which is shorter than the 20-year statute of limitations for real property and improvements. As with real property taxes, ad valorem taxes levied on personal property are the personal obligation of the taxpayer. No representation can be made by the District regarding future tax collections. See "TAXING PROCEDURES."

During the 2025 Legislative Session the exemption for tangible personal property increased to $125,000 of the total appraised value of the tangible property. This personal property tax exemption became effective January 1, 2026. The increased personal property tax exemption may result in reduced tax collections.

Dependence on Principal Taxpayers

Major property owners in the District include commercial and industrial building owners and tenants of such buildings. According to the District's 2025 certified tax roll, the ten (10) principal taxpayers represent approximately $555,717,504 of taxable assessed valuation, or approximately 66.95% of the District's 2025 Certified Taxable Value of $829,562,181. The ability of the principal taxpayers to make full and timely payments of taxes levied against its property by the District and similar taxing authorities will directly affect the District's ability to meet its debt service obligations. If, for any reason, the principal taxpayers do not pay taxes due or do not pay in a timely manner, the District may need to use other funds available for debt service purposes to the extent available. Further, if any of the principal taxpayers cease to operate its facility within the District, a substantial decrease in the District's value may result (because of the loss of personal property value); the District has no understanding with any of the principal taxpayers regarding their future level of operations in the District. The District has not covenanted in the Bond Resolution, nor is it required by Texas law, to maintain any particular balance in its Debt Service Fund, Road Debt Service Fund, or any other funds. Therefore, failure by the principal taxpayers to pay their taxes on a timely basis in amounts in excess of the District's available funds could have a material adverse effect upon the District's ability to pay debt service on the Bonds and the Outstanding Bonds on a current basis. See "THE DEVELOPERS" and "DISTRICT TAX DATA – Principal Taxpayers."

Dependence on Future Development and Potential Impact on District Tax Rates

Assuming no further construction of commercial, industrial, or single-family residential projects within the District other than those that have heretofore been constructed, the value of such land and improvements currently located and under construction within the District could be a major determinant of the ability of the District to collect, and the willingness of property owners to pay, ad valorem taxes levied by the District. After issuance of the Bonds, the Maximum Annual Debt Service Requirement will be $4,726,433 (2045). Assuming no increase or decrease from the 2026 Preliminary Taxable Value of $933,717,843 and no use of other District funds, a combined debt service tax rate and road debt service tax rate of $0.54 per $100 of assessed valuation at 95% collection rate would be necessary to pay the Maximum Annual Debt Service Requirement. Assuming no increase or decrease from the 2025 Certified Taxable Value of $829,562,181 and no use of other District funds, a combined debt service tax rate and road debt service tax rate of $0.60 per

$100 of assessed valuation at 95% collection rate would be necessary to pay the Maximum Annual Debt Service Requirement. See "DISTRICT TAX DATA – Tax Adequacy of Tax Revenue."

Registered Owners' Remedies

If the District defaults in the payment of principal of, interest on, or redemption price on the Bonds when due, or if it fails to make payments into any fund or funds created in the Bond Resolution, or defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Bond Resolution, the Registered Owners have the right of a writ of mandamus issued by a court of competent jurisdiction requiring the District and its officials to observe and perform the covenants, obligations, or conditions prescribed in the Bond Resolution. Except for mandamus, the Bond Resolution does not specifically provide for remedies to protect and enforce the interests of the Registered Owners. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Further, there is no trust indenture or trustee, and all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the Registered Owners. Statutory language authorizing local governments such as the District to sue and be sued does not waive the local government's sovereign immunity from suits for money damages. Even if such sovereign immunity were waived and a judgment against the District for money damages were obtained, the judgment could not be enforced by direct levy and execution against the District's property. Further, the Registered Owners cannot themselves foreclose on property within the District or sell property within the District to enforce the tax lien on taxable property to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the Registered Owners may further be limited by a State of Texas statute reasonably required to attain an important public purpose or by laws relating to bankruptcy, reorganization, or other similar laws of general application affecting the rights of creditors of political subdivisions, such as the District.

Bankruptcy Limitation to Registered Owners' Rights

The enforceability of the rights and remedies of 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. Specifically, the District may voluntarily file a petition for protection from creditors under the federal bankruptcy laws. During the pendency of the bankruptcy proceedings, the remedy of mandamus would not be available to the Registered Owners unless authorized by a federal bankruptcy judge.

Subject to the requirements of Texas law, the District may voluntarily proceed under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. Section 901-946, if the District: (a) is generally authorized to file for federal bankruptcy protection by the State law; (b) is insolvent or unable to meet its debts as they mature; (c) desires to effect a plan to adjust such debts; and (d) 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, the District must obtain the approval of the TCEQ prior to filing bankruptcy. 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.

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

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

A district cannot be placed into bankruptcy involuntarily.

Approval of the Bonds

As required by law, the Attorney General of Texas must approve the legality of the Bonds prior to their delivery. The Attorney General of Texas does not pass upon or guarantee the safety of the Bonds as an investment or the adequacy or accuracy of the information contained in this Official Statement.

Economic Factors and Interest Rates

A substantial percentage of the taxable values of the District are derived from the current market value of industrial improvements, tracts developed for commercial and industrial purposes, and undeveloped tracts planned for commercial and industrial development. The market value of such tracts is related to general economic conditions affecting the demand for commercial and industrial space. Demand for tracts of this type and the construction of commercial or industrial projects thereon can be significantly affected by factors such as interest rates, credit availability, construction costs, energy availability, and the prosperity and demographic characteristics of the urban center toward which the marketing of such tracts is directed. Decreased levels of construction activity or reduced resale value of such tracts could restrict the growth of property values in the District or could adversely impact such values.

The growth of taxable values in the District is, in part, related to the vitality of the commercial and industrial development and commercial and industrial building industry in the Houston metropolitan area. The commercial and industrial development and building industry has historically been a cyclical industry, affected by short-term and long-term interest rates, consumer demand, foreclosure rates, availability of mortgage and development funds, labor conditions, and general economic conditions. The Houston economy is still dependent on energy prices and the continuation of relatively low oil and natural gas prices could result in additional adverse effects on the Houston area economy. High commercial and industrial property foreclosure rates may also affect commercial and industrial mortgage lenders' willingness to accept risks and potential borrowers' ability to qualify for loans. The ability to qualify for commercial and industrial mortgage loans may negatively affect the commercial and industrial development and building industry and the growth of taxable values in the District.

The Houston area economy is particularly tied to the energy industry, and continuing fluctuations in oil and natural gas prices could adversely affect the demand for housing and the assessed values of properties located in the District. An oversupply of homes, along with a decreased demand in new housing because of general economic conditions or relatively high interest rates, may have an adverse impact on sale prices for homes and, consequently, may materially adversely affect property values or, in some instances, cause builders to abandon homebuilding plans altogether.

The continued growth of taxable values in the District is, in part, related to the single-family housing and building industry. The single-family housing and building industry has historically been a cyclical industry, affected by both short-term and long-term interest rates, availability of mortgage and development funds, labor conditions, and general economic conditions. A return to relatively high mortgage interest rates similar to those experienced in the past may adversely affect the availability and desirability of mortgage financing for new homes, hence reducing demand by homebuilders for lots within the District.

Interest rates and the availability of mortgage and development funds have a direct impact on construction activity, particularly the short-term interest rates at which developers and builders are able to obtain financing for land development or home building costs. Interest rate levels may affect the developers' or builders' ability to complete development or building plans. Long-term interest rates affect home purchasers' ability to qualify for and afford the total financing costs of a new home. The continuation of long-term interest rates at higher levels may negatively affect home sales and the rate of growth of taxable values in the District.

The commercial and industrial real estate and housing industries in the Houston area are competitive, and the District can give no assurance that development programs will be implemented or completed. The sale of developed commercial and industrial tracts or single-family residential lots and the competitive position of prospective builders in the construction of commercial and industrial establishments or single-family residential homes are affected by most of the factors discussed herein. The District's ability to pay debt service payments on its Bonds is directly related to tax revenues received by the District and the growth and maintenance of taxable values in the District.

Competition

The demand for and construction of taxable improvements in the District could be affected by competition from other developments near the District. Many of the other developments are generally accessible by the same commuter routes and served by the same employment centers and school districts causing the developments to compete with one another for the same pool of buyers at similar price points and amenity levels.

The competitive position of developers in the sale of land and the sale or leasing of residences is affected by most of the factors discussed in this section. Such a competitive position is directly related to the growth and maintenance of taxable values in the District and tax revenues to be received by the District. The District can give no assurance that building and marketing programs in the District by the Developers will be implemented or, if implemented, will be successful.

Potential Effects of Oil Price Fluctuation 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 homebuilding activity within the District. As previously stated, the Bonds are secured by an unlimited ad valorem tax, and a reduction in property values may require an increase in the ad valorem tax rate required to pay the Bonds as well as the District's share of operations and maintenance expenses payable from ad valorem taxes.

Landowners/Developers Under No Obligation to the District

Neither the Developers nor any other landowner within the District have any commitments or obligations to proceed at any particular rate or according to any specified plan with the development of land or the construction of homes or commercial improvements in the District. Currently, there is no restriction on any landowner's right (including the Developers') to sell its land. Failure to construct taxable improvements on developed lots or commercial tracts and failure of landowners to develop their land would restrict the rate of growth of taxable value in the District as it has in the past. The District is also dependent upon certain principal taxpayers (see "DISTRICT TAX DATA – Principal Taxpayers") for the timely payment of ad valorem taxes, and the District cannot predict what the future financial condition of either will be or what effect, if any, such conditions may have on their ability to pay taxes.

Future Debt

The District's voters have authorized the issuance of unlimited tax bonds for various purposes. At an election held on November 3, 2009, voters in the District authorized: (i) $40,575,000 of unlimited tax bonds for water, sanitary sewer, drainage, and storm sewer facilities and for refunding such bonds previously issued; (ii) $16,785,000 of unlimited tax bonds for road facilities and for refunding such bonds previously issued; and (iii) $7,680,000 of unlimited tax bonds for park and recreational facilities and for refunding such bonds previously issued. At an election held on November 8, 2022, voters in the District authorized: (i) $250,000,000 of unlimited tax bonds for water, sanitary sewer, drainage, and storm sewer facilities, in addition to any bonds previously authorized; (ii) $250,000,000 of unlimited tax refunding bonds for water, sanitary sewer, drainage, and storm sewer facilities, in addition to any bonds previously authorized; (iii) $175,695,000 of unlimited tax bonds for road facilities, in addition to any bonds previously authorized; (iv) $175,695,000 of unlimited tax refunding bonds for road facilities, in addition to any bonds previously authorized; (v) $50,520,000 of unlimited tax bonds for park and recreational facilities, in addition to any bonds previously authorized; and (vi) $50,520,000 of unlimited tax refunding bonds for park and recreational facilities, in addition to any bonds previously authorized.

After the issuance of the Bonds, the District will have the following amounts of unlimited tax bonds that remain authorized but unissued: (i) no unlimited tax bonds for water, sanitary sewer, drainage, and storm sewer facilities and for refunding such bonds previously issued; (ii) $4,355,000 of unlimited tax bonds for road facilities and for refunding such bonds previously issued; (iii) $7,680,000 of unlimited tax bonds for park and recreational facilities and for refunding such bonds previously issued from the November 3, 2009, election; and (iv) $231,120,000 of unlimited tax bonds for water, sanitary sewer, drainage, and storm sewer facilities; (v) $250,000,000 of unlimited tax refunding bonds for water, sanitary sewer, drainage, and storm sewer facilities; (vi) $175,695,000 of unlimited tax bonds for road facilities; (vii) $175,695,000 of unlimited tax refunding bonds for road facilities; (viii) $50,520,000 of unlimited tax bonds for park and recreational facilities; and (ix) $50,520,000 of unlimited tax refunding bonds for park and recreational facilities from the November 8, 2022, election.

The District has the right to issue additional bonds as may hereafter be approved by both the Board and the voters of the District. Such additional bonds would be issued on a parity with the Bonds. Any future new money bonds (except for new money road bonds) to be issued by the District must also be approved by the TCEQ.

The District is also authorized by statute to engage in fire-fighting activities, including the issuance of bonds payable from taxes for such purpose. Before the District could issue bonds payable from taxes for said purpose, the following actions would be required: (a) authorization of a detailed master plan and bonds for such purpose by the qualified voters in the District; (b) amendment of the existing City ordinance specifying the purposes for which the District may issue bonds; (c) approval of the master plan and issuance of bonds by the TCEQ; and (d) approval of bonds by the Attorney General of Texas. The Board is not considering issuing any fire-fighting unlimited tax bonds at this time. The District has no information concerning any determination by the City to modify its consent ordinance. Issuance of additional bonds could dilute the investment security for the Bonds.

Financing Road Facilities

The District is authorized to develop road facilities, including the issuing of bonds payable from taxes for such purpose. Before the District can issue road bonds payable from taxes, approval of the bonds by the Attorney General of Texas is required. When the District does issue road bonds, the outstanding principal amount of such bonds may not exceed an amount equal to twenty-five percent of the assessed value of real property in the District. The District conducted bond elections that authorized $16,785,000 and $175,695,000 of unlimited tax road bonds at elections held on November 3, 2009, and November 8, 2022, respectively, of which $4,355,000 and $175,695,000 remain authorized but unissued.

Financing Parks and Recreational Facilities

The District 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) approval of the park project and bonds by the TCEQ; and (b) 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 may not exceed an amount equal to three percent of the value of the taxable property in the District. The District has prepared a park plan and conducted bond elections that authorized $7,680,000 and $50,520,000 of unlimited tax park bonds at elections held on November 3, 2009, and November 8, 2022, respectively, all of which remain authorized but unissued.

Current law may be changed in a manner to increase the amount of bonds that may be issued as related to a percentage of the value of taxable property or to allow a higher or lower maintenance tax rate for such purposes. The levy of taxes for such purposes may dilute the security for the Bonds.

Continuing Compliance with Certain Covenants

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

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

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

Water Supply & Discharge Issues. Water supply and discharge regulations that municipal utility districts, including the 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) ("CGP"), with an effective date of March 5, 2023, which is a general permit authorizing the discharge of stormwater runoff associated with small and large construction sites and certain non-stormwater discharges into surface water in the state. The CGP has a 5-year permit term, and is then subject to renewal. Moreover, the Clean Water Act ("CWA") and Texas Water Code require municipal wastewater treatment plants to meet secondary treatment effluent limitations and more stringent water quality-based limitations and requirements to comply with the Texas water quality standards. Any water quality-based limitations and requirements with which a municipal utility district must comply may have an impact on the municipal utility district's ability to obtain and maintain compliance with TPDES permits.

The District is subject to the TCEQ's General Permit for Phase II (Small) Municipal Separate Storm Sewer Systems (the "MS4 Permit"), which was issued by the TCEQ on August 15, 2024. The MS4 Permit authorizes the discharge of stormwater to surface water in the state from small municipal separate storm sewer systems. The District has submitted all necessary documentation to the TCEQ for a waiver from the MS4 Permit requirements. If the waiver is not granted, in order to maintain compliance with the MS4 Permit, the District will continue to develop, implement, and maintain the required plans, as well as to install or implement best management practices to minimize or eliminate unauthorized pollutants that may otherwise be found in stormwater runoff. Costs associated with these compliance activities could be substantial in the future.

Operations of utility districts, including the District, are also potentially subject to requirements and restrictions under the CWA regarding the use and alteration of wetland areas that are within the "waters of the United States." The District must 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.

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.

Bond Insurance Risk Factors

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

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

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

The long-term ratings on the Bonds are dependent in part on the financial strength of the Bond Insurer and its claim paying ability. The Bond Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Bond Insurer and of the ratings on the Bonds insured by the Bond Insurer

will not be subject to downgrade and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds. See description of "BOND INSURANCE" herein.

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

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

Severe Weather

The District is located approximately 90 miles from the Texas Gulf Coast. Land located in this area is susceptible to high winds, heavy rain and flooding caused by hurricanes, tropical storms, and other tropical disturbances. If a hurricane (or any other natural disaster) significantly damaged all or part of the improvements within the District, the assessed value of property within the District could be substantially reduced, with a corresponding decrease in tax revenues or necessity to increase 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 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 would be adversely affected.

The greater Houston area has experienced multiple storms exceeding a 0.2% probability of occurrence (i.e., "500-year flood" events) since 2015. If the District were to sustain damage to its facilities as a result of such a storm (or any other severe weather event) requiring substantial repair or replacement, or if substantial damage to taxable property within the District were to occur as a result of a severe weather event, the investment security of the Bonds could be adversely affected.

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). Flood casualties are usually excepted from coverage unless specific flood insurance is purchased. The District cannot provide assurance that any insurance company will fulfill its obligation to provide insurance proceeds, or that insurance proceeds will be used to rebuild or repair any damages to 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 would be adversely affected.

Hurricane Beryl

Hurricane Beryl made landfall along the Texas Gulf Coast on July 8, 2024, and brought high levels of wind and rainfall to the Houston metropolitan area, including the District. According to the District's Engineer, there were no interruptions of water and sewer service as a result of Hurricane Beryl. According to the District's Engineer, the District's system did not sustain any material damage from Hurricane Beryl. The District did not receive reports that any homes or improvements within the District experienced structural flooding or other significant damage as a result of Hurricane Beryl.

Specific Flood Type Risks

The District may be subject to the following flood risks:

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

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

Coastal (or Storm Surge) Flooding – Coastal, or storm surge, flooding occurs when sea levels or water levels in estuarial rivers, bayous, and channels rise to abnormal levels in coastal areas, over and above the regular astronomical tide, caused by forces generated from a severe storm's wind, waves, and low atmospheric pressure. Storm surge is extremely dangerous, because it is

capable of flooding large swaths of coastal property and causing catastrophic destruction. This type of flooding may be exacerbated when storm surge coincides with a normal high tide.

Temporary Tax Exemption for Property Damaged by Disaster

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

Tax Payment Installments After Disaster

Certain qualified taxpayers, including owners of residential homesteads, located within a designated disaster area or emergency area and whose property has been damaged as a direct result of the disaster or emergency, 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.

Additionally, the Property Tax Code authorizes a taxing jurisdiction such as the District, solely at the jurisdiction's discretion to adopt a similar installment payment option for taxes imposed on personal property that is located within a designated disaster area or emergency area and is owned or leased by certain qualified business entities, regardless of whether the property has been damaged as a direct result of the disaster or emergency.

Atlas 14

In 2018, the National Weather Service completed a rainfall study known as NOAA Atlas 14, Volume 11 Precipitation-Frequency Atlas of the United States ("Atlas 14"). Floodplain boundaries within the 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 atlas is updated periodically and a new atlas ("Atlas 15") is expected to be released. These precipitation frequency studies are used to redraw floodplain boundaries using the most current rainfall data. In conjunction with FEMA, Harris County Flood Control District has released a new flood plain map for Harris County based on updated data and advanced modeling tools. This map is now subject to public comment and appeal. 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.

Increase in Costs of Building Materials and Labor Shortages

As a result of low supply and high demand, shipping constraints, and ongoing trade disputes (including tariffs and retaliatory tariffs), there have been substantial increases in the cost of lumber and other materials, causing many developers, homebuilders, and general contractors to experience budget overruns. Further, the federal administration's unpredictable tariff policy (including the threatened impositions of tariffs) may impact the ability of the Developers or any homebuilders in the District to estimate costs. The federal administration's immigration policies may additionally impact Texas' workforce, particularly in construction. Mass deportations or immigration policies that make it challenging for foreign workers to work in the United States may result in labor shortages that impact the Developers' ability to construct utility and road facilities and a homebuilder's ability to construct homes within the District. Decreased levels of construction activity would tend to restrict the growth of property values in the District or could adversely impact existing values. The District makes no representations regarding the probability of development or homebuilding continuing in a timely manner or the effects that current or future economic or governmental circumstances may have on any plans of the Developers or any other homebuilders.

Cybersecurity

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

USE OF BOND PROCEEDS

Proceeds from the sale of the Bonds will be used by the District to: (1) reimburse certain of the Developers for advancing funds to construct certain water, wastewater, drainage facilities, and detention improvements serving the District and associated engineering and testing costs; (2) fund certain land acquisition costs; (3) fund certain capital recovery fees paid to the City of Katy; (4) fund developer interest related to the advancement of funds for certain construction, engineering, and testing costs; and (5) pay administrative costs and issuance expenses associated with the sale and delivery of the Bonds.

Quiddity Engineering, LLC (the "Engineer") has advised the District that the proceeds listed below should be sufficient for the acquisition of such facilities. The District's present estimate of the use of proceeds of the Bonds is as follows:

CONSTRUCTION COSTS	**Total Amount**	
Developer Contribution Items		
Katy Court Phase 1 – Detention in Katy Court	$1,483,765	
Katy Court, Section 1B – W, WW, & D	$699,372	
Katy Court, Section 4 – W, WW, & D	$1,234,557	
Katy Court, Section 6 – W, WW, & D	$1,091,666	
Katy Court Phase 2 – Detention Pond 3	$1,574,975	
Lift Station No. 2	$999,140	
Engineering and Testing	$1,526,207	
Total Developer Contribution Items	**$8,609,682**	
District Items		
Katy Court, Section 2 – Capital Recovery Fees	$169,200	
Katy Court, Section 4 – Capital Recovery Fees	$162,000	
Katy Court, Section 6 – Capital Recovery Fees	$172,800	
Land Acquisition	$5,370,403	
Total District Items	**$5,874,403**	
SUBTOTAL CONSTRUCTION COSTS	**$14,484,085**	
Less Surplus Funds	**($157,775)**	
TOTAL CONSTRUCTION COSTS	**$14,326,310**	(a)
NON-CONSTRUCTION COSTS		
Legal Fees	$365,125	
Fiscal Agent Fees	$333,500	
Developer Interest	$957,819	
Bond Discount	$500,250	
Bond Issuance Expenses	$65,208	
Bond Application Report Costs	$75,600	
Attorney General Fee	$9,500	
TCEQ Bond Issuance Fee	$41,688	
Contingency	$0	
TOTAL NON-CONSTRUCTION COSTS	**$2,348,690**	
TOTAL BOND ISSUE REQUIREMENT	**$16,675,000**	

(a) TCEQ rules require, with certain exceptions, that developers contribute to the District's construction program a minimum of 30% of the construction costs of certain system facilities. The District has been granted a waiver of such requirement.

THE DISTRICT

Authority

The District is a municipal utility district created on June 19, 2009, with the passage of Senate Bill 860 in the 81st Texas Legislative Session (codified as Chapter 8329, Texas Special District Local Laws Code). The District was created pursuant to the authority of Article XVI, Section 59, of the Texas Constitution and operates pursuant to Chapters 49 and 54, Texas Water Code, as amended. On June 16, 2022, the District obtained approval from the TCEQ to change the District's name from Fort Bend-Waller Counties Municipal Utility District No. 2 to Katy West Municipal Utility District. The rights, powers, privileges, authority, and functions of the District are established by the general laws of the State of Texas pertaining to municipal utility districts, including particularly Chapters 49 and 54, Texas Water Code, as amended. The District is subject to the continuing supervision of the TCEQ. The District is empowered 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. Additionally, the District was created with certain road powers.

Under certain limited circumstances, the District 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 to provide such facilities and services to the customers of the District.

In order to obtain the consent of the City, within whose corporate limits the District lies, to the District's creation, the District has agreed to observe certain City requirements. These requirements limit the purposes for which the District may sell bonds for the acquisition and improvement of waterworks, wastewater, and drainage facilities, road facilities, and park and recreational facilities; limit the net effective interest rate on such bonds and other terms of such bonds; and require the City's approval of certain of the District's construction plans and specifications.

Description and Location

The District, as it was originally created, included approximately 472 acres. Since its creation, the District has annexed certain tracts of land, and the District presently includes approximately 835 acres. The District is located entirely within the corporate limits of the City. The District is located in southeast Waller County, Texas, northern Fort Bend County, Texas, and western Harris County, Texas. The District includes two (2) noncontiguous tracts of land that are generally located approximately two (2) miles west and four (4) miles north of the central business district of the City, and approximately 30 miles west of the central business district of the City of Houston, Texas. One tract of the District is bisected on the west by Commerce Parkway, and bounded on the south by Interstate Highway 10, on the north by U.S. Highway 90, and on the east by Snake Creek. The second tract of the District is bounded on the north by Clay Road and on the east by Katy Hockley Cut Off Road. Business owners and residents gain access to the District by traveling west from the central business district of the City on U.S. Highway 90 and south on Cane Island Parkway and by traveling north from the central business district of the City on Katy Hockley Cut Off Road and west on Clay Road. See "– Location Map" herein.

Land Uses and Status of Land Development

A summary of the approximate land use in the District as of August 1, 2026, appears in the following table. See "– Aerial Photographs" herein for further illustration of the status of land development, including the status of commercial and light industrial building development and single-family residential development in the District.

Type of Land Use	Approximate Acres
Developed and Improved Commercial Acres (a)	394
Developed and Improved Single-Family Acres (b)	131
Acres Under Development (c)	22
Additional Developable Acres (d)	64
Undevelopable Acres (e)	224
Total Approximate Acres	**835**

(a) Represents land that has been developed and improved for commercial and light industrial purposes, including the West Ten Business Park, The Green at Katy Park, and certain other commercial tracts. See "– Status of Commercial and Light Industrial Building Development" herein.

(b) Represents land that has been developed and improved for single-family residential purposes, including Katy Court, Sections 1A, 1B, and 2–6. See "– Status of Residential Development" herein.

(c) Represents the land located in Katy Court, Section 7, which is currently under construction and is expected to contain 63 single-family residential lots based on current land plans; such lots are anticipated to be available for homebuilding during the first quarter of 2027.

(d) Represents land available for future single-family residential, commercial, or light industrial development. Such acreage includes land that may be used for road rights-of-way, detention ponds, drainage easements, open spaces, or other undevelopable acres. The District makes no representation that the development of such acreage will ever be undertaken or that taxable improvements will ever be constructed thereon.

(e) Includes street rights-of-way, detention ponds, drainage easements, park, recreation, and open spaces in the District.

Status of Residential Development

A portion of the District is being developed for single-family residential purposes in the subdivision known as Katy Court. The following table indicates the approximate status of single-family residential development as of August 1, 2026.

		Homes		
Subdivision/Section	**Total Lots**	**Complete**	**Under Construction**	**Vacant Lots**
Katy Court, Section 1A (a)	27	27	0	0
Katy Court, Section 1B (a)	120	120	0	0
Katy Court, Section 2 (a)	47	47	0	0
Katy Court, Section 3 (b)	72	16	20	36
Katy Court, Section 4 (c)	45	18	3	24
Katy Court, Section 5 (b)	53	4	6	43
Katy Court, Section 6 (c)	43	11	6	26
Katy Court, Section 7 (d)	-	-	-	-
TOTALS	**407**	**243** (e)	**35**	**129**

(a) The lots in Katy Court, Sections 1A, 1B, and 2, were developed by Pulte. Homes in these sections were constructed by Pulte and Perry Homes on 55-foot, 65-foot, and 70-foot lots and were marketed and sold in the $349,990–$447,990 price range.

(b) The lots in Katy Court, Sections 3 and 5, were developed by Pulte. Homes in these sections are being constructed by Pulte on 55-foot and 65-foot lots and are currently being marketed and sold in the $390,990–$542,990 price range.

(c) The lots in Katy Court, Sections 4 and 6, were developed by Perry and Newmark. Homes in these sections are being constructed by Perry and Newmark on 65-foot and 70-foot lots and are currently being marketed and sold in the $574,900–$849,900 price range.

(d) The lots in Katy Court, Section 7 (planned for 63 single-family residential lots), are currently under development by Perry and Newmark and are anticipated to be available for homebuilding during the first quarter of 2027.

(e) As of August 1, 2026, approximately 224 of the completed homes were owner-occupied and five (5) of the completed homes are being used as model homes.

Status of Commercial and Industrial Building Development

The District has been developed for predominantly commercial and light industrial purposes in the master planned business park known as the West Ten Business Park and includes certain other tracts developed and improved for commercial and light industrial purposes. The West Ten Business Park contains light industrial and manufacturing buildings, warehouse distribution centers, and retail buildings. The following table indicates the approximate status of commercial and light industrial development as of August 1, 2026.

Owner and/or Tenant	**Size (sq. ft.)**	**Building Purpose/Type of Business**
Crawford Supply Co. (a)	500,000	Warehouse and distribution
Igloo Products Corp (b)	420,000	Warehouse and distribution
TDC WT Phase I LLC/Bel Furniture (c)	415,000	Warehouse and distribution
Thomas R. Graham LLC (d)	18,000	Warehouse and distribution
Vigavi West 10 LLC (e)	127,717	Warehouse and distribution
Pepperl + Fuchs (f)	110,000	Office, R&D space, showroom and warehouse
Buc-ee's (g)	56,200	Travel center and fueling station
Vahle, Inc.	45,000	Electrical engineering and manufacturing
Southern Glazer's Wine and Spirits (h)	673,785	Distribution facility
Rothchild Retail (i)	20,000	Multi-tenant retail facility
CVS Pharmacy	14,698	Retail pharmacy
Insite Realty Partners (j)	280,000	Multi-tenant industrial facility
Amazon, Inc. (k)	240,000	Warehouse, distribution and fulfillment center
Newton Nursery	15,000	Wholesale plant nursery
Adriatic Café	7,000	Restaurant
Mill Creek Custom Homes	15,000	Custom home design center and showroom
Stonelake Partners (l)	196,000	Distribution facility
Additional Building Improvements (m)	206,250	Commercial and light industrial
Panda Express	3,000	Restaurant
Echo Suites by Wyndham	51,000	Hotel
Additional Warehouse Improvements (n)	87,000	Warehouse and distribution

(a) Represents a warehouse and distribution facility owned by Pool 4 Industrial TX LLC. The former owner and tenant was Medline Industries, Inc., which sold the property and moved its operations out of the District. Crawford Supply Co. is currently operating in such building pursuant to a lease agreement with Pool 4 Industrial TX LLC, which is a principal taxpayer in the District. See "DISTRICT TAX DATA – Principal Taxpayers."

(b) Represents a warehouse and distribution center owned by Bit Holdings Seventy-Nine, Inc. Igloo Products Corp. is currently operating in such building pursuant to a lease agreement with Bit Holdings Seventy-Nine, Inc., which is a principal taxpayer in the District. See "DISTRICT TAX DATA – Principal Taxpayers."

(c) Represents two (2) buildings owned by Bel Furniture, including a 340,000 sq. ft. warehouse building and a 75,000 sq. ft. showroom building.

(d) Represents a build-to-suit building presently leased by Sunrise Fasteners.

(e) Represents four (4) spec warehouse buildings that are all complete and leased.

(f) Represents an office, research and development space, showroom, and warehouse building that is the North American headquarters for Pepperl & Fuchs. The building is designed to accommodate a 40,000 sq. ft. expansion.

(g) Represents Buc-ee's Katy location, which includes a 56,200 sq. ft. retail building, 120 fueling stations, and additional car wash facilities.

(h) The 673,785 sq. ft. distribution facility is owned and occupied by SGWS, which is one of the largest distributors of wine and spirits in the United States. The District entered into a tax abatement agreement with Houston Property Partners II, LLC, and SGWS. According to the District's 2025 certified tax roll, the abatement exemption value received by SGWS pursuant to the terms of such agreement totaled $22,754,716. Additionally, according to the District's 2025 certified tax roll, SGWS owns $284,205,198 of taxable personal property value in the District. See "DISTRICT TAX DATA – Analysis of Tax Base," "– Principal Taxpayers," and "TAXING PROCEDURES – Tax Abatement."

(i) The retail building includes six (6) available retail suites. According to Parkside-Stratford, 100% of the building is currently leased and occupied with tenants. There are plans to add two (2) additional 20,000 sq. ft. multi-tenant retail buildings, but no specific construction plans exist at this time.

(j) According to Parkside-Stratford, 100% of the building is currently leased and occupied with tenants. Current tenants include Ledge Lounger and US LED.

(k) Amazon, Inc. purchased the land and building from Transwestern and has been operational in such building since 2020.

(l) Building construction was completed during the first quarter of 2022. The owner is actively leasing the building.

(m) Represents three (3) buildings constructed on the 15.5-acre tract of land that was annexed into the District on January 19, 2022. See "– Recent Annexations" herein.

(n) Represents two (2) office warehouse buildings, one totaling 27,000 sq. ft. and the other totaling 60,000 sq. ft.

The District also includes the mixed-use commercial development project known as The Green at Katy Park. Land development for The Green at Katy Park is complete, and Phase I building construction commenced in August of 2026. Based on current land plans, Phase I will contain five (5) buildings, totaling approximately 63,000 sq. ft., which will be utilized for retail and restaurant spaces.

Recent Annexations

On January 19, 2022, the District annexed an approximately 111-acre tract of land and a separate approximately 15.5-acre tract of land. The 111-acre tract is comprised of approximately 87 acres owned by Pulte and approximately 24 acres formerly owned by Parkside Capital, which developed and sold such 24-acre tract to Ace Manor Commercial Properties. Pulte has developed the 87-acre tract into 194 single-family residential lots in Katy Court, Sections 1A, 1B, and 2. See "– Status of Residential Development" herein. According to Parkside Capital, the 24-acre tract is anticipated to be improved for commercial purposes.

The 15.5-acre tract is owned by OWL Partner Group, LP, and has been developed with utilities and improved for commercial and light industrial purposes, including three (3) buildings totaling approximately 206,250 sq. ft. See "– Status of Commercial and Industrial Building Development" herein.

On February 22, 2024, the District annexed two tracts of land totaling approximately 189 acres; such land was initially owned by Parkside Capital. On February 4, 2025, Parkside Capital sold approximately 38 acres to Pulte, and approximately 34 acres to Perry and Newmark (with each holding a 50% interest). Pulte subsequently developed the approximately 38 acres into 125 single-family residential lots in Katy Court, Sections 3 and 5, and Perry and Newmark developed the approximately 34 acres into 88 single-family residential lots in Katy Court, Sections 4 and 6. See "– Status of Residential Development" herein.

On February 27, 2025, the District annexed an approximately 46-acre tract of land located at the northwest corner of Morton Road and Katy Hockley Cut Off Road. The 46-acre tract is owned by Read King and has been developed for mixed-use commercial purposes in the development project known as The Green at Katy Park. See "– Status of Commercial and Industrial Building Development" herein.

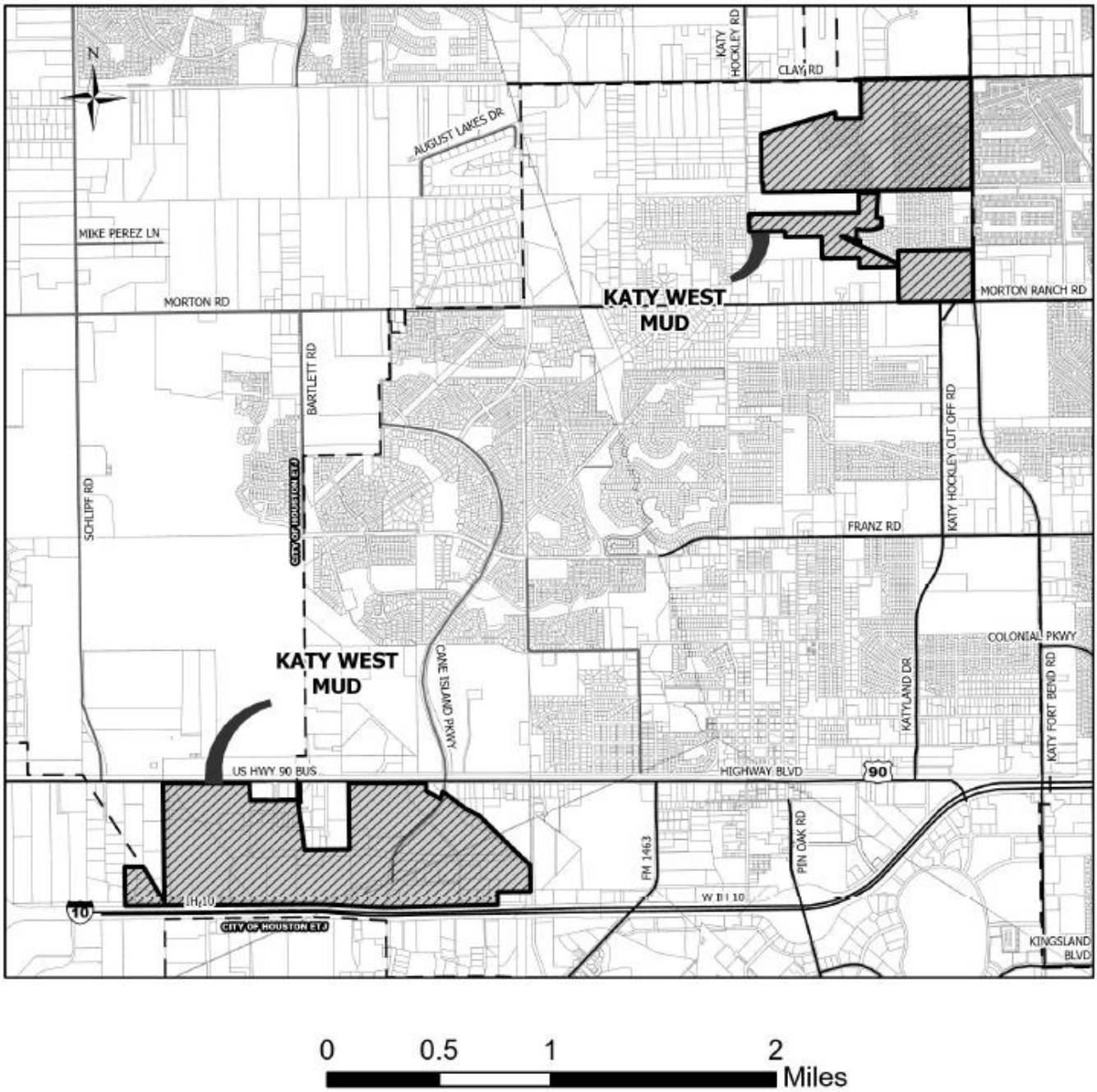
As stated elsewhere in this Official Statement, the Developers have no commitments or obligations to proceed at any particular rate or according to any specified plan with the development of land, the construction of homes, or the construction of commercial improvements in the District. Future development, construction, and homebuilding depend, in part, upon short-term and long-term interest rates, the availability of mortgage and development funds, labor conditions, and general economic conditions. Neither the District nor the Developers represent that the development plans described above will ever be undertaken or that any taxable improvements will ever be constructed thereon. See "RISK FACTORS – Economic Factors and Interest Rates" and "– Landowners/Developers Under No Obligation to the District."

Potential Annexations of Land into the District

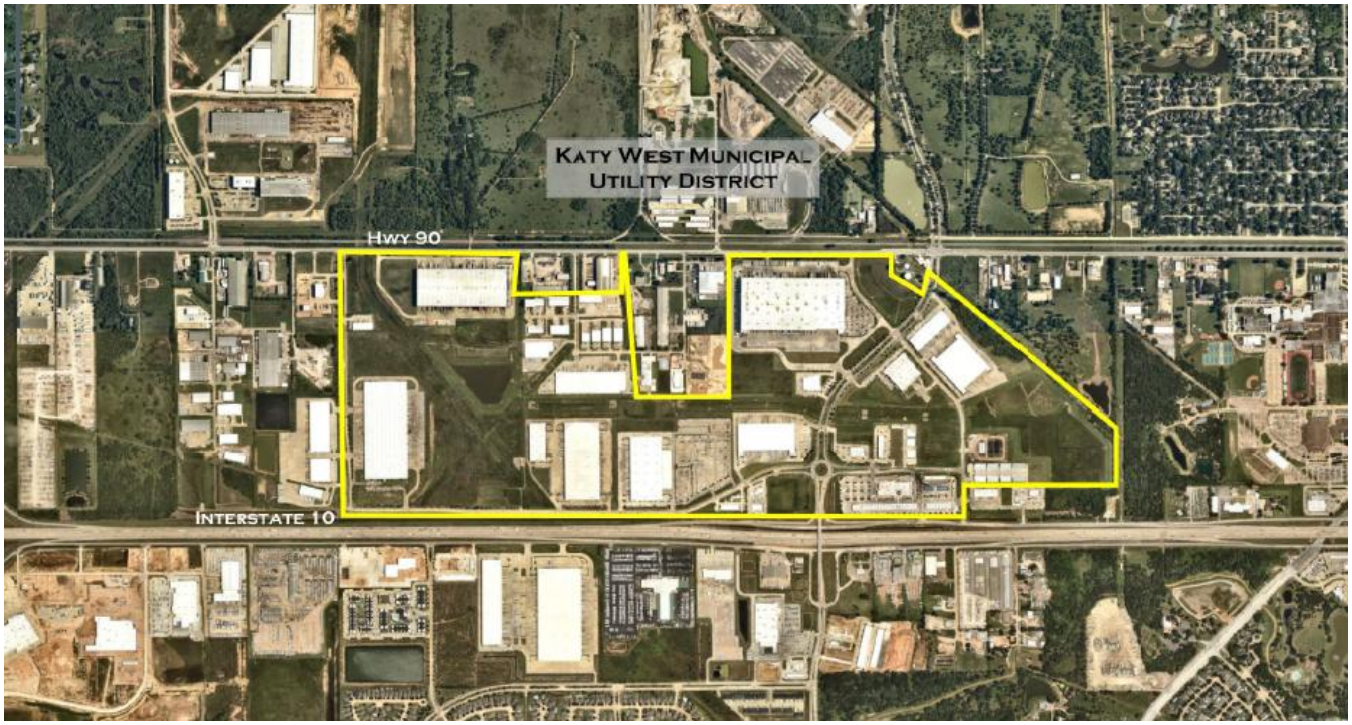
On July 23, 2026, the Board of Directors of the District accepted a petition for addition of certain land (an approximately 4-acre tract) to the District, and subsequently submitted a petition to the City for consent to the annexation of the tract into the District. If consent is granted by the City, it is anticipated that such land will be annexed into the District and developed for commercial purposes; however, the District can make no representation or assurance that such annexation will ever be completed.

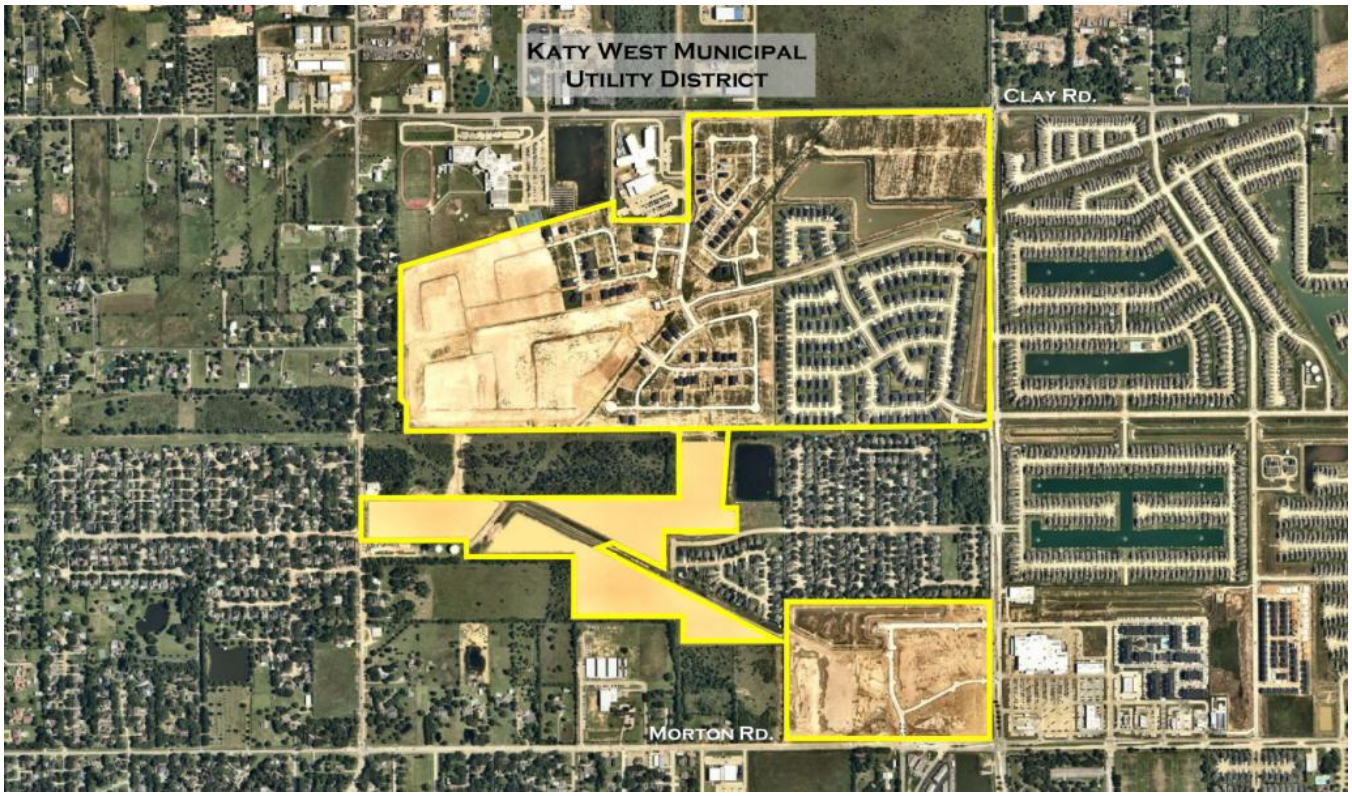
On September 30, 2026, the Board of Directors of the District is scheduled to consider a petition for addition of certain land (three tracts of approximately 3.43 acres, 29.12 acres, and 10.02 acres) to the District. If the petition is accepted, the District anticipates submitting a petition to the City for consent to the annexation of the tracts into the District. If the petition is accepted by the Board of Directors and consent is granted by the City, it is anticipated that such land will be annexed into the District and developed for commercial and/or residential purposes; however, the District can make no representation or assurance that the Board will accept the petition, that the City will grant consent, or that such annexation will ever be completed.

Location Map



Aerial Photographs





THE DEVELOPERS

Role of a Developer

In general, the activities of developers in a municipal utility district such as the District include purchasing the land within a district, designing the streets in the subdivision or business park, 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, and selling improved lots and commercial reserves to builders, other developers, or other third parties. In most instances, a developer will be required to pay up to 30% of the cost of financing certain water, wastewater, and drainage facilities in the utility district exclusive of water and sewage treatment plants unless a waiver from this requirement is requested and obtained from the TCEQ by the District, pursuant to the rules of the TCEQ. In addition, a developer is ordinarily the major taxpayer within a utility district during the property development phase and the developer's inability to pay the taxes assessed on its property within a district would have a materially adverse effect on the revenues of the district. The relative success or failure of a developer to perform development activities within a utility district may have a profound effect on the ability of the district to generate sufficient tax revenues to service and retire all tax bonds issued by the district. While a developer generally commits to pave streets and pay its allocable portion of the costs of utilities to be financed by the utility district through a specific bond issue, a developer is generally under no obligation to a district to undertake development activities with respect to other property that it owns within a district. Furthermore, there is no restriction on a developer's right to sell any or all of the land that the developer owns within a district.

Descriptions of the Developers

Parkside-Stratford/I-10, Ltd. Parkside-Stratford/I-10, Ltd. ("Parkside-Stratford") is a Texas limited partnership that was established for the purpose of developing approximately 472 acres of land in the District located within the West Ten Business Park. The limited partners of Parkside-Stratford are PRF/I-10 Partners, Ltd., a Texas limited partnership, comprised of a number of individual investors and investment entities and Stratford Land Fund II, LP, a Delaware limited partnership based in Dallas, Texas that provides land investment management services to private and institutional investors. The general partner of Parkside-Stratford/I-10, Ltd. is Parkside Capital, LLC ("Parkside Capital"), a Texas limited liability company.

Parkside Capital, LLC. Parkside Clay KHC, LLC, a Texas limited liability company and a special purpose entity that was established for the sole purpose of developing approximately 213 acres of land within the District, is wholly owned and controlled by Parkside Capital. As noted above, Parkside Capital is also the general partner of Parkside-Stratford. On January 19, 2022, the District annexed an approximately 24-acre tract of land owned by Parkside Capital, which was developed by Parkside Capital and subsequently sold to Ace Manor Commercial Properties. According to Parkside Capital, the 24-acre tract is anticipated to be improved for commercial purposes. On February 22, 2024, the District annexed two tracts of land, totaling approximately 189 acres, which were owned by Parkside Capital. On February 4, 2025, Parkside Capital sold approximately 38 acres to Pulte, and approximately 34 acres to Perry and Newmark (with each holding a 50% interest). See "THE DISTRICT – Recent Annexations."

Parkside Capital currently has a Houston area portfolio of 35 properties totaling more than 4,000 acres. The properties are in various stages of development and marketing and range in size from one acre to approximately 1,300 acres. The leadership of Parkside Capital has been active in real estate financing, land development, and building development in the Houston area for the past 30 years. John S. Moody is Chief Executive Officer of Parkside Capital and manages its activities in the District, together with Brett F. Walker, President. John S. Moody is a graduate of Stanford University and the University of Texas Law School. He founded and served as managing partner of Wood Campbell Moody & Gibbs from 1973-1984. Between 1984 and 1987, he led a real estate development and management company that developed more than 2,500 acres and 1,500 lots in the Houston region. In 2007, he founded Parkside Capital. Brett F. Walker has over 25 years of land development experience specializing in land investment and entitlements in the greater Houston area. As the President of Parkside Capital, Brett manages the real estate ventures of the firm's four $200 million equity funds and has overseen Parkside's development of over 30 major projects in the Houston region. Prior to Parkside, Brett served as the Director of Real Estate for the Gustafson Group where he oversaw the day-to-day real estate operations including the company's land, retail and office property portfolios as well as the equity investments of the firm. Brett has directed the capital investment of more than $450 million in real estate acquisitions and has overseen the development of over 4,000 acres resulting in value creation of over $1.6 billion over the course of his career.

Pulte Homes of Texas, L.P. Pulte Homes of Texas, L.P. ("Pulte") is a Texas limited partnership whose sole general partner is PulteGroup, Inc., a Michigan corporation, the stock of which is publicly traded on the New York Stock Exchange under the ticker symbol "PHM." On January 19, 2022, the District annexed approximately 87 acres of land owned by Pulte, which Pulte developed into 194 single-family residential lots in Katy Court, Sections 1A, 1B, and 2. On February 4, 2025, Pulte purchased approximately 38 acres of land located within the District from Parkside Capital, which Pulte subsequently developed into 125 single-family residential lots in Katy Court, Sections 3 and 5. See "THE DISTRICT – Land Uses and Status of Land Development," "– Status of Residential Development," and "– Recent Annexations."

PHHOU – KC2, LLC and Newmark Homes Houston, LLC. PHHOU – KC2, LLC ("Perry") is a Texas limited liability company whose sole member is PH Land Holdings, LLC, a Texas limited liability company and an affiliate of Perry Homes, LLC, a Texas limited liability company. Newmark Homes Houston, LLC ("Newmark") is a Texas limited liability company. On February 4, 2025, Perry and Newmark purchased approximately 34 acres of land located within the District from Parkside Capital, with each holding a 50% interest. Perry and Newmark subsequently developed such land into 88 single-family residential lots in Katy Court, Sections 4 and 6. In addition, Perry and Newmark are under contract to acquire approximately 59 acres of land located within the District from Parkside Capital. According to Perry and Newmark, approximately 22 of these 59 acres are currently being developed into 63 single-family residential lots in Katy Court, Section 7, with homebuilding anticipated to commence during the first quarter of 2027. See "– Future Development"

herein, “THE DISTRICT – Land Uses and Status of Land Development,” “– Status of Residential Development,” and “– Recent Annexations.”

RK Katy Park NWC LLC. RK Katy Park NWC LLC (“Read King”) is a Texas limited liability company and a special purpose entity that was established by Read King, Inc. for the sole purpose of developing an approximately 46-acre tract of land. Read King, Inc., founded by Jeff Read and Ewing King, is a full-service real estate development and services firm with over 30 years of experience delivering quality projects across the country. The company has completed over 3.5 million square feet of Class A retail space and over 100 build-to-suit projects for a wide range of retail, restaurant, medical, and service tenants. On February 27, 2025, the District annexed the approximately 46-acre tract of land into the District’s boundaries, which has been developed by Read King into the mixed-use commercial development project known as The Green at Katy Park. Land development for The Green at Katy Park is complete, and Phase I building construction commenced in August of 2026 on approximately 8.25 acres. Based on current land plans, Phase I will contain five (5) buildings, totaling approximately 63,000 sq. ft., which will be utilized for retail and restaurant spaces. Read King continues to own approximately 23.77 additional acres, which are served with trunk facilities for commercial development, and does not own any additional developable land within the District. See “THE DISTRICT – Land Uses and Status of Land Development,” “– Status of Commercial and Industrial Building Development,” and “– Recent Annexations.”

Parkside-Stratford, Parkside Capital, Pulte, Perry, Newmark, and Read King are collectively referred to herein as the “Developers.”

Homebuilders

The homes in Katy Court, Sections 1A, 1B, and 2, were constructed by Pulte and Perry Homes on 55-foot, 65-foot, and 70-foot lots and were marketed and sold in the $349,990–$447,990 price range. The homes in Katy Court, Sections 3 and 5, are being constructed by Pulte on 55-foot and 65-foot lots and are currently being marketed and sold in the $390,990–$542,990 price range. The homes in Katy Court, Sections 4 and 6, are being constructed by Perry and Newmark on 65-foot and 70-foot lots and are currently being marketed and sold in the $574,900–$849,900 price range.

Future Development

On February 22, 2024, the District annexed two tracts of land totaling approximately 189 acres, of which, approximately 59 acres are under contract to be acquired by Perry and Newmark from Parkside Capital. According to Perry and Newmark, approximately 22 of these 59 acres are currently being developed into 63 single-family residential lots in Katy Court, Section 7, which are anticipated to be available for homebuilding during the first quarter of 2027. The remaining approximately 37 acres are planned for 109 single-family residential lots in Katy Court, Section 8, with land development expected to commence during the third quarter of 2027. As stated elsewhere in this Official Statement, the Developers, including Parkside Capital, Perry, and Newmark, have no commitment or obligation to proceed at any particular rate or according to any specified plan with the development of land or the construction of homes in the District. Future development and construction depend, in part, upon short-term and long-term interest rates, the availability of mortgage and development funds, labor conditions, and general economic conditions. Neither the District nor Perry and Newmark represent that the development of Katy Court, Sections 7 and 8, will ever be completed or that any taxable improvements will ever be constructed thereon. See “RISK FACTORS – Economic Factors and Interest Rates,” “– Competition,” and “– Landowners/Developers Under No Obligation to the District.”

UTILITIES FUNCTIONS AND SERVICES ALLOCATION AGREEMENT WITH THE CITY OF KATY

The District operates pursuant to a Utilities Functions and Services Allocation Agreement, as amended (the “Utility Service Agreement”). The Utility Service Agreement was executed by Proterra-Stratford I-10, Ltd. (“Proterra”) and the City on September 22, 2008, with a term of 40 years. The Utility Service Agreement was subsequently assigned to the District by Proterra (except for the financing obligations of Proterra) on August 27, 2009. Proterra subsequently changed its name to Parkside-Stratford. The Utility Service Agreement was amended on July 23, 2012, January 27, 2014, June 28, 2021, July 25, 2022, and February 24, 2025. Pursuant to the Utility Service Agreement, the District assumed responsibility for acquiring and constructing for the benefit of, and for ultimate conveyance to, the City, the water distribution and wastewater collection facilities to serve development occurring within the boundaries of the District (the ”Facilities”) and the City agreed to provide the District with its ultimate capacity needs for water and wastewater service and to make an annual payment to the District in consideration of the District’s financing, acquisition, and construction of the Facilities.

The Facilities. The Utility Service Agreement provides that the Facilities shall be designed and constructed in accordance with the City’s requirements and criteria. The City agrees to provide the District with its ultimate requirements for water supply subject to a per-connection capital recovery fee. The Utility Service Agreement authorizes the District to purchase capacity in the City’s Sewage Treatment Plant based on the City’s capital recovery fee. The capital recovery fee for water supply is $1,800.00 per equivalent single-family connection (“ESFC”) and for wastewater treatment plant capacity is $1,800.00 per ESFC. The capital recovery fees for water supply and wastewater treatment plant capacity are subject to change from time to time. The District agrees to limit the quantity of wastewater delivered to the amount of wastewater treatment plant capacity purchased through one point of discharge, which is metered. The City agrees to acknowledge any purchase by the District and agrees to hold such capacity for the sole benefit of the District. The District has the right to assign all or any part of its capacity to subsequent purchasers, landowners, and developers within the District’s boundaries. Prior to making any connection to the District’s sanitary sewer system, the District agrees to issue an assignment of capacity and ensure that all required inspections are conducted by the City.

Authority of District to Issue Bonds. The District has the authority to issue, sell, and deliver unlimited tax bonds as permitted by law and the City's consent ordinance. Bonds issued by the District are obligations solely of the District and shall not be construed to be obligations or indebtedness of the City.

Ownership, Operation, and Maintenance of the Facilities. Upon completion of construction of the Facilities, the District agrees to convey the Facilities to the City, reserving for itself a security interest in the Facilities for the purpose of securing the performance of the City under the Utility Service Agreement. When all bonds issued by the District to acquire and construct the Facilities have been issued and subsequently paid or redeemed and discharged in full, the District agrees to execute a release of the security interest retained by the District and the City shall own the Facilities without encumbrance. As each phase of the Facilities is completed, the City agrees to inspect the same and upon approval, will accept the Facilities for operation and maintenance. The accepted Facilities shall be operated and maintained by the City at its sole cost and expense. Prior to accepting such Facilities, if the City determines that the Facilities, or any portion thereof, have not been constructed in accordance with approved plans and specifications, the City agrees to notify the District and the District shall correct any deficiency noted by the City.

Rates for Service. The City agrees to bill and collect from customers of the District such rates and charges for such customers as the City, in its sole discretion determines are necessary, provided that the rates and charges will be equal and uniform to those charged to other similar users outside the District. The City may impose a charge for connection to Facilities at a rate to be determined from time to time by the City, provided that the charge is equal to the amount charged other City users for comparable connections.

Annual Payment. The City agrees to make an annual payment (the "Annual Payment") based on the City's property tax rate that is attributable to water, sewer, and drainage facilities based on a formula provided in the Utility Service Agreement. Under such formula for a given year, the Annual Payment is equal to the amount of the City's property tax rate (per $100 of assessed valuation) that is attributable to debt service or operation of water, sewer, and drainage facilities multiplied by the assessed valuation in the District. The City's property tax rate attributable to water, sewer, and drainage facilities may change from year to year. The District does not expect to receive any significant amount of money from the City based upon the Annual Payment. The District has not pledged the Annual Payment to the Bonds or the Outstanding Bonds.

Dissolution of the District. The City has the right to abolish and dissolve the District and to acquire the District's assets and assume the District's obligations in accordance with state law. In the Utility Service Agreement, the City agrees that it will not abolish and dissolve the District until: (1) the Facilities required to serve the District have been completed, (2) bonds have been issued to finance the Facilities, and (3) the Developers developing Facilities has been reimbursed by the District to the maximum extent permitted by the rules of the TCEQ and the laws of the State of Texas, or the City assumes the obligation to reimburse the Developers.

THE SYSTEM

Description of the System and Regulation

The District's water supply and wastewater treatment capacity is provided by the City pursuant to the terms of the Utility Service Agreement. See "UTILITIES FUNCTIONS AND SERVICES ALLOCATION AGREEMENT WITH THE CITY OF KATY." All Facilities have been designed in conformance with accepted engineering practices and the requirements of certain governmental agencies having regulatory or supervisory jurisdiction over the construction and operation of such Facilities, including, as applicable among others, the TCEQ, Fort Bend County, Harris County, Waller County, and the City.

Water Supply and Wastewater Treatment

The District's water supply and wastewater treatment capacity is provided by the City pursuant to the terms of the Utility Service Agreement. The District does not operate any water supply or wastewater treatment facilities. The Utility Service Agreement, as amended, requires the City to provide the District with up to 1,983 ESFCs of water supply capacity and 1,983 ESFCs of wastewater treatment capacity, both of which are adequate to serve the District at ultimate buildout based on current land plans. In the event the District's ultimate requirements for water supply or wastewater treatment capacity exceed the ESFC commitments contemplated in the Utility Agreement, the City may be required to construct additional capacity for water supply and wastewater treatment. See "UTILITIES FUNCTIONS AND SERVICES ALLOCATION AGREEMENT WITH THE CITY OF KATY."

Drainage and Detention System

For the tract located north of I-10 and west of Commerce Parkway within the District, the natural course of drainage in the District flows from northwest to southeast. Storm water is conveyed by overland flow and eventually reaches Snake Creek. Storm sewer collector systems drain runoff from the developed areas and the remaining undeveloped area in the business park in the District. The District's system of detention and drainage facilities detains and conveys storm water into Snake Creek. For the portion of the District located at the intersection of Clay Road and Katy Hockley Cut Off Road, the natural course of drainage flows from northwest to southeast. Storm water is conveyed by overland flow and eventually reaches Harris County Flood Control District Unit No. U101-08-00. The District's system of detention and drainage facilities detains and conveys storm water into Harris County Flood Control District Unit No. U101-08-00. The portion of the District located in Katy Court Phase 2 also follows the natural course of drainage flow from the northwest to the southeast. The Katy Court Phase 2 Detention Ponds 1, 2, and 3 represent the improved drainage system for the Katy Court Phase 2 area. Katy Court Phase 2 Detention Pond 3 is being funded by proceeds from the sale of the Bonds. See "USE OF BOND PROCEEDS."

According to the Engineer, the Flood Hazard Boundary Map published by the Federal Emergency Management Agency (FEMA), currently in effect, and which covers land located in the District, indicates that approximately 35 acres of the land located in the District is located within the 100-year floodplain. All of the acreage located within the 100-year floodplain represents drainage easements, detention ponds, or other designated drainage facilities. None of the developed and improved land and none of the land that is planned for future building development is located in the 100-year floodplain.

General Fund Operating History

The Bonds are payable from the levy of an ad valorem tax, without legal limitation as to rate or amount, upon all taxable property in the District. The information included in the table below relating to the District's operations is provided for information purposes only.

	Fiscal Year Ended May 31 (a)				
	2025	**2024**	**2023**	**2022**	**2021**
REVENUES					
Property taxes	$3,962,004	$3,437,816	$2,300,910	$1,852,467	$1,218,145
Miscellaneous	-	-	$13,097	$7,625	-
Investment earnings	$471,372	$360,713	$163,136	$4,490	$2,045
TOTAL REVENUES	**$4,433,376**	**$3,798,529**	**$2,477,143**	**$1,864,582**	**$1,220,190**
EXPENDITURES					
Operating and administrative:					
Professional fees	$130,347	$137,790	$157,776	$107,986	$179,663
Contracted services	$61,015	$49,042	$56,500	$12,290	$9,700
Repairs and maintenance	$399,988	$244,542	$185,115	$116,965	$130,730
Administrative	$39,329	$34,883	$25,653	$24,650	$19,466
Other	$28,550	$25,820	$7,672	-	-
Capital outlay	$1,260,552	$120,942	$666,000	$94,510	-
Debt service:					
Developer interest	$23,849	-	-	-	-
TOTAL EXPENDITURES	**$1,943,630**	**$613,019**	**$1,098,716**	**$356,401**	**$339,559**
EXCESS REVENUES (EXPENDITURES) (b)	**$2,489,746**	**$3,185,510**	**$1,378,427**	**$1,508,181**	**$880,631**

(a) Per data provided in the District's audited financial statements. See "APPENDIX A."

(b) As of August 27, 2026, the District's General Fund had an unaudited cash and investment balance of $14,785,322. For the fiscal year ended May 31, 2026, the District's General Fund experienced unaudited revenues of $3,740,065, unaudited expenditures of $660,207, and unaudited capital expenditures of $6,332. For the fiscal year ending May 31, 2027, the District's General Fund is currently budgeting revenues of $3,374,200, expenditures of $713,300, and capital expenditures of $163,000.

MANAGEMENT OF THE DISTRICT

The District is governed by a Board of Directors (the "Board"), which has control over and management supervision of all affairs of the District. One of the directors resides in the District, and the other directors each own a parcel of land in the District subject to a note and deed of trust. A directors' election is held in May in even-numbered years. Directors are elected to serve four-year staggered terms. The current members and officers of the Board, along with their titles on the Board, are listed below.

Name	Title	Expires May
Suzanne Jackson Corbin	President	2028
Gary K. Whitt	Vice President	2030
Carolyn J. Davis	Secretary	2030
Sam Gilligan	Assistant Secretary	2028
William Regner	Assistant Vice President	2028

The District does not employ a general manager or any other full-time employees. The District has contracted for bookkeeping, tax assessing and collecting services, and annual auditing of its financial statements as follows:

Tax Assessor/Collector – The District's Tax Assessor/Collector is Tax Tech, Inc., who is employed under an annual contract to perform the District's tax collection functions.

Bookkeeper – The District has contracted with Municipal Accounts & Consulting, L.P. for bookkeeping services.

Auditor – The financial statements of the District as of May 31, 2025, and for the year then ended, included in this offering document, have been audited by McGrath & Co., PLLC, Certified Public Accountants, independent auditors, as stated in their report appearing herein. See "APPENDIX A" for a copy of the District's May 31, 2025, audited financial statements.

Utility System Operator – The waterworks and wastewater system operator are the City of Katy's Water Department and Sanitary Sewer Department, respectively. The District has contracted with First Environment Erosion Controls, Inc. for operations and maintenance of the District's drainage and detention system.

Engineer – The consulting engineer for the District is Quiddity Engineering, LLC (the "Engineer").

Financial Advisor – The GMS Group, L.L.C., serves as Financial Advisor to the District, and is paid an hourly fee for certain work performed for the District and a contingent fee to be computed on each separate issuance of the bonds if and when such bonds are delivered. See "OFFICIAL STATEMENT – Financial Advisor."

Bond Counsel – Allen Boone Humphries Robinson LLP serves as Bond Counsel to the District and as counsel for the District on matters other than the issuance of bonds. Fees paid for the Bond Counsel services will be paid from proceeds of the Bonds; such fees are contingent upon the sale and delivery of such Bonds.

Disclosure Counsel – Norton Rose Fulbright US LLP, Houston, Texas, has been engaged by the District to serve as Disclosure Counsel on certain matters related to the sale and delivery of the Bonds, but such advice should not be relied upon by the purchasers as a due diligence undertaking on their behalf. Fees of the Disclosure Counsel will be paid from proceeds of the Bonds and are contingent upon the sale and delivery of such Bonds.

DISTRICT INVESTMENT POLICY

The District has adopted an Investment Policy as required by the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended. The District's goal is to preserve principal and maintain liquidity while securing a competitive yield in its portfolio. Funds of the District are invested in short-term U.S. Treasuries, certificates of deposit insured by the Federal Deposit Insurance Corporation ("FDIC") or secured by collateral, evidenced by perfected safekeeping receipts held by a third-party bank, and public funds investment pools rated in the highest rating category by a nationally recognized rating service. The District does not currently own, nor does it anticipate the inclusion of long-term securities or derivative products in the District portfolio.

DISTRICT DEBT

2026 Preliminary Taxable Value	$933,717,843	(a)
2025 Certified Taxable Value	$829,562,181	(b)
Direct Debt:		
Outstanding Bonds (as of August 1, 2026)	$51,145,000	
The Bonds	$16,675,000	
Total Direct Debt	$67,820,000	
See “DISTRICT DEBT”		
Estimated Overlapping Debt	$47,076,293	(c)
Direct and Estimated Overlapping Debt	$114,896,293	
Percentage of Direct Debt to:		
2026 Preliminary Taxable Value	7.26%	
2025 Certified Taxable Value	8.18%	
See “DISTRICT DEBT”		
Percentage of Direct and Estimated Overlapping Debt to:		
2026 Preliminary Taxable Value	12.31%	
2025 Certified Taxable Value	13.85%	
See “DISTRICT DEBT”		
2025 Tax Rate Per $100 of Assessed Value:		
Debt Service Tax	$0.32	
Road Debt Service Tax	$0.08	
Maintenance Tax	$0.40	
Total 2025 Tax Rate	$0.80	
Cash and Temporary Investment Balances as of August 27, 2026:		
General Fund	$14,785,322	(d)
Debt Service Fund	$2,410,221	(e)
Road Debt Service Fund	$885,905	(e)

(a) The January 1, 2026 Preliminary Taxable Value was prepared by the Appraisal Districts and provided to the District for informational purposes only. The preliminary values are not binding on FBCAD, HCAD, or WCAD; such values are subject to protest and review by the Appraisal Districts’ respective appraisal review boards. The District is authorized by law to levy taxes only against certified values. See "DISTRICT TAX DATA” and “TAXING PROCEDURES.”

(b) Reflects the January 1, 2025 Certified Taxable Value according to data supplied by the Appraisal Districts. See "DISTRICT TAX DATA” and “TAXING PROCEDURES.”

(c) See “– Estimated Overlapping Debt” herein.

(d) Unaudited figure per the District’s records. See “THE SYSTEM – General Fund Operating History.”

(e) Unaudited figures per the District’s records. Neither Texas law nor the District's Bond Resolution requires that the District maintain any particular balance in the Debt Service Fund or the Road Debt Service Fund. The cash and investment balances in the Road Debt Service Fund are not available to make debt service payments on the Bonds, and any funds in the Debt Service Fund are not available to make debt service payments on the District’s outstanding road bonds. See "DISTRICT TAX DATA – Tax Adequacy of Tax Revenue" and “THE BONDS – Funds.”

Estimated Overlapping Debt

Other governmental entities whose boundaries overlap the District have outstanding bonds payable from ad valorem taxes. The following statement of direct and estimated overlapping ad valorem tax debt was developed from information contained in the "Texas Municipal Reports," published by the Municipal Advisory Council of Texas and from information obtained directly from certain jurisdictions. Except for the amounts 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 of the entities listed below may have issued additional bonds, the amount of which has not been reported. Political subdivisions overlapping the District are authorized by Texas law to levy and collect ad valorem taxes for operation, maintenance, and/or general revenue purposes in addition to taxes for payment of their debt, and some are presently levying and collecting such taxes.

		Overlapping Debt	
Taxing Jurisdiction	**Outstanding Debt**	**Percent**	**Amount**
Waller County	$169,535,000	4.56%	$7,729,844
Katy Independent School District	$2,514,530,000	1.41%	$35,501,738
City of Katy	$19,910,000	13.48%	$2,684,529
Fort Bend County	$997,120,706	0.06%	$640,197
Fort Bend County Drainage District	$20,585,000	0.06%	$13,309
Harris County	$2,257,734,736	<0.01%	$210,108
Harris County Department of Education	$28,960,000	<0.01%	$2,694
Harris County Flood Control District	$937,165,000	<0.01%	$89,065
Harris County Hospital District	$1,644,825,000	<0.01%	$168,110
Port of Houston Authority	$386,074,397	<0.01%	$36,699
Total Estimated Overlapping Debt (a)			**$47,076,293**
The District (b)			$67,820,000
Total Direct and Estimated Overlapping Debt			**$114,896,293**

(a) The majority of the District's 2025 Certified Taxable Value is located within Waller County (approximately 82%), and the remainder is located within Fort Bend County (approximately 10%) and Harris County (approximately 8%).

(b) Includes the Bonds.

DISTRICT TAX DATA

Tax Rate and Collections

The following table sets forth the historical tax information collection experience of the District for the years 2021 through 2025. Such table has also been prepared based upon information from District records. Reference is made to such records for further and complete information.

Tax Year	Taxable Valuation	Tax Rate (a)	Tax Levy	Cumulative Tax Collections (b)	Tax Year Ended September 30
2025	$829,562,181	$0.80	$6,636,497	99.55%	2026
2024	$760,377,109	$0.80	$6,083,017	99.97%	2025
2023	$712,397,672	$0.80	$5,699,181	99.99%	2024
2022	$499,143,292	$0.80	$3,993,146	99.98%	2023
2021	$442,010,951	$0.80	$3,536,088	100.00%	2022

(a) See "– Tax Rate Distribution" herein.

(b) Represents cumulative collections as of July 31, 2026.

Maintenance Tax

The Board has the statutory authority to levy and collect an annual ad valorem tax for maintenance and operation of the District and its facilities. Such tax is in addition to taxes that the District is authorized to levy for paying principal of and interest on the Bonds, and any tax bonds that may be issued in the future. The District's voters authorized a maintenance tax of up to $1.00 per $100 of assessed valuation at an election held on November 3, 2009. The District's voters authorized a road maintenance tax of up to $0.25 per $100 of assessed valuation at an election held on November 3, 2009. See "– Tax Rate Distribution" herein.

Tax Rate Distribution

The following table sets forth the tax rate distribution of the District for the years 2021 through 2025.

	2025	2024	2023	2022	2021
Debt Service	$0.32	$0.19	$0.23	$0.22	$0.24
Road Debt Service	$0.08	$0.09	$0.08	$0.14	$0.14
Maintenance/Operations	$0.40	$0.52	$0.49	$0.44	$0.42
Total	**$0.80**	**$0.80**	**$0.80**	**$0.80**	**$0.80**

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.

Principal Taxpayers

The list of principal taxpayers for 2025 and the other information provided by this table were provided by the Appraisal Districts to the District's Tax Assessor/Collector based on certified tax rolls net of any exemptions from taxation. This table does not reflect any corrections pursuant to subsequent action of any of the Appraisal Districts.

Property Owner	Property Description	Property Value	% of Total
Southern Glazer's Wine and Spirits of Texas, LLC (a)	Personal Property	$284,205,198	34.26%
Crawford Electric Supply Co., Inc.	Personal Property	$58,231,120	7.02%
Houston Property Partners II, LLC (a)	Land & Improvement	$33,420,316	4.03%
Pool 4 Industrial TX, LLC (b)	Land & Improvement	$32,667,230	3.90%
Buc-ee's Ltd.	Land, Improvement, & Personal Property	$30,943,643	3.73%
Bit Holdings Seventy-Nine, Inc. (c)	Land & Improvement	$26,000,000	3.13%
Sara Katy 10, LLC (d)	Land & Improvement	$23,420,960	2.82%
West Ten, LLC	Land & Improvement	$23,250,000	2.80%
Cane Island Industrial, LLC	Land & Improvement	$22,500,000	2.71%
EAN Holdings, LLC	Land & Improvement	$21,079,037	2.54%
	TOTALS	**$555,717,504**	**66.95%**

(a) Houston Property Partners II, LLC represents an entity owned by SGWS. The property value reflected in the table above is net of the $22,754,716 in abatement exemption value received by Houston Property Partners II, LLC, and SGWS pursuant to the terms of the Abatement Agreement (hereinafter defined). See “TAXING PROCEDURES – Tax Abatement.”

(b) The land and building improvements attributable to Pool 4 Industrial TX, LLC were formerly owned by Medline Industries, Inc., which sold such property and moved its operations out of the District. Crawford Supply Co. currently operates in such property owned by Pool 4 Industrial TX, LLC pursuant to a lease agreement. See “THE DISTRICT – Status of Commercial and Industrial Building Development.”

(c) Igloo Products Corp. currently operates in such property owned by Bit Holdings Seventy-Nine, Inc. pursuant to a lease agreement.

(d) Represents an entity owned by Bel Furniture.

Analysis of Tax Base

Based on information provided to the District by the Appraisal Districts and its Tax Assessor/Collector, the following represents the composition of property comprising the gross tax roll valuations and the deferments for 2021 through 2025, and includes the 2026 Preliminary Taxable Value.

Tax Roll Year	Land	Improvements	Personal Property	Gross Valuations	Exemptions	Taxable Valuations
2026						$933,717,843 (a)
2025	$132,771,025	$270,001,072	$492,475,991 (b)	$895,248,088	$65,685,907 (c)	$829,562,181
2024	$114,585,450	$216,829,981	$515,818,639	$847,234,070	$86,856,961	$760,377,109
2023	$102,719,814	$208,154,120	$461,508,565	$772,382,499	$59,984,827	$712,397,672
2022	$89,327,771	$186,705,649	$262,912,734	$538,946,154	$39,802,862	$499,143,292
2021	$88,057,866	$152,097,981	$240,136,532	$480,292,379	$38,281,428	$442,010,951

(a) The January 1, 2026 Preliminary Taxable Value was prepared by the Appraisal Districts and provided to the District for informational purposes only. The preliminary values are not binding on FBCAD, HCAD, or WCAD; such values are subject to protest and review by the Appraisal

Districts' respective appraisal review boards. The District is authorized by law to levy taxes only against certified values. See "TAXING PROCEDURES."

(b) According to the District's 2025 certified tax roll, personal property in the District was primarily owned by SGWS and Crawford Electric Supply Co., Inc. The taxable value of the personal property is less than the appraised value of the personal property; such difference between the appraised value reflected in the table above and the taxable value is primarily attributable to the Freeport Exemption granted on the personal property owned by SGWS, Crawford Electric Supply Co., Inc., and other personal property owners within the District. See "RISK FACTORS – Tax Collections" and "TAXING PROCEDURES – Property Subject to Taxation by the District."

(c) The exemption values for tax year 2025 reflected in the table above includes the abatement value received by Houston Property Partners II, LLC, and SGWS pursuant to the terms of the Abatement Agreement (hereinafter defined). See "TAXING PROCEDURES – Tax Abatement."

Estimated Overlapping Taxes

The following table sets forth all 2025 taxes levied by overlapping taxing jurisdictions. No recognition is given to local assessments for civic association dues, fire department contributions, solid waste disposal charges, or any other levy by entities other than political subdivisions.

Waller County (a)

Taxing Jurisdictions	2025 Tax Rate
Waller County	$0.532596
Katy ISD	$1.117100
City of Katy	$0.425000
Brookshire-Katy Drainage District	$0.057850
Waller County Farm Road Tax	$0.023591
Overlapping Taxes	**$2.156137**
The District	$0.800000
Total Direct & Overlapping Taxes	**$2.956137**

Fort Bend County (a)

Taxing Jurisdictions	2025 Tax Rate
Fort Bend County General	$0.412000
Fort Bend County	$0.010000
Katy ISD	$1.117100
City of Katy	$0.425000
Overlapping Taxes	**$1.964100**
The District	$0.800000
Total Direct & Overlapping Taxes	**$2.764100**

Harris County (a)

Taxing Jurisdictions	2025 Tax Rate
Harris County (b)	$0.628928
Katy ISD	$1.117100
City of Katy	$0.425000
Overlapping Taxes	**$2.171028**
The District	$0.800000
Total Direct & Overlapping Taxes	**$2.971028**

(a) Approximately 82% of the District's 2025 Certified Taxable Value is located within Waller County, approximately 10% is located within Fort Bend County, and approximately 8% is located within Harris County. The overlapping tax data in the table above reflects the overlapping taxes for the portion of the District located in each respective county.

(b) Includes Harris County, Harris County Flood Control District, Port of Houston Authority, Harris County Hospital District, and Harris County Department of Education.

Tax Adequacy of Tax Revenue

The calculations shown below are solely for the purpose of illustration, reflect no transfers of surplus funds from the District's Operating Fund to the Debt Service Fund or the Road Debt Service Fund, and no increase or decrease in assessed valuation over the 2026 Preliminary Taxable Value and the 2025 Certified Taxable Value. The calculations utilize a tax rate adequate to service the District's total debt service requirements after issuance of the Bonds.

Maximum Annual Debt Service Requirement (2045) ..... $4,726,433 (a)

Requires a $0.54 debt service tax rate on the 2026 Preliminary Taxable Value of $933,717,843 at 95% collections ..... $4,789,973 (a)

Requires a $0.60 debt service tax rate on the 2025 Certified Taxable Value of $829,562,181 at 95% collections ..... $4,728,504 (a)

(a) A certain amount of the District's total debt service requirements will be paid for with the District's debt service tax rate (for water, sewer, and drainage purposes) and a certain portion will be paid for with the District's road debt service tax rate. See "– Tax Rate Distribution" herein.

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 and interest on the Bonds and any additional bonds payable from taxes that the District may hereafter issue and to pay the expenses of assessing and collecting such taxes. See “RISK FACTORS – Future Debt.” The District agrees in the Bond Resolution to levy such a tax from year to year as described more fully in this Official Statement under the caption "THE BONDS – Source of and Security for Payment." Under Texas law, the Board may also levy and collect an annual ad valorem tax for the operation and maintenance of the District and its water and wastewater system and for the payment of certain contractual obligations if authorized by the voters in the District. See “DISTRICT TAX DATA – Maintenance Tax.”

Tax Code and County-Wide Appraisal District

Title I of the Texas Tax Code (the “Property Tax Code”) specifies the taxing procedures of all political subdivisions of the State of Texas, including the District. Provisions of the Property Tax Code are complex and are not fully summarized here. The Property Tax Code requires, among other matters, county-wide appraisal and equalization of taxable property values and establishes in each county of the State of Texas an appraisal district with the responsibility for recording and appraising property for all taxing units in a county and an appraisal review board with responsibility for reviewing and equalizing the values established by the appraisal district. The Appraisal Districts have the responsibility for appraising property for all taxing units within their respective county. Such appraisal values are subject to review and change by the Fort Bend Appraisal Review Board, the Harris County Appraisal Review Board, and the Waller County Appraisal Review Board (collectively, the “Appraisal Review Boards”). The Texas Comptroller of Public Accounts may provide for the administration and enforcement of uniform standards and procedures for appraisal of property.

Property Subject to Taxation by the District

Except for certain exemptions provided by Texas law, all real property, tangible personal property held or used for the production of income, and mobile homes, are subject to taxation by the District. Principal categories of exempt property include, but are not limited to, property owned by the State of Texas or its political subdivisions if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies, and personal effects; certain goods, wares, and merchandise in transit; farm products owned by the producer; certain property of charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; most individually owned automobiles; and intangible personal property. In addition, the District may by its own action exempt residential homesteads of persons 65 years or older and of certain disabled persons, and travel trailers, to the extent deemed advisable by the Board. The District may be required to offer such an exemption if a majority of voters approve it at an election. The District would be required to call such an election upon petition by 20% of the number of qualified voters who voted in the preceding election. The District is authorized by statute to disregard exemptions for the disabled and elderly if granting the exemption would impair the District's obligation to pay tax-supported debt incurred prior to adoption of the exemption by the District. Furthermore, the District must grant exemptions to disabled veterans, or certain surviving dependents of disabled veterans if requested, but only to the maximum extent of $5,000 to $12,000 of assessed valuation depending upon the disability rating of the veteran, if such rating is less than 100%. A veteran who receives a disability rating of 100% is entitled to the exemption for the full amount of the residential homestead. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran is entitled to an exemption for the full value of the veteran’s residence homestead to which the disabled veterans’ exemption applied including the surviving spouse of a disabled veteran who would have qualified for such exemption if it had been in effect on the date the disabled veteran died. 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 homesteads in an amount equal to the partially disabled veteran’s disability rating if the residence homestead was donated by a charitable organization. Also, the surviving spouse of a member of the armed forces who was killed 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. The surviving spouse of a first responder who was killed or fatally injured in the line of duty is, subject to certain conditions, also entitled to an exemption of the total appraised value of the surviving spouse’s residence homestead, and, subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse.

Residential Homestead Exemptions. The Property Tax Code authorizes the governing body of each political subdivision in the State of Texas to exempt up to 20% of the appraised value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the assessor and collector of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption may be considered each year, but must be adopted before July 1. The District has never adopted an order granting a general residential homestead exemption.

Freeport Goods and Goods-in-Transit Exemptions. A “Freeport Exemption” applies to goods, wares, 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 that are destined to be forwarded outside of Texas and that are detained in Texas for assembling, storing, manufacturing, processing, or fabricating for fewer 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 that 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 for all prior and subsequent years.

Tax Abatement

Fort Bend County, Harris County, Waller County, or the City may designate all or part of the area within the District as a reinvestment zone. Thereafter, either the City, Fort Bend County, Harris County, Waller County, or 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 property from ad valorem taxation by each of the applicable taxing jurisdictions, including the District, for a period of up to 10 years, all or any part of any increase in the assessed valuation of property covered by the agreement over its assessed valuation in the year in which the agreement is executed on the condition that the property owner make specified improvements or repairs to the property in conformity with the terms of the tax abatement. Each taxing jurisdiction, including the District, has discretion to determine terms for its tax abatement agreements without regard to the terms approved by the other taxing jurisdictions.

Effective December 11, 2018, the District entered into a tax abatement agreement (the “Abatement Agreement”) with Houston Property Partners II, LLC, and Southern Glazer’s Wine and Spirits of Texas, LLC, which continues until December 31, 2028, unless terminated earlier pursuant to the terms of the Abatement Agreement, and which, subject to certain adjustments and conditions, provides a property tax abatement of 40% for the years 2019 through and including 2028 on real property improvements and certain qualifying personal property located in the District by Houston Property Partners II, LLC, and Southern Glazer’s Wine and Spirits of Texas, LLC, all as provided in the Abatement Agreement. The Abatement Agreement resulted in an abatement exemption value of $22,754,716 for the 2025 tax year. See “DISTRICT TAX DATA – Principal Taxpayers” and “– Analysis of Tax Base.”

Valuation of Property for Taxation

Generally, property in the District must be appraised by the Appraisal Districts at market value as of January 1 of each year. Once an appraisal roll is prepared and finally approved by the Appraisal Review Boards, 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 100% of market value, as such is defined in the Property Tax Code. A residence homestead is required to be appraised solely on the basis of its value as a residence homestead regardless of whether residential use is considered to be the highest and best use of the property.

The Property Tax Code permits land designated for agricultural use, open space, or timberland to be appraised at its value based on the land's capacity to produce agricultural or timber products rather than at its market value. The Property Tax Code permits, under certain circumstances, that residential real property inventory held by a person in the trade or business are valued at the price all such property would bring if sold as a unit to a purchaser who would continue the business. Landowners wishing to avail themselves of the agricultural use, open space, or timberland designation or residential real property inventory designation must apply for the designation, and the chief 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 years for agricultural use, open space land, and timberland. Developers in the District have waived their rights to agricultural use, open space, or timber land exemptions.

The Property Tax Code requires the Appraisal Districts 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 Districts at least once every three years. It is not known what frequency of reappraisal will be utilized by the Appraisal Districts 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 Districts 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 Districts choose to formally include such values on its appraisal roll.

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

exemption amounts established in the Property Tax Code range from 15% for property less than 30% damaged to 100% for property that is a total loss. Any such temporary exemption granted for disaster-damaged property expires on January 1 of the first year in which the property is reappraised.

District and Taxpayer Remedies

Under certain circumstances, taxpayers and taxing units (such as the District) may appeal orders of the Appraisal Review Boards 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 Districts 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 that could result in the repeal of certain tax increases. The Property Tax Code also establishes a procedure for notice to property owners of reappraisals reflecting increased property values, appraisals that are higher than renditions, and appraisals of property not previously on an appraisal roll.

Levy and Collection of Taxes

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 6% of the amount of the tax for the first calendar month it is delinquent, plus 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 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 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) 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.

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, may be 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 1.08 times the previous year's operation and maintenance tax rate.

Developed Districts. Developed Districts that adopt a total tax rate that would impose more than 1.035 times the amount of the total tax imposed by the district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead, subject to certain homestead exemptions for the preceding tax year, plus any unused increment rates, as calculated and described in Section 26.013 of the Tax Code, may be 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 1.035 times the previous year's operation and maintenance tax rate plus any unused increment rates. In addition, if any part of a Developed District lies within an area declared for disaster by the Governor of Texas or President of the United States, alternative procedures and rate limitations may apply for a temporary period. If a district qualifies as both a Special Taxing Unit and a Developed District, the district will be subject to the operation and maintenance tax threshold applicable to Special Taxing Units.

Developing Districts. Districts that do not meet the classification of a Special Taxing Unit or a Developed District 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 1.08 times the previous year's operation and maintenance tax rate.

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

District's Rights in the Event of Tax Delinquencies

Taxes levied by the District are a personal obligation of the owner of the property as of January 1 of the year for which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all state and local taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of the State of Texas and each local taxing unit, including the District, having power to tax the property. The District's tax lien is on a parity with tax liens of other such taxing units. See "DISTRICT TAX DATA – Estimated Overlapping Taxes." A tax lien on real property takes priority over the claim of most creditors and other holders of liens on the property encumbered by the tax lien whether or not the debt or lien existed before the attachment of the tax lien; 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 and land designated for agricultural use and six months for all other 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 months for commercial property, within two years for residence homesteads and land designated for agricultural use, and six months for all other property after the purchaser's deed issued at the foreclosure sale is filed in the county records), or by bankruptcy proceedings that restrict the collection of taxpayer debts. See "RISK FACTORS – Tax Collections."

The Effect of FIRREA on Tax Collections of the District

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

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

To the extent the FIRREA provisions are valid and applicable to any property in the District and to the extent that the affect the timeliness of collection of taxes on property, if any, owned by the FDIC in the District and may prevent the collection of penalties and interest on such taxes.

CONSOLIDATION

The District has the legal authority to consolidate with other districts and, in connection therewith, to provide for the consolidation of its assets 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.

THE BONDS

General

The Bond Resolution authorizes the issuance and sale of the Bonds and prescribes terms, conditions, and provisions for the payment of the principal of, and interest, on the Bonds by the District. Set forth below is a summary of certain provisions of the Bond Resolution. Capitalized terms in such summary are used as defined in the Bond Resolution. Such summary is not a complete

description of the entire Bond Resolution and is qualified in its entirety by reference to the Bond Resolution, a copy of which is available from the District's Bond Counsel upon request.

The Bonds are dated and will bear interest from October 1, 2026, at the per annum rates shown on the cover page hereof. The Bonds are fully registered, serial bonds maturing on April 1 in the years and in the principal amounts set forth on the cover page hereof. Interest on the Bonds is payable April 1, 2027, and each October 1 and April 1 thereafter until the earlier of maturity or redemption. The Record Date on the Bonds is the 15th day of the calendar month next preceding the interest payment date.

The Bonds will be issued only in fully registered form in any integral multiple of $5,000 of the principal amount for any one maturity and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC"), pursuant to the Book-Entry-Only System described herein. No physical delivery of the Bonds will be made to the owners thereof. Principal of, premium, if any, and interest on the Bonds, will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the beneficial owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM" herein.

In the event that the Book-Entry-Only System is discontinued, interest on the Bonds shall be payable by check on or before each interest payment date, mailed by the Paying Agent/Registrar to the registered owners ("Registered Owners") as shown on the bond register (the "Register") kept by the Paying Agent/Registrar at the close of business on the 15th calendar day of the month immediately preceding each interest payment date to the address of such Registered Owner as shown on the Register, or by such other customary banking arrangements as may be agreed upon by the Paying Agent/Registrar and a Registered Owner at the risk and expense of such Registered Owner.

Optional Redemption

The District reserves the right to redeem, prior to maturity, the Bonds maturing on or after April 1, 2032, in whole or in part, from time to time, at the option of the District, on April 1, 2031, or on any date thereafter, at a price of par plus accrued interest to the date of redemption. If fewer than all of the Bonds are to be redeemed, the particular Bonds to be redeemed will be selected by the District in integral multiples of $5,000 in principal amount. If fewer than all of the Bonds within any one maturity are redeemed, the Bonds to be redeemed shall be selected by the Registrar by lot or other random selection method. Notice of each exercise of the right of redemption will be given at least 30 days prior to the date fixed for redemption by mailing written notice by first class mail to each of the Registered Owners of the Bonds to be redeemed. When the Bonds have been called for redemption, they will become due and payable on the redemption date.

Source of and Security for Payment

The Bonds are secured by, and payable from, the levy of a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property in the District. In the Bond Resolution, the District covenants to levy a sufficient tax to pay principal of and interest on the Bonds, with full allowance being made for delinquencies, costs of collections, Registrar fees, and Appraisal Districts fees. The Bonds are obligations of the District and are not the obligations of the State of Texas, Fort Bend County, Harris County, Waller County, the City of Katy, or any entity other than the District.

Defeasance

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

Upon such deposit as described above, such Bonds shall no longer be regarded as outstanding or unpaid. After firm banking and financial arrangements for the discharge and final payment or redemption of the Bonds have been made as described above, all rights of the 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 that would permit investments other than those described above to be made with amounts deposited to defease the Bonds.

Funds

In the Bond Resolution, the Debt Service Fund is confirmed and the proceeds from all taxes levied, appraised, and collected for and on account of the Bonds authorized by the Bond Resolution, shall be deposited as collected in such fund.

The District also maintains a Road Debt Service Fund that is not pledged to the Bonds. Funds in the Road Debt Service Fund are not available to pay principal and interest on the Bonds.

Accrued interest on the Bonds shall be deposited into the Debt Service Fund upon receipt. The remaining proceeds of sale of the Bonds shall be deposited into the Capital Projects Fund to be used for the purpose of reimbursing the Developers for certain construction costs and for paying the costs of issuance of the Bonds. Any monies remaining in the Capital Projects Fund will be used as described in the Bond Resolution or ultimately transferred to the Debt Service Fund in accordance with TCEQ rules. See “USE OF BOND PROCEEDS” for a complete description of the proceeds of the Bonds.

No Arbitrage

The District will certify as of the date the Bonds are delivered and paid for that, based upon all facts and estimates then known or reasonably expected to be in existence on the date the Bonds are delivered and paid for, the District reasonably expects that the proceeds of the Bonds will not be used in a manner that would cause the Bonds, or any portion of the Bonds, to be “arbitrage bonds” under the Internal Revenue Code of 1986, as amended (the “Code”), and the regulations prescribed thereunder. Furthermore, all officers, employees, and agents of the District have been authorized and directed to provide certifications of facts and estimates that are material to the reasonable expectations of the District as of the date the Bonds are delivered and paid for. In particular, all or any officers of the District are authorized to certify to the facts and circumstances and reasonable expectations of the District on the date the Bonds are delivered and paid for regarding the amount and use of the proceeds of the Bonds. Moreover, the District covenants in the Bond Resolution that it shall make such use of the proceeds of the Bonds, regulate investment of proceeds of the Bonds, and take such other and further actions and follow such procedures, including, without limitation, calculating the yield on the Bonds, as may be required so that the Bonds shall not become “arbitrage bonds” under the Code and the regulations prescribed from time to time thereunder.

Paying Agent/Registrar

Pursuant to the Bond Resolution, the initial paying agent and initial registrar with respect to the Bonds is The Bank of New York Mellon Trust Company, N.A., Houston, Texas. The District will maintain at least one Registrar, where the Bonds may be surrendered for transfer and/or for exchange or replacement for other Bonds, any outstanding bonds, and for the purpose of maintaining the Bond Register on behalf of the District. The Registrar is required at all times to be a duly qualified banking corporation or association organized and doing business under the laws of the United States of America, or of any state thereof, and subject to supervision or examination by federal or state banking authorities.

The District reserves the right and authority to change any paying agent/registrar and, upon any such change, the District covenants and agrees in the Bond Resolution to promptly cause written notice thereof, specifying the name and address of such successor paying agent/registrar, to be sent to each Registered Owner of the Bonds by United States mail, first class, postage prepaid.

Registration and Transfer

In the event the Book-Entry-Only System should be discontinued, the Bonds will be transferable only on the Bond Register kept by the Registrar upon surrender and reissuance. The Bonds are exchangeable for an equal principal amount of Bonds of the same maturity and of any authorized denomination upon surrender of the Bonds to be exchanged at the operations office of the Registrar in Houston, Texas. See "BOOK-ENTRY-ONLY SYSTEM" herein for a description of the system to be utilized initially in regard to the ownership and transferability of the Bonds. Every Bond presented or surrendered for transfer is required to be duly endorsed, or be accompanied by a written instrument of transfer, in a form satisfactory to the Registrar. Neither the Registrar nor the District is required (1) to transfer or exchange any Bond during the period beginning at the opening of business on a Record Date (defined herein) 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 30 calendar days of the redemption date. No service charge will be made for any transfer or exchange, but the District or the Registrar may require payment of a sum sufficient to cover any tax or governmental charge payable in connection therewith.

Lost, Stolen, or Destroyed Bonds

In the event the Book-Entry-Only System is discontinued, the District has agreed to replace mutilated, destroyed, lost, or stolen Bonds upon surrender of the mutilated Bonds, or receipt of satisfactory evidence of such destruction, loss, or theft and receipt by the District and the Registrar of security or indemnity as may be required by either of them to keep them harmless. The District will require payment of taxes, governmental charges, and expenses in connection with any such replacement.

Legal Investment and Eligibility to Secure Public Funds in Texas

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

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

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

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

Issuance of Additional Debt

The District's voters have authorized the issuance of unlimited tax bonds for various purposes. At an election held on November 3, 2009, voters in the District authorized: (i) $40,575,000 of unlimited tax bonds for water, sanitary sewer, drainage, and storm sewer facilities and for refunding such bonds previously issued; (ii) $16,785,000 of unlimited tax bonds for road facilities and for refunding such bonds previously issued; and (iii) $7,680,000 of unlimited tax bonds for park and recreational facilities and for refunding such bonds previously issued. At an election held on November 8, 2022, voters in the District authorized: (i) $250,000,000 of unlimited tax bonds for water, sanitary sewer, drainage, and storm sewer facilities, in addition to any bonds previously authorized; (ii) $250,000,000 of unlimited tax refunding bonds for water, sanitary sewer, drainage, and storm sewer facilities, in addition to any bonds previously authorized; (iii) $175,695,000 of unlimited tax bonds for road facilities, in addition to any bonds previously authorized; (iv) $175,695,000 of unlimited tax refunding bonds for road facilities, in addition to any bonds previously authorized; (v) $50,520,000 of unlimited tax bonds for park and recreational facilities, in addition to any bonds previously authorized; and (vi) $50,520,000 of unlimited tax refunding bonds for park and recreational facilities, in addition to any bonds previously authorized.

After the issuance of the Bonds, the District will have the following amounts of unlimited tax bonds that remain authorized but unissued: (i) no unlimited tax bonds for water, sanitary sewer, drainage, and storm sewer facilities and for refunding such bonds previously issued; (ii) $4,355,000 of unlimited tax bonds for road facilities and for refunding such bonds previously issued; (iii) $7,680,000 of unlimited tax bonds for park and recreational facilities and for refunding such bonds previously issued from the November 3, 2009, election; and (iv) $231,120,000 of unlimited tax bonds for water, sanitary sewer, drainage, and storm sewer facilities; (v) $250,000,000 of unlimited tax refunding bonds for water, sanitary sewer, drainage, and storm sewer facilities; (vi) $175,695,000 of unlimited tax bonds for road facilities; (vii) $175,695,000 of unlimited tax refunding bonds for road facilities; (viii) $50,520,000 of unlimited tax bonds for park and recreational facilities; and (ix) $50,520,000 of unlimited tax refunding bonds for park and recreational facilities from the November 8, 2022, election.

The District has the right to issue additional bonds, as may hereafter be approved by both the Board and the voters of the District. Such additional bonds would be issued on a parity with the Bonds. Any future new money bonds (except new money road bonds) to be issued by the District must also be approved by the TCEQ.

The District is also authorized by statute to engage in fire-fighting activities, including the issuance of bonds payable from taxes for such purpose. Before the District could issue bonds payable from taxes for said purpose, the following actions would be required: (a) authorization of a detailed master plan and bonds for such purpose by the qualified voters in the District; (b) amendment of the existing City of Katy ordinance specifying the purposes for which the District may issue bonds; (c) approval of the master plan and issuance of bonds by the TCEQ; and (d) approval of bonds by the Attorney General of Texas. The Board is not considering issuing any fire-fighting unlimited tax bonds at this time. The District has no information concerning any determination by the City of Katy to modify its consent ordinance. Issuance of additional bonds could dilute the investment security for the Bonds.

BOOK-ENTRY-ONLY SYSTEM

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

The District and the Underwriter cannot and do not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to 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 United States Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully registered 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 or Maturity Value, as the case may be, 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. 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 S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, who will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Certificate ("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 securities 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 Certificate 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 fewer than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

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

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

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

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, securities will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry-only system has been obtained from sources that the District believes to be reliable, but none of the District, the Financial Advisor or the Underwriter takes any responsibility for the accuracy thereof. Termination by the District of the DTC Book-Entry-Only System may require consent of DTC Participants under DTC Operational Arrangements.

LEGAL MATTERS

Legal Proceedings

Delivery of the Bonds will be accompanied by the approving legal opinion of the Attorney General of Texas to the effect that the Bonds are valid and legally binding obligations of the District under the Constitution and laws of the State of Texas, payable from the proceeds of an annual ad valorem tax levied, without legal limitation as to rate or amount, upon all taxable property within the District, and, based upon their examination of a transcript of certified proceedings relating to the issuance and sale of the Bonds, the approving legal opinion of Bond Counsel to a like effect and to the effect that, under existing law, interest on the Bonds (i) is excludable from gross income for federal income tax purposes under section 103 of the Code (as defined herein), and (ii) is not an item of tax preference for purposes of the alternative minimum tax on individuals.

Legal Review

In its capacity as Bond Counsel, Allen Boone Humphries Robinson LLP has reviewed the information appearing in this Official Statement under the captions "CONTINUING DISCLOSURE OF INFORMATION – SEC RULE 15c2-12," "THE DISTRICT – Authority," "TAXING PROCEDURES," "CONSOLIDATION," "THE BONDS," "LEGAL MATTERS – Legal Proceedings" (to the extent such section relates to the opinion of Bond Counsel) and "– Legal Review," "TAX MATTERS," and "REGISTRATION AND QUALIFICATION UNDER SECURITIES LAWS" solely to determine whether such information fairly summarizes the documents and legal matters 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 any of the other information contained herein. No person is entitled to rely upon Bond Counsel's limited participation as an assumption of responsibility for, or an expression of opinion of any kind, with regard to the accuracy or completeness of any information contained herein, other than the matters discussed immediately above.

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

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

No-Litigation Certificate

On the date of delivery of the Bonds, the District will execute and deliver a certificate to the effect that there is not pending, and to the knowledge of the District, there is not threatened, any litigation affecting the validity of the Bonds, or the levy and/or collection of taxes for the payment thereof, or the organization or boundaries of the District, or the title of the officers thereof to their respective offices.

No Material Adverse Change

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

TAX MATTERS

The following discussion of certain federal income tax considerations is for general information only and is not tax advice. Each prospective purchaser of the Bonds should consult its own tax advisor as to the tax consequences of the acquisition, ownership and disposition of the Bonds.

Tax Exemption

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

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

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

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

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

NOT Qualified Tax-Exempt Obligations

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

Additional Federal Income Tax Considerations

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

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

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

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

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

The amount of bond premium on a Premium Bond that is amortizable each year (or shorter period in the event of a sale or disposition of a Premium Bond) is determined using the yield to maturity on the Premium Bond based on the initial offering price of such Premium Bond.

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

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

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

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

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

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

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

REGISTRATION AND QUALIFICATION UNDER SECURITIES LAWS

The offer and sale of the Bonds have not been registered or qualified under the Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein, and the Bonds have not been registered or qualified under the securities laws of any other jurisdiction. The District assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated, or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

OFFICIAL STATEMENT

Sources of Information

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

Financial Advisor

The GMS Group, L.L.C. is employed as the Financial Advisor to the District to render certain professional services, including advising the District on a plan of financing and preparing the Official Statement, the Official Notice of Sale, and the Official Bid Form for the sale of the Bonds. In its capacity as Financial Advisor, The GMS Group, L.L.C. has compiled and edited this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to the District and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

Consultants

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

Engineer – The information contained in this Official Statement relating to engineering matters generally and to the description of the System and in particular that information included in the sections entitled "THE SYSTEM," and certain engineering matters included in "THE DISTRICT – Description and Location" and "– Land Uses and Status of Land Development" has been provided by Quiddity Engineering, LLC, and has been included in reliance upon the authority of such firm as an expert in the field of civil engineering.

Tax Assessor/Collector – The information contained in this Official Statement relating to the estimated assessed valuation of property and, in particular, such information contained in the section captioned "DISTRICT TAX DATA," has been provided by the Appraisal Districts and by Tax Tech, Inc., in reliance upon their authority as experts in the field of tax assessing and appraising.

Auditor – The financial statements of the District as of May 31, 2025, and for the year then ended, included in this offering document, have been audited by McGrath & Co., PLLC, Certified Public Accountants, independent auditors, as stated in their report appearing herein. See "APPENDIX A" for a copy of the District's May 31, 2025, audited financial statements.

Continuing Availability of Financial Information

Pursuant to Texas law, the District has its financial statements prepared in accordance with generally accepted accounting principles and has its financial statements audited by a certified public accountant in accordance with generally accepted auditing standards within 120 days after the close of its fiscal year. The District’s audit report is required to be filed with the TCEQ within 135 days after the close of its fiscal year.

The District's financial records and audited financial statements are available for public inspection during regular business hours at the office of the District and copies will be provided on written request, to the extent permitted by law, upon payment of copying charges. Requests for copies should be addressed to the District in care of Allen Boone Humphries Robinson LLP, Phoenix Tower, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027.

Certification as to Official Statement

The Board of Directors of the District, acting in its official capacity and in reliance upon the consultants listed above and certain certificates of representation to be provided to the Board, 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 the 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 of such matters and makes no representation as to the accuracy or completeness thereof.

Updating of Official Statement

The District will keep the Official Statement current by amendment or sticker to reflect material changes in the affairs of the District and, to the extent that information comes to its attention, in the other matters described in the Official Statement, until the delivery of the Bonds. All information with respect to the resale of the Bonds shall be the responsibility of the Underwriter.

MISCELLANEOUS

All estimates, statements, and assumptions in this Official Statement and the Appendices hereto have been made on the basis of the best information available and are believed to be reliable and accurate. Any statement in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated is intended as such and not a representation of fact and no representation is made that any such statement will be realized.

This Official Statement was approved by the Board of Directors of Katy West Municipal Utility District as of the date shown on the cover page.

APPENDIX A

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS OF THE DISTRICT

FOR THE FISCAL YEAR ENDED MAY 31, 2025

KATY WEST MUNICIPAL UTILITY DISTRICT

FORT BEND, HARRIS, AND WALLER COUNTIES, TEXAS

FINANCIAL REPORT

May 31, 2025

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McGRATH & CO., PLLC
Certified Public Accountants
2900 North Loop West, Suite 880
Houston, Texas 77092

Independent Auditor's Report

Board of Directors
Katy West Municipal Utility District
Fort Bend, Harris, and Waller Counties, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Katy West Municipal Utility District (the "District"), as of and for the year ended May 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Katy West Municipal Utility District, as of May 31, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied

certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Texas Supplementary Information schedules 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Texas Supplementary Information schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

McGrath & Co, PLLC

Houston, Texas
August 28, 2025

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Management's Discussion and Analysis

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Using this Annual Report

This section of the financial report of Katy West Municipal Utility District (the "District") provides a narrative discussion and analysis of the financial activities of the District for the fiscal year ended May 31, 2025. This analysis should be read in conjunction with the independent auditor's report and the basic financial statements that follow this section.

In addition to this discussion and analysis, this annual report consists of:

- The District's basic financial statements;
- Notes to the basic financial statements, which provide additional information essential to a full understanding of the data provided in the financial statements;
- Supplementary information required by the Governmental Accounting Standards Board (GASB) concerning the District's budget; and
- Other Texas supplementary information required by the District's state oversight agency, the Texas Commission on Environmental Quality (TCEQ).

Overview of the Financial Statements

The District prepares its basic financial statements using a format that combines fund financial statements and government-wide statements onto one financial statement. The combined statements are the *Statement of Net Position and Governmental Funds Balance Sheet* and the *Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances*. Each statement contains an adjustments column which quantifies the differences between the government-wide and fund level statements. Additional details of the adjustments are provided in Note 2 to the basic financial statements.

Government-Wide Financial Statements

The focus of government-wide financial statements is on the overall financial position and activities of the District, both long-term and short-term. The District's government-wide financial statements consist of the *Statement of Net Position* and the *Statement of Activities*, which are prepared using the accrual basis of accounting. The *Statement of Net Position* includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual reported as net position. Over time, changes in net position may provide a useful indicator of whether the financial position of the District as a whole is improving or deteriorating.

Accounting standards establish three components of net position. The net investment in capital assets component represents the District's investments in capital assets, less any outstanding debt or other borrowings used to acquire those assets. Resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The restricted component of net position consists of financial resources that are restricted for a specific purpose by enabling legislation or external parties. The unrestricted component of net position represents resources not included in the other components.

The *Statement of Activities* reports how the District's net position has changed during the fiscal year. All revenues and expenses are included on this statement, regardless of whether cash has been received or paid.

Fund Financial Statements

The fund financial statements include the *Governmental Funds Balance Sheet* and the *Governmental Funds Revenues, Expenditures and Changes in Fund Balances*. The focus of fund financial statements is on specific activities of the District rather than the District as a whole, reported using modified accrual accounting. These statements report on the District's use of available financial resources and the balances of available financial resources at the end of the year. 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, governmental statutes or regulations.

For further discussion on the government-wide and fund financial statements, please refer to Note 1 in the financial statements.

Financial Analysis of the District as a Whole

The District's net position at May 31, 2025, was negative $19,316,136. The District's net position is negative because the District incurs debt to construct water, sewer, and certain drainage and road facilities which it conveys to the City of Katy. A comparative summary of the District's overall financial position, as of May 31, 2025 and 2024, is as follows:

	2025	2024
Current and other assets	$ 15,466,057	$ 13,621,905
Capital assets	17,486,327	17,237,985
Total assets	32,952,384	30,859,890
Total deferred outflows of resources	127,467	133,841
Current liabilities	1,425,514	1,210,007
Long-term liabilities	50,970,473	47,997,181
Total liabilities	52,395,987	49,207,188
Net position		
Net investment in capital assets	(2,818,085)	(3,740,840)
Restricted	2,587,398	2,587,050
Unrestricted	(19,085,449)	(17,059,667)
Total net position	$ (19,316,136)	$ (18,213,457)

The total net position of the District decreased during the current fiscal year by $1,102,679. A comparative summary of the District's *Statement of Activities* for the past two fiscal years is as follows:

	2025	2024
Revenues		
Property taxes, penalties and interest	$ 6,095,068	$ 5,637,612
Other	630,182	512,777
Total revenues	6,725,250	6,150,389
Expenses		
Operating and administrative	977,896	589,764
Debt interest and fees	1,219,842	1,070,413
Developer interest	197,802	335,981
Debt issuance costs		594,133
Depreciation/amortization	157,559	153,949
Total expenses	2,553,099	2,744,240
Change in net position before other item	4,172,151	3,406,149
Other item		
Transfers to other governments	(5,274,830)	(4,178,906)
Change in net position	(1,102,679)	(772,757)
Net position, beginning of year	(18,213,457)	(17,440,700)
Net position, end of year	$ (19,316,136)	$ (18,213,457)

Financial Analysis of the District's Funds

The District's combined fund balances, as of May 31, 2025, were $15,181,536, which consists of $11,941,714 in the General Fund, $2,768,672 in the Debt Service Fund and $471,150 in the Capital Projects Fund.

General Fund

A comparative summary of the General Fund's financial position as of May 31, 2025 and 2024, is as follows:

	2025	2024
Total assets	$ 12,209,649	$ 9,532,907
Total liabilities	$ 247,654	$ 59,901
Total deferred inflows	20,281	21,038
Total fund balance	11,941,714	9,451,968
Total liabilities, deferred inflows and fund balance	$ 12,209,649	$ 9,532,907

A comparative summary of the General Fund's activities for the current and prior fiscal year is as follows:

	2025	2024
Total revenues	$ 4,433,376	$ 3,798,529
Total expenditures	(1,943,630)	(613,019)
Revenues over expenditures	$ 2,489,746	$ 3,185,510

The District manages its activities with the objectives of ensuring that expenditures will be adequately covered by revenues each year and that an adequate fund balance is maintained. The District's primary financial resources in the General Fund are from a property tax levy, which is dependent upon assessed values in the District and the maintenance tax rate set by the District. Property tax revenues increased from prior year because the District increased the maintenance and operations component of the levy and because assessed values increased from prior year.

During the current fiscal year, the District used surplus general operating funds in the amount of $1,017,121 to reimburse its developer for infrastructure improvements within the District.

Debt Service Fund

A comparative summary of the Debt Service Fund's financial position as of May 31, 2025 and 2024, is as follows:

	2025	2024
Total assets	$ 2,784,489	$ 2,789,897
Total liabilities	$ 400	$ 401
Total deferred inflows	15,417	17,954
Total fund balance	2,768,672	2,771,542
Total liabilities, deferred inflows and fund balance	$ 2,784,489	$ 2,789,897

A comparative summary of the Debt Service Fund's activities for the current and prior fiscal year is as follows:

	2025	2024
Total revenues	$ 2,263,719	$ 2,299,116
Total expenditures	(2,266,589)	(1,873,421)
Revenues over/(under) expenditures	$ (2,870)	$ 425,695

The District's financial resources in the Debt Service Fund in both the current and prior fiscal year are from property tax revenues. The difference between these financial resources and debt service requirements resulted in changes in fund balance each year. It is important to note that the District sets its annual debt service tax rate as recommended by its financial advisor, who monitors projected cash flows in the Debt Service Fund to ensure that the District will be able to meet its future debt ervice requirements.

Capital Projects Fund

A comparative summary of the Capital Projects Fund's financial position as of May 31, 2025 and 2024, is as follows:

	2025	2024
Total assets	$ 471,919	$ 1,299,101
Total liabilities	$ 769	$ 2,259
Total fund balance	471,150	1,296,842
Total liabilities and fund balance	$ 471,919	$ 1,299,101

A comparative summary of activities in the Capital Projects Fund for the current and prior fiscal year is as follows:

	2025	2024
Total revenues	$ 31,449	$ 34,344
Total expenditures	(857,141)	(5,421,074)
Revenues under expenditures	(825,692)	(5,386,730)
Other changes in fund balance		6,620,000
Net change in fund balance	$ (825,692)	$ 1,233,270

In the current fiscal year, capital asset activity was funded by surplus funds from the District's Series 2019A Unlimited Tax Road Bonds and Series 2023 Unlimited Tax Bonds issued during prior fiscal years. In the prior fiscal year, capital asset activity was financed with proceeds from the issuance of its Series 2023 Unlimited Tax Bonds.

General Fund Budgetary Highlights

The Board of Directors adopts an annual unappropriated budget for the General Fund prior to the beginning of each fiscal year. The Board did not amend the budget during the fiscal year.

Since the District's budget is primarily a planning tool, actual results varied from the budgeted amounts. Actual net change in fund balance was $734,754 less than budgeted. The *Budgetary Comparison Schedule* on page 36 of this report provides variance information per financial statement line item.

Capital Assets

The District has entered into financing agreements with its developers for the financing of the construction of capital assets within the District. Developers will be reimbursed from proceeds of future bond issues or other lawfully available funds. These developer funded capital assets are recorded on the District's financial statements upon completion of construction.

Capital assets held by the District at May 31, 2025 and 2024, are summarized as follows:

	2025	2024
Capital assets not being depreciated		
Land and improvements	$ 11,959,227	$ 11,715,796
Capital assets being depreciated/amortized		
Capacity in drainage facilities	467,207	467,207
Connection charges	1,621,428	1,621,428
Infrastructure	4,062,890	3,900,420
Landscaping improvements	17,065	17,065
	6,168,590	6,006,120
Less accumulated depreciation/amortization		
Capacity in drainage facilities	(41,528)	(31,146)
Connection charges	(339,141)	(283,389)
Infrastructure	(253,993)	(163,706)
Landscaping improvements	(6,828)	(5,690)
	(641,490)	(483,931)
Depreciable capital assets, net	5,527,100	5,522,189
Capital assets, net	$ 17,486,327	$ 17,237,985

Capital asset additions during the current fiscal year include drainage improvements and land acquisitions.

The District and the City of Katy (the "City") have entered into an agreement which obligates the District to construct water, wastewater, and certain storm drainage and road facilities to serve the District and, when completed, to convey title to the facilities to the City. Detention facilities and certain other capital assets are retained by the District. For the year ended May 31, 2025, capital assets in the amount of $5,274,830 have been recorded as transfers to other governments in the government-wide statements. Additional information is presented in Notes 10 and 11.

Long-Term Debt and Related Liabilities

As of May 31, 2025, the District owes approximately $15,575,473 to developers for completed projects. The initial cost of the completed project and related liability is estimated based on actual construction costs plus 10-15% for engineering and other fees and is recorded on the District's financial statements upon completion of construction. As discussed in Note 7, the District has an additional commitment in the amount of $17,289,571 for projects under construction by the developers. As noted, the District will owe its developers for these projects upon completion of construction. The District intends to reimburse the developers from proceeds of future bond issues or other lawfully available funds. The estimated cost of amounts owed to the developers are trued up when the developers are reimbursed.

At May 31, 2025 and 2024, the District had total bonded debt outstanding as shown below:

Series	2025	2024
2017	$ 2,850,000	$ 2,925,000
2017A Road	2,700,000	2,775,000
2018 Road	2,975,000	3,050,000
2019	3,830,000	3,930,000
2019A Road	2,715,000	2,790,000
2021	8,625,000	8,825,000
2021A Refunding	3,420,000	3,545,000
2021B Road Refunding	2,760,000	2,860,000
2023	6,500,000	6,620,000
	$ 36,375,000	$ 37,320,000

At May 31, 2025, the District had authorization to issue additional bonds as follows:

- $13,545,000 unlimited tax bonds authorized, but unissued from a 2009 bond election for water, sanitary sewer and drainage systems and for the refunding of such bonds;
- $250,000,000 unlimited tax bonds authorized, but unissued from a 2022 bond election for water, sanitary sewer and drainage systems and $250,000,000 for the refunding of such bonds;
- $7,680,000 unlimited tax bonds authorized, but unissued from a 2009 bond election for parks and recreation facilities for the refunding of such bonds;
- $50,520,000 unlimited tax bonds authorized, but unissued from a 2022 bond election for parks and recreation facilities and $50,520,000 for the refunding of such bonds;
- $4,355,000 unlimited tax bonds authorized, but unissued from a 2009 bond election for road improvements and for refunding of such bonds; and
- $175,695,000 unlimited tax bonds authorized, but unissued from a 2022 bond election for road improvements and $175,695,000 for the refunding of such bonds.

Property Taxes

The District's property tax base increased approximately $45,347,000 for the 2025 tax year from $776,036,743 to $821,384,016. This increase was primarily due to new construction in the District and increased property values.

Next Year's Budget

In establishing the budget for the next fiscal year, the Board considered various economic factors that may affect the District, most notably projected revenues from property taxes and the projected cost of operating the District. A comparison of next fiscal year's budget to current fiscal year actual amounts for the General Fund is as follows:

	2025 Actual	2026 Budget
Total revenues	$ 4,433,376	$ 3,120,440
Total expenditures	(1,943,630)	(764,845)
Revenues over expenditures	2,489,746	2,355,595
Other changes in fund balance		60,000
Net change in fund balance	2,489,746	2,415,595
Beginning fund balance	9,451,968	11,941,714
Ending fund balance	$ 11,941,714	$ 14,357,309

Basic Financial Statements

Katy West Municipal Utility District
Statement of Net Position and Governmental Funds Balance Sheet
May 31, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets						
Cash	$ 10,822	$ 461,586	$ 490	$ 472,898	$ -	$ 472,898
Investments	11,842,911	2,549,110	534,591	14,926,612		14,926,612
Taxes receivable	20,281	15,417		35,698		35,698
Internal balances	314,565	(251,403)	(63,162)			
Other receivables	21,070	9,779		30,849		30,849
Capital assets not being depreciated					11,959,227	11,959,227
Capital assets, net					5,527,100	5,527,100
Total Assets	$ 12,209,649	$ 2,784,489	$ 471,919	$ 15,466,057	17,486,327	32,952,384
Deferred Outflows of Resources						
Deferred difference on refunding					127,467	127,467
Liabilities						
Accounts payable	$ 24,365	$ -	$ 769	$ 25,134		25,134
Other payables	14,489	400		14,889		14,889
Due to other governments	208,800			208,800		208,800
Accrued interest payable					196,691	196,691
Due to developers					15,575,473	15,575,473
Long-term debt						
Due within one year					980,000	980,000
Due after one year					35,395,000	35,395,000
Total Liabilities	247,654	400	769	248,823	52,147,164	52,395,987
Deferred Inflows of Resources						
Deferred property taxes	20,281	15,417		35,698	(35,698)	
Fund Balances/Net Position						
Fund Balances						
Restricted		2,768,672	471,150	3,239,822	(3,239,822)	
Unassigned	11,941,714			11,941,714	(11,941,714)	
Total Fund Balances	11,941,714	2,768,672	471,150	15,181,536	(15,181,536)	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 12,209,649	$ 2,784,489	$ 471,919	$ 15,466,057		
Net Position						
Net investment in capital assets					(2,818,085)	(2,818,085)
Restricted for debt service					2,587,398	2,587,398
Unrestricted					(19,085,449)	(19,085,449)
Total Net Position					$ (19,316,136)	$ (19,316,136)

See notes to basic financial statements.

Katy West Municipal Utility District
Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances
For the Year Ended May 31, 2025

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues						
Property taxes	$ 3,962,004	$ 2,117,178	$ -	$ 6,079,182	$ (3,067)	$ 6,076,115
Penalties and interest		19,180		19,180	(227)	18,953
Miscellaneous		5,281		5,281		5,281
Investment earnings	471,372	122,080	31,449	624,901		624,901
Total Revenues	4,433,376	2,263,719	31,449	6,728,544	(3,294)	6,725,250
Expenditures/Expenses						
Operating and administrative						
Professional fees	130,347		216,218	346,565		346,565
Contracted services	61,015	95,993		157,008		157,008
Repairs and maintenance	399,988			399,988		399,988
Administrative	39,329	1,115	85	40,529		40,529
Other	28,550	5,256		33,806		33,806
Capital outlay	1,260,552		466,885	1,727,437	(1,727,437)	
Debt service						
Principal		945,000		945,000	(945,000)	
Interest and fees		1,219,225		1,219,225	617	1,219,842
Developer interest	23,849		173,953	197,802		197,802
Depreciation/amortization					157,559	157,559
Total Expenditures/Expenses	1,943,630	2,266,589	857,141	5,067,360	(2,514,261)	2,553,099
Revenues Over/(Under) Expenditures/Expenses	2,489,746	(2,870)	(825,692)	1,661,184	2,510,967	4,172,151
Other Items						
Transfers to other governments					(5,274,830)	(5,274,830)
Net Change in Fund Balances	2,489,746	(2,870)	(825,692)	1,661,184	(1,661,184)	
Change in Net Position					(1,102,679)	(1,102,679)
Fund Balance/Net Position						
Beginning of the year	9,451,968	2,771,542	1,296,842	13,520,352	(31,733,809)	(18,213,457)
End of the year	$ 11,941,714	$ 2,768,672	$ 471,150	$ 15,181,536	$ (34,497,672)	$ (19,316,136)

See notes to basic financial statements.

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Note 1 – Summary of Significant Accounting Policies

The accounting policies of Katy West Municipal Utility District (the "District") conform with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board ("GASB"). The following is a summary of the most significant policies:

Creation

The District was organized, created and established as Fort Bend – Waller Counties Municipal Utility District No. 2, pursuant to an order of the 81st Texas Legislative Regular session, codified as Chapter 8329, Special District Local Laws Code, effective June 19, 2009. The District was organized pursuant to Section 59, Article XVI and Section 52, Article III of the Texas Constitution, and operates in accordance with the Texas Water Code, Chapters 49 and 54, as amended. On June 16, 2022, the District obtained approval from the Texas Commission on Environmental Quality (the "TCEQ") to change the District's name to Katy West Municipal Utility District. The Board of Directors held its first meeting on July 22, 2009, and the first bonds were issued on May 12, 2016.

The District's primary activities include construction, maintenance and operation of water, sewer and drainage, road and park facilities. As further discussed in Notes 11, the District transfers the water, sewer, drainage, (excluding detention facilities) and road facilities to the City of Katy for operation and maintenance upon completion of construction. The District has contracted with various consultants to provide services to operate and administer the affairs of the District. The District has no employees, related payroll or pension costs.

Reporting Entity

The District is a political subdivision of the State of Texas governed by an elected five-member board. The GASB has established the criteria for determining the reporting entity for financial statement reporting purposes. To qualify as a primary government, a government must have a separately elected governing body, be legally separate, and be fiscally independent of other state and local governments, while a component unit is a legally separate government for which the elected officials of a primary government are financially accountable. Fiscal independence implies that the government has the authority to adopt a budget, levy taxes, set rates, and/or issue bonds without approval from other governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District's financial statements as component units.

Government-Wide and Fund Financial Statements

Government-wide financial statements display information about the District as a whole. These statements focus on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Interfund activity, if any, has been removed from these statements. These aggregated statements consist of the *Statement of Net Position* and the *Statement of Activities*.

Fund financial statements display information at the individual fund level. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for a specific purpose. Each fund is considered to be a separate accounting entity. Most governments typically have many funds; however, governmental financial statements focus on the most important or "major" funds with non-major funds aggregated in a single column. The District has three governmental funds, which are all considered major funds.

The following is a description of the various funds used by the District:

- The General Fund is used to account for the operations of the District and all other financial transactions not reported in other funds. The principal source of revenue is property taxes. Expenditures include costs associated with the daily operations of the District.
- The Debt Service Fund is used to account for the payment of interest and principal on the District's general long-term debt. The primary source of revenue for debt service is property taxes. Expenditures include costs incurred in assessing and collecting these taxes.
- The Capital Projects Fund is used to account for the expenditures of bond proceeds for the construction of the District's water, sewer, drainage, and park and recreational facilities and road improvements.

As a special-purpose government engaged in a single governmental program, the District has opted to combine its government-wide and fund financial statements in a columnar format showing an adjustments column for reconciling items between the two.

Measurement Focus and Basis of Accounting

The government-wide financial statements use the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied.

The fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized in the accounting period in which it becomes both available and measurable to finance expenditures of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Revenues susceptible to accrual include property taxes and interest earned on investments. Property taxes receivable at the end of the fiscal year are treated as deferred inflows because they are not considered available to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due.

Note 2 further details the adjustments from the governmental fund presentation to the government-wide presentation.

Use of Restricted Resources

When both restricted and unrestricted resources are available for use, the District uses restricted resources first, then unrestricted resources as they are needed.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Receivables from and payables to external parties are reported separately and are not offset, unless a legal right of offset exists. At May 31, 2025, an allowance for uncollectible accounts was not considered necessary.

Interfund Activity

During the course of operations, transactions occur between individual funds. This can include internal transfers, payables and receivables. This activity is combined as internal balances and is eliminated in both the government-wide and fund financial statement presentation.

Capital Assets

Capital assets do not provide financial resources at the fund level, and, therefore, are reported only in the government-wide statements. The District defines capital assets as assets with an initial cost that exceeds the capitalization threshold for the asset class and an estimated useful life in excess of one year. Capital assets that individually are below the capitalization threshold but, in the aggregate, are above the threshold are capitalized. Subsequent replacements of these assets that do not exceed the threshold are not capitalized. The District's capitalization threshold for infrastructure assets is $50,000. The threshold for subscription-based information technology arrangements (SBITAs) is $100,000.

Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire the asset on the acquisition date. The District has not capitalized interest incurred during the construction of its capital assets. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Depreciable capital assets, which primarily consist of connection charges paid to the City of Katy and drainage facilities, are depreciated or amortized using the straight-line method as follows:

Assets	Useful Life
Connection charges	Remaining life of contract
Capacity in drainage facilities	Remaining life of contract
Infrastructure	45 years
Landscaping improvements	15 years

The District's detention facilities and drainage channels are considered improvements to land and are non-depreciable.

Deferred Inflows and Outflows of Financial Resources

A deferred inflow of financial resources is the acquisition of resources in one period that is applicable to a future period, while a deferred outflow of financial resources is the consumption of financial resources in one period that is applicable to a future period. A deferred inflow results from the acquisition of an asset without a corresponding revenue or assumption of a liability. A deferred outflow results from the use of an asset without a corresponding expenditure or reduction of a liability.

At the fund level, property taxes receivable not collected within 60 days of fiscal year end do not meet the availability criteria required for revenue recognition and are recorded as deferred inflows of financial resources.

Deferred outflows of financial resources at the government-wide level are from refunding bond transactions in which the amount required to repay the old debt exceeded the net carrying amount of the old debt. This amount is being amortized to interest expense.

Net Position – Governmental Activities

Governmental accounting standards establish the following three components of net position:

Net investment in capital assets – represents the District's investments in capital assets, less any outstanding debt or other borrowings used to acquire those assets.

Restricted – consists of financial resources that are restricted for a specific purpose by enabling legislation or external parties.

Unrestricted – resources not included in the other components.

Fund Balances – Governmental Funds

Governmental accounting standards establish the following fund balance classifications:

Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact. The District does not have any nonspendable fund balances.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. The District's restricted fund balances consist of unspent bond proceeds in the Capital Projects Fund and property taxes levied for debt service in the Debt Service Fund.

Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. Committed fund balance also incorporates contractual obligations to the

extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The District does not have any committed fund balances.

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

Unassigned - all other spendable amounts in the General Fund.

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses/expenditures during the period reported. These estimates include, among others, the collectability of receivables; the useful lives and impairment of capital assets; the value of amounts due to developer; the value of capital assets transferred to the City of Katy and the value of capital assets for which the developer has not been fully reimbursed. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from the estimates.

Note 2 – Adjustment from Governmental to Government-wide Basis

Reconciliation of the *Governmental Funds Balance Sheet* to the *Statement of Net Position*

Total fund balance, governmental funds		$ 15,181,536
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
Historical cost	$ 18,127,817	
Less accumulated depreciation/amortization	(641,490)	
		17,486,327
The difference between the face amount of bonds refunded and the amount paid to refund the bonds does not provide financial resources at the fund level and is recorded as a deferred outflow in the *Statement of Net Position* and amortized to interest expense.		127,467
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. The difference consists of:		
Accrued interest payable	(196,691)	
Due to developers	(15,575,473)	
Bonds payable	(36,375,000)	
		(52,147,164)
Deferred inflows in the fund statements consist of property taxes receivable that have been levied and are due, but are not available to pay current period expenditures. These amounts are included in revenues in the government-wide statements.		35,698
Total net position - governmental activities		$ (19,316,136)

Reconciliation of the *Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances* to the *Statement of Activities*

Net change in fund balances - total governmental funds		$ 1,661,184
Governmental funds do not report revenues that are not available to pay current obligations. In contrast, such revenues are reported in the *Statement of Activities* when earned. The difference is for property taxes.		(3,294)
Financial reporting for capital assets varies significantly between the fund statements and the government-wide statements. Reporting at the fund level focuses on the impact of transactions on financial resources (i.e., cash), while reporting at the government-wide level seeks to allocate the cost of the acquisition of capital assets over their useful lives and to measure the economic impact of developer financing of capital assets used by the District or conveyed to other governmental entities. Differences during the current fiscal year are for the following:		
Capital outlays	$ 1,727,437	
Transfers to other governments	(5,274,830)	
Depreciation/amortization expense	(157,559)	
		(3,704,952)
Financial reporting for certain obligations varies between the fund statements and the government-wide statements. At the fund level, the focus is on increases and decreases of financial resources as debt is issued and repaid. At the government-wide level, the focus is on measuring and reporting on changes in the District's obligation to repay liabilities in the future. Differences during the current fiscal year are for the following:		
Principal payments	945,000	
Interest expense accrual	(617)	
		944,383
Change in net position of governmental activities		$ (1,102,679)

Note 3 – Implementation of New Accounting Guidance

During the current fiscal year, the District implemented GASB Implementation Guide ("GASBIG") 2021-1, Question 5.1, which requires the capitalization of the acquisition of a group of individual capital assets whose individual acquisition costs are less than the capitalization threshold when the cost of the acquisition of the assets in the aggregate is significant. This new guidance had no effect on the District's financial statements during the current fiscal year.

Note 4 – Deposits and Investments

Deposit Custodial Credit Risk

Custodial credit risk as it applies to deposits (i.e. cash and certificates of deposit) is the risk that, in the event of the failure of the depository institution, a government will not be able to recover its deposits or will not be able to recover collateral securities. The *Public Funds Collateral Act* (Chapter 2257, Texas Government Code) requires that all of the District's deposits with financial institutions be covered by federal depository insurance and, if necessary, pledged collateral held by a third-party custodian. The act further specifies the types of securities that can be used as collateral. The District's written investment policy establishes additional requirements for collateralization of deposits.

Investments

The District is authorized by the *Public Funds Investment Act* (Chapter 2256, Texas Government Code) to invest in the following: (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including Federal Home Loan Banks, (2) direct obligations of the State of Texas or its agencies and instrumentalities, (3) certain collateralized mortgage obligations, (4) other obligations, which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies or 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, (5) certain A rated or higher obligations of states and political subdivisions of any state, (6) bonds issued, assumed or guaranteed by the State of Israel, (7) certain insured or collateralized certificates of deposit and share certificates, (8) certain fully collateralized repurchase agreements, (9) bankers' acceptances with limitations, (10) commercial paper rated A-1 or P-1 or higher and a maturity of 270 days or less, (11) no-load money market mutual funds and no-load mutual funds, with limitations, (12) certain guaranteed investment contracts, (13) certain qualified governmental investment pools and (14) a qualified securities lending program.

The District has adopted a written investment policy to establish the principles by which the District's investment program should be managed. This policy further restricts the types of investments in which the District may invest.

As of May 31, 2025, the District's investments consist of the following:

Type	Fund	Carrying Value	Percentage of Total	Rating	Weighted Average Maturity
Certificates of deposit	General	$ 1,175,000			
	Debt Service	470,000			
		1,645,000	11%	N/A	N/A
TexPool	General	10,667,911			
	Debt Service	2,079,110			
	Capital Projects	534,591			
		13,281,612	89%	AAAm	42 days
Total		$ 14,926,612	100%		

The District's investments in certificates of deposit are reported at cost.

TexPool

The District participates in TexPool, the Texas Local Government Investment Pool. The State Comptroller of Public Accounts exercises oversight responsibility of TexPool, which includes (1) the ability to significantly influence operations, (2) designation of management and (3) accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure.

As permitted by GAAP, TexPool uses amortized cost (which excludes unrealized gains and losses) rather than market value to compute share price and seeks to maintain a constant dollar value per share. Accordingly, the fair value of the District's position in TexPool is the same as the value of TexPool shares. Investments in TexPool may be withdrawn on a same day basis, as long as the transaction is executed by 3:30 p.m.

Investment Credit and Interest Rate Risk

Investment credit risk is the risk that the investor may not recover the value of an investment from the issuer, while interest rate risk is the risk that the value of an investment will be adversely affected by changes in interest rates. The District's investment policies do not address investment credit and interest rate risk beyond the rating and maturity restrictions established by state statutes.

Note 5 – Interfund Balances and Transactions

Amounts due to/from other funds at May 31, 2025, consist of the following:

Receivable Fund	Payable Fund	Amounts	Purpose
General Fund	Debt Service Fund	$ 251,403	Maintenance tax collections not remitted as of year end
General Fund	Capital Projects Fund	63,162	Bond application fees paid by the General Fund

Amounts reported as internal balances between funds are considered temporary balances and will be paid during the following fiscal year.

Note 6 – Capital Assets

A summary of changes in capital assets, for the year ended May 31, 2025, is as follows:

	Beginning Balances	Additions	Ending Balances
Capital assets not being depreciated			
Land and improvements	$ 11,715,796	$ 243,431	$ 11,959,227
Capital assets being depreciated/amortized			
Capacity in drainage facilities	467,207		467,207
Connection charges	1,621,428		1,621,428
Infrastructure	3,900,420	162,470	4,062,890
Landscaping improvements	17,065		17,065
	6,006,120	162,470	6,168,590
Less accumulated depreciation/amortization			
Capacity in drainage facilities	(31,146)	(10,382)	(41,528)
Connection charges	(283,389)	(55,752)	(339,141)
Infrastructure	(163,706)	(90,287)	(253,993)
Landscaping improvements	(5,690)	(1,138)	(6,828)
	(483,931)	(157,559)	(641,490)
Subtotal depreciable capital assets, net	5,522,189	4,911	5,527,100
Capital assets, net	$ 17,237,985	$ 248,342	$ 17,486,327

Depreciation/amortization expense for the current fiscal year was $157,559.

Note 7 – Due to Developers

The District has entered into financing agreements with its developers for the financing of the construction of water, sewer, drainage, park and recreational facilities and road improvements. Under the agreements, the developers will construct facilities on behalf of the District. The developers will

be reimbursed from proceeds of future bond issues or other lawfully available funds, subject to approval by TCEQ, as applicable. The District does not record the capital asset and related liability on the government-wide statements until construction of the facilities is complete. The initial cost is estimated based on construction costs plus 10-15% for engineering and other fees. Estimates are trued up when the developers are reimbursed.

Changes in the estimated amounts due to developers during the fiscal year are as follows:

Due to developers, beginning of year	$ 11,622,181
Developer reimbursements	(1,484,006)
Developer funded construction and adjustments	5,437,298
Due to developers, end of year	$ 15,575,473

In addition, the District will owe the developers approximately $17,289,571, which is included in the following schedule of contractual commitments. The exact amount is not known until approved by the TCEQ and verified by the District's auditor. As previously noted, these projects will be reported in the government-wide financial statements upon completion of construction.

	Contract Amount	Percent Complete
Katy Court Phase 2 Detention Pond No. 1	$ 6,958,496	96%
Katy Court Phase 2 Lift Station No. 2	953,160	84%
Katy Court Phase 2 Sections 3 and 5 - utilities and paving	3,299,048	35%
Katy Court Phase 2 Section 4 - utilities and paving	1,953,050	52%
Katy Court Phase 2 Section 6 - utilities and paving	1,741,806	53%
The Green at Katy Park - grading, detention, and drainage	1,525,950	0%
Katy Court Phase 2A - landscaping improvements	858,061	0%
	$ 17,289,571	

Note 8 – Long-Term Debt

Long-term debt is comprised of the following:

Bonds payable	$ 36,375,000
Due within one year	$ 980,000

The District's bonds payable at May 31, 2025, consists of unlimited tax bonds as follows:

Series	Amounts Outstanding	Original Issue	Interest Rates	Maturity Date, Beginning/ Ending	Interest Payment Dates	Call Dates
2017	$ 2,850,000	$ 3,220,000	2.10% - 4.00%	April 1, 2021/2045	October 1, April 1	April 1, 2022
2017A Road	2,700,000	3,000,000	2.00% - 4.00%	April 1, 2021/2045	October 1, April 1	April 1, 2023
2018 Road	2,975,000	3,200,000	3.00% - 4.00%	April 1, 2022/2046	October 1, April 1	April 1, 2023
2019	3,830,000	4,180,000	2.00% - 3.375%	April 1, 2022/2046	October 1, April 1	April 1, 2024
2019A Road	2,715,000	2,965,000	2.00% - 3.25%	April 1, 2022/2046	October 1, April 1	April 1, 2025
2021	8,625,000	9,000,000	2.00% - 4.50%	April 1, 2024/2049	October 1, April 1	April 1, 2026
2021A Refunding	3,420,000	3,710,000	1.25% - 3.00%	April 1, 2022/2045	October 1, April 1	April 1, 2026
2021B Road Refunding	2,760,000	2,980,000	1.25% - 3.00%	April 1, 2022/2045	October 1, April 1	April 1, 2026
2023	6,500,000	6,620,000	4.25% - 6.75%	April 1, 2025/2050	October 1, April 1	April 1, 2028
	$ 36,375,000					

Payments of principal and interest on all series of bonds are to be provided from taxes levied on all properties within the District. Investment income realized by the Debt Service Fund from investment of idle funds will be used to pay outstanding bond principal and interest. The District is in compliance with the terms of its bond resolutions.

At May 31, 2025, the District had authorized but unissued bonds as follows:

	Water, Sanitary Sewer, and Storm Water	Parks and Recreation	Road Improvements
2009 Bond Election - New and Refunding	$ 13,545,000	$ 7,680,000	$ 4,355,000
2022 Bond Election - New Bonds	$ 250,000,000	$ 50,520,000	$ 175,695,000
2022 Bond Election - Refunding Bonds	$ 250,000,000	$ 50,520,000	$ 175,695,000

The change in the District's long-term debt during the year is as follows:

Bonds payable, beginning of year	$	37,320,000
Bonds retired		(945,000)
Bonds payable, end of year	$	36,375,000

As of May 31, 2025, annual debt service requirements on bonds outstanding are as follows:

Year	Principal	Interest	Totals
2026	$ 980,000	$ 1,180,147	$ 2,160,147
2027	1,065,000	1,143,808	2,208,808
2028	1,105,000	1,106,714	2,211,714
2029	1,185,000	1,069,177	2,254,177
2030	1,225,000	1,029,952	2,254,952
2031	1,255,000	993,328	2,248,328
2032	1,335,000	955,977	2,290,977
2033	1,400,000	916,745	2,316,745
2034	1,460,000	875,676	2,335,676
2035	1,500,000	832,527	2,332,527
2036	1,560,000	788,038	2,348,038
2037	1,625,000	751,291	2,376,291
2038	1,695,000	689,039	2,384,039
2039	1,755,000	635,027	2,390,027
2040	1,870,000	578,238	2,448,238
2041	1,945,000	517,250	2,462,250
2042	2,005,000	453,769	2,458,769
2043	2,120,000	388,120	2,508,120
2044	2,160,000	318,276	2,478,276
2045	2,305,000	246,726	2,551,726
2046	1,565,000	169,868	1,734,868
2047	890,000	116,443	1,006,443
2048	935,000	86,531	1,021,531
2049	980,000	55,092	1,035,092
2050	455,000	21,612	476,612
	$ 36,375,000	$ 15,919,371	$ 52,294,371

Note 9 – Property Taxes

On November 3, 2009, the voters of the District authorized the District's Board of Directors to levy taxes annually for use in financing general operations limited to $1.00 per $100 of assessed value for water, sewer, drainage and recreational facilities and $0.25 per $100 of assessed value for roads. The District's bond resolutions require that property taxes be levied for use in paying interest and principal on long-term debt and for use in paying the cost of assessing and collecting taxes. Taxes levied to finance debt service requirements on long-term debt are without limitation as to rate or amount.

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

Property taxes are collected based on rates adopted in the year of the levy. The District's 2025 fiscal year was financed through the 2024 tax levy, pursuant to which the District levied property taxes of $0.80 per $100 of assessed value, of which $0.52 was allocated to maintenance and operations, $0.19 was allocated to water, sewer, and drainage debt service and $0.09 was allocated to road debt service. The resulting tax levy was $6,208,294 on the adjusted taxable value of $776,036,743.

Property taxes receivable, at May 31, 2025, consisted of the following:

Current year taxes receivable	$ 29,920
Prior years taxes receivable	1,437
	31,357
Penalty and interest receivable	4,341
Property taxes receivable	$ 35,698

Note 10 – Transfers to Other Governments

In accordance with an agreement between the District and the City of Katy (the "City"), the District transfers all of its water, sewer, drainage (excluding storm water detention) and road facilities to the City (see Note 11). Accordingly, the District does not record these capital assets in the *Statement of Net Position*, but instead reports the completed projects as transfers to other governments on the *Statement of Activities*. The estimated cost of each project is trued-up when the developer is subsequently reimbursed. For the year ended May 31, 2025, the District reported transfers to other governments in the amount of $5,274,830 for projects completed and transferred to the City.

Note 11 – Utility Agreement with the City of Katy

On September 22, 2008, as amended July 23, 2012, January 27, 2014, June 28, 2021, July 25, 2022, and February 24, 2025, a developer entered into a utility agreement with the City on behalf of the District for the construction and extension of water distribution lines, sanitary sewer collection systems and drainage facilities to serve the District. This agreement was assigned to the District by the developer on August 27, 2009. As the system is acquired or constructed, the District shall transfer the system, excluding storm water detention facilities, to the City but will reserve a security interest in the system and provide service to all users in the District. The term of the agreement is 40 years.

Water and sewer rates charged by the City to users in the District, shall be the same rates charged to similar users within the City. All revenue derived from these charges belongs to the City.

The City is obligated to pay the District annually a portion of the ad valorem taxes collected by the City on property within the District after deducting the costs of collection. The annual payment shall

begin on February 1 in the calendar year following the calendar year for which the District initially received tax rolls from the Fort Bend Central Appraisal District, Waller County Appraisal District, and Harris Central Appraisal District.

Other stipulations require the District to pay capital recovery fees to the City for any connections previously reserved and additional connections estimates by the City necessary to serve any portion District. The District is to pay the City capital recovery fees within ten days of the District receiving proceeds from future bond sales.

Note 12 – Joint Drainage Agreement with Harris County Municipal District No. 536

On June 17, 2021, the District entered into a Joint Drainage Agreement (the "Agreement") with Harris County Municipal District No. 536 ("MUD 536") for the purchase of drainage capacity in an existing drainage channel owned by MUD 536. Additionally, the District agreed to finance the construction of a drainage channel extension to serve a certain tract of land within its boundaries. Upon completion, the District will convey the drainage channel extension to MUD 536 for ownership, operation, and maintenance. The District will own 100% of the capacity within the drainage channel extension. MUD 536 will bill the District for their pro-rata share of the monthly maintenance costs of the existing drainage channel and extension.

As of May 31, 2025, the District has paid $467,207 to MUD 536 for capacity in the existing drainage channel and the drainage channel extension easement.

Note 13 – 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 personal injuries. The risk of loss is covered by commercial insurance. There have been no significant reductions in insurance coverage from the prior year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Note 14 – Subsequent Event

On August 28, 2025, the District issued its $15,750,000 Series 2025 Unlimited Tax Bonds at a net effective rate of 4.960462%. Proceeds from the bonds will be used to reimburse the District's developers for infrastructure improvements in the District.

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Required Supplementary Information

Katy West Municipal Utility District
Required Supplementary Information - Budgetary Comparison Schedule - General Fund
For the Year Ended May 31, 2025

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	$ 3,526,100	$ 3,962,004	$ 435,904
Investment earnings	463,300	471,372	8,072
Total Revenues	3,989,400	4,433,376	443,976
Expenditures			
Operating and administrative			
Professional fees	166,500	130,347	36,153
Contracted services	52,100	61,015	(8,915)
Repairs and maintenance	336,000	399,988	(63,988)
Administrative	38,300	39,329	(1,029)
Other	22,000	28,550	(6,550)
Capital outlay	150,000	1,260,552	(1,110,552)
Debt service			
Developer interest		23,849	(23,849)
Total Expenditures	764,900	1,943,630	(1,178,730)
Revenues Over Expenditures	3,224,500	2,489,746	(734,754)
Fund Balance			
Beginning of the year	9,451,968	9,451,968	
End of the year	$ 12,676,468	$ 11,941,714	$ (734,754)

Budgets and Budgetary Accounting

An annual unappropriated budget is adopted for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. There were no amendments to the budget during the year.

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Texas Supplementary Information

Katy West Municipal Utility District
TSI-1. Services and Rates
May 31, 2025

1. Services provided by the District During the Fiscal Year:

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

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

☐ Other (Specify): _____

2. Retail Service Providers

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

	Minimum Charge	Minimum Usage	Flat Rate (Y / N)	Rate per 1,000 Gallons Over Minimum Usage	Usage Levels
Water:					to
Wastewater:					to
Surcharge:					to

District employs winter averaging for wastewater usage? ☐ Yes ☐ No

Total charges per 10,000 gallons usage: Water _____ Wastewater _____

b. Water and Wastewater Retail Connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC'S
Unmetered			x 1.0	
less than 3/4"			x 1.0	
1"			x 2.5	
1.5"			x 5.0	
2"			x 8.0	
3"			x 15.0	
4"			x 25.0	
6"			x 50.0	
8"			x 80.0	
10"			x 115.0	
Total Water				
Total Wastewater			x 1.0	

See accompanying auditor's report.

3. Total Water Consumption during the fiscal year (rounded to the nearest thousand):

Gallons pumped into system:	N/A	Water Accountability Ratio: (Gallons billed / Gallons pumped)
Gallons billed to customers:	N/A	N/A

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

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

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

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

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

5. Location of District:

Is the District located entirely within one county? Yes [ ] No [X]

County(ies) in which the District is located: Fort Bend, Waller and Harris Counties

Is the District located within a city? Entirely [X] Partly [ ] Not at all [ ]

City(ies) in which the District is located: City of Katy

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

Entirely [ ] Partly [ ] Not at all [X]

ETJs in which the District is located: _____

Are Board members appointed by an office outside the district? Yes [ ] No [X]

If Yes, by whom? _____

See accompanying auditor's report.

Katy West Municipal Utility District
TSI-2. General Fund Expenditures
For the Year Ended May 31, 2025

Professional fees	
Legal	$ 68,230
Audit	21,500
Engineering	40,617
	130,347
Contracted services	
Bookkeeping	51,815
Financial advisor	9,200
	61,015
Repairs and maintenance	399,988
Administrative	
Directors fees	16,130
Printing and office supplies	1,840
Insurance	3,380
Other	17,979
	39,329
Other	28,550
Capital outlay	1,260,552
Debt service	
Developer interest	23,849
Total expenditures	$ 1,943,630

See accompanying auditor's report.

Katy West Municipal Utility District
TSI-3. Investments
May 31, 2025

Fund	Interest Rate	Maturity Date	Balance at End of Year	Interest Receivable
General				
TexPool	Variable	N/A	$ 10,667,911	$ -
Certificates of deposit	4.18%	07/30/25	235,000	3,229
Certificates of deposit	4.56%	06/14/25	235,000	4,874
Certificates of deposit	4.75%	09/13/25	235,000	5,077
Certificates of deposit	4.30%	12/17/25	235,000	4,568
Certificates of deposit	4.30%	10/31/25	235,000	3,322
			11,842,911	21,070
Debt Service				
TexPool	Variable	N/A	2,079,110	
Certificates of deposit	4.75%	09/13/25	235,000	5,077
Certificates of deposit	4.40%	09/17/25	235,000	4,702
			2,549,110	9,779
Capital Projects				
TexPool	Variable	N/A	534,591	
Total - All Funds			$ 14,926,612	$ 30,849

See accompanying auditor's report.

Katy West Municipal Utility District
TSI-4. Taxes Levied and Receivable
May 31, 2025

	Maintenance Taxes	Debt Service Taxes	Road Debt Service Taxes	Totals
Taxes Receivable, Beginning of Year	$ 21,038	$ 9,887	$ 3,500	$ 34,425
Adjustments	(73,015)	(36,800)	(22,364)	(132,179)
Adjusted Receivable	(51,977)	(26,913)	(18,864)	(97,754)
2024 Original Tax Levy	3,937,410	1,438,669	681,475	6,057,554
Adjustments	97,981	35,801	16,958	150,740
Adjusted Tax Levy	4,035,391	1,474,470	698,433	6,208,294
Total to be accounted for	3,983,414	1,447,557	679,569	6,110,540
Tax collections:				
Current year	4,015,943	1,467,364	695,067	6,178,374
Prior years	(52,810)	(27,316)	(19,065)	(99,191)
Total Collections	3,963,133	1,440,048	676,002	6,079,183
Taxes Receivable, End of Year	$ 20,281	$ 7,509	$ 3,567	$ 31,357
Taxes Receivable, By Years				
2024	$ 19,448	$ 7,106	$ 3,366	$ 29,920
2023	414	194	68	676
2022	419	209	133	761
Taxes Receivable, End of Year	$ 20,281	$ 7,509	$ 3,567	$ 31,357

	2024	2023	2022	2021
Property Valuations:				
Land	$ 114,637,927	$ 102,719,814	$ 89,327,771	$ 88,057,869
Improvements	232,577,180	209,627,120	186,705,649	152,097,981
Personal Property	515,818,639	461,508,565	262,912,734	240,136,532
Exemptions	(86,997,003)	(59,984,457)	(39,802,862)	(38,281,428)
Total Property Valuations	$ 776,036,743	$ 713,871,042	$ 499,143,292	$ 442,010,954
Tax Rates per $100 Valuation:				
Maintenance tax rates	$ 0.52	$ 0.49	$ 0.44	$ 0.42
Road debt service tax rates	0.09	0.08	0.14	0.14
WSD debt service tax rates	0.19	0.23	0.22	0.24
Total Tax Rates per $100 Valuation	$ 0.80	$ 0.80	$ 0.80	$ 0.80
Adjusted Tax Levy:	$ 6,208,294	$ 5,710,968	$ 3,993,146	$ 3,536,088
Percentage of Taxes Collected to Taxes Levied **	99.52%	99.99%	99.98%	100.00%

* Maximum Maintenance Tax Rate Approved by Voters: $1.00 on November 3, 2009
* Maximum Road Maintenance Tax Rate Approved by Voters: $0.25 on November 3, 2009
** Calculated as taxes collected for a tax year divided by taxes levied for that tax year.

See accompanying auditor's report.

Katy West Municipal Utility District
TSI-5. Long-Term Debt Service Requirements
Series 2017--by Years
May 31, 2025

Due During Fiscal Years Ending	Principal Due April 1	Interest Due October 1, April 1	Total
2026	$ 100,000	$ 105,926	$ 205,926
2027	100,000	102,926	202,926
2028	100,000	99,726	199,726
2029	100,000	96,426	196,426
2030	100,000	93,026	193,026
2031	100,000	89,626	189,626
2032	125,000	86,126	211,126
2033	125,000	81,750	206,750
2034	125,000	77,218	202,218
2035	125,000	72,688	197,688
2036	150,000	68,156	218,156
2037	150,000	62,532	212,532
2038	175,000	56,906	231,906
2039	175,000	50,344	225,344
2040	175,000	43,562	218,562
2041	175,000	36,782	211,782
2042	175,000	30,000	205,000
2043	175,000	23,000	198,000
2044	200,000	16,000	216,000
2045	200,000	8,000	208,000
	$ 2,850,000	$ 1,300,720	$ 4,150,720

See accompanying auditor's report.

Katy West Municipal Utility District
TSI-5. Long-Term Debt Service Requirements
Series 2017A Road--by Years
May 31, 2025

Due During Fiscal Years Ending	Principal Due April 1	Interest Due October 1, April 1	Total
2026	$ 75,000	$ 102,750	$ 177,750
2027	100,000	100,500	200,500
2028	100,000	97,375	197,375
2029	100,000	94,125	194,125
2030	100,000	90,750	190,750
2031	100,000	87,250	187,250
2032	125,000	83,750	208,750
2033	125,000	79,219	204,219
2034	125,000	74,531	199,531
2035	125,000	69,844	194,844
2036	125,000	65,000	190,000
2037	150,000	60,000	210,000
2038	150,000	54,000	204,000
2039	150,000	48,000	198,000
2040	150,000	42,000	192,000
2041	175,000	36,000	211,000
2042	175,000	29,000	204,000
2043	175,000	22,000	197,000
2044	175,000	15,000	190,000
2045	200,000	8,000	208,000
	$ 2,700,000	$ 1,259,094	$ 3,959,094

See accompanying auditor's report.

Katy West Municipal Utility District
TSI-5. Long-Term Debt Service Requirements
Series 2018 Road--by Years
May 31, 2025

Due During Fiscal Years Ending	Principal Due April 1	Interest Due October 1, April 1	Total
2026	$ 75,000	$ 115,563	$ 190,563
2027	75,000	113,125	188,125
2028	100,000	110,594	210,594
2029	100,000	107,094	207,094
2030	100,000	103,594	203,594
2031	100,000	99,969	199,969
2032	125,000	96,219	221,219
2033	125,000	91,531	216,531
2034	125,000	86,844	211,844
2035	125,000	82,000	207,000
2036	150,000	77,000	227,000
2037	150,000	71,000	221,000
2038	150,000	65,000	215,000
2039	150,000	59,000	209,000
2040	175,000	53,000	228,000
2041	175,000	46,000	221,000
2042	175,000	39,000	214,000
2043	200,000	32,000	232,000
2044	200,000	24,000	224,000
2045	200,000	16,000	216,000
2046	200,000	8,000	208,000
	$ 2,975,000	$ 1,496,533	$ 4,471,533

See accompanying auditor's report.

Katy West Municipal Utility District
TSI-5. Long-Term Debt Service Requirements
Series 2019--by Years
May 31, 2025

Due During Fiscal Years Ending	Principal Due April 1	Interest Due October 1, April 1	Total
2026	$ 100,000	$ 118,956	$ 218,956
2027	125,000	116,556	241,556
2028	125,000	113,431	238,431
2029	125,000	110,181	235,181
2030	150,000	106,806	256,806
2031	150,000	102,606	252,606
2032	150,000	98,106	248,106
2033	150,000	93,606	243,606
2034	175,000	89,106	264,106
2035	175,000	83,856	258,856
2036	175,000	78,606	253,606
2037	175,000	73,357	248,357
2038	175,000	67,888	242,888
2039	200,000	62,419	262,419
2040	200,000	55,919	255,919
2041	200,000	49,419	249,419
2042	225,000	42,919	267,919
2043	250,000	35,607	285,607
2044	250,000	27,169	277,169
2045	275,000	18,732	293,732
2046	280,000	9,450	289,450
	$ 3,830,000	$ 1,554,695	$ 5,384,695

See accompanying auditor's report.

Katy West Municipal Utility District
TSI-5. Long-Term Debt Service Requirements
Series 2019A Road--by Years
May 31, 2025

Due During Fiscal Years Ending	Principal Due April 1	Interest Due October 1, April 1	Total
2026	$ 75,000	$ 83,338	$ 158,338
2027	75,000	81,613	156,613
2028	75,000	79,775	154,775
2029	100,000	77,825	177,825
2030	100,000	75,125	175,125
2031	100,000	72,325	172,325
2032	100,000	69,425	169,425
2033	100,000	66,425	166,425
2034	125,000	63,425	188,425
2035	125,000	59,675	184,675
2036	125,000	55,925	180,925
2037	125,000	52,175	177,175
2038	125,000	48,269	173,269
2039	150,000	44,363	194,363
2040	150,000	39,488	189,488
2041	150,000	34,612	184,612
2042	150,000	29,737	179,737
2043	175,000	24,862	199,862
2044	175,000	19,175	194,175
2045	200,000	13,487	213,487
2046	215,000	6,987	221,987
	$ 2,715,000	$ 1,098,031	$ 3,813,031

See accompanying auditor's report.

Katy West Municipal Utility District
TSI-5. Long-Term Debt Service Requirements
Series 2021--by Years
May 31, 2025

Due During Fiscal Years Ending	Principal Due April 1	Interest Due October 1, April 1	Total
2026	$ 200,000	$ 208,938	$ 408,938
2027	225,000	199,938	424,938
2028	225,000	190,375	415,375
2029	250,000	180,813	430,813
2030	250,000	170,188	420,188
2031	275,000	165,188	440,188
2032	275,000	159,688	434,688
2033	300,000	154,188	454,188
2034	300,000	148,188	448,188
2035	325,000	142,188	467,188
2036	325,000	135,688	460,688
2037	325,000	129,188	454,188
2038	350,000	122,688	472,688
2039	350,000	115,250	465,250
2040	375,000	107,813	482,813
2041	400,000	99,375	499,375
2042	425,000	90,375	515,375
2043	450,000	80,813	530,813
2044	450,000	70,688	520,688
2045	475,000	60,563	535,563
2046	500,000	49,281	549,281
2047	500,000	37,406	537,406
2048	525,000	25,531	550,531
2049	550,000	13,054	563,054
	$ 8,625,000	$ 2,857,405	$ 11,482,405

See accompanying auditor's report.

Katy West Municipal Utility District
TSI-5. Long-Term Debt Service Requirements
Series 2021A Refunding--by Years
May 31, 2025

Due During Fiscal Years Ending	Principal Due April 1	Interest Due October 1, April 1	Total
2026	$ 125,000	$ 74,488	$ 199,488
2027	125,000	70,738	195,738
2028	125,000	68,238	193,238
2029	145,000	66,675	211,675
2030	145,000	64,863	209,863
2031	145,000	61,963	206,963
2032	140,000	59,063	199,063
2033	165,000	56,263	221,263
2034	160,000	52,963	212,963
2035	160,000	49,763	209,763
2036	155,000	46,563	201,563
2037	180,000	54,263	234,263
2038	180,000	39,188	219,188
2039	175,000	34,913	209,913
2040	220,000	30,756	250,756
2041	220,000	25,531	245,531
2042	215,000	20,306	235,306
2043	210,000	15,200	225,200
2044	205,000	10,213	215,213
2045	225,000	5,336	230,336
	$ 3,420,000	$ 907,286	$ 4,327,286

See accompanying auditor's report.

Katy West Municipal Utility District
TSI-5. Long-Term Debt Service Requirements
Series 2021B Road Refunding--by Years
May 31, 2025

Due During Fiscal Years Ending	Principal Due April 1	Interest Due October 1, April 1	Total
2026	$ 100,000	$ 59,950	$ 159,950
2027	105,000	56,950	161,950
2028	110,000	54,850	164,850
2029	115,000	53,475	168,475
2030	120,000	52,038	172,038
2031	115,000	49,638	164,638
2032	120,000	47,338	167,338
2033	125,000	44,938	169,938
2034	130,000	42,438	172,438
2035	135,000	39,838	174,838
2036	135,000	37,138	172,138
2037	140,000	34,438	174,438
2038	150,000	31,113	181,113
2039	150,000	27,550	177,550
2040	155,000	23,988	178,988
2041	165,000	20,306	185,306
2042	165,000	16,388	181,388
2043	170,000	12,469	182,469
2044	175,000	8,431	183,431
2045	180,000	4,270	184,270
	$ 2,760,000	$ 717,544	$ 3,477,544

See accompanying auditor's report.

Katy West Municipal Utility District
TSI-5. Long-Term Debt Service Requirements
Series 2023--by Years
May 31, 2025

Due During Fiscal Years Ending	Principal Due April 1	Interest Due October 1, April 1	Total
2026	$ 130,000	$ 310,238	$ 440,238
2027	135,000	301,462	436,462
2028	145,000	292,350	437,350
2029	150,000	282,563	432,563
2030	160,000	273,562	433,562
2031	170,000	264,763	434,763
2032	175,000	256,262	431,262
2033	185,000	248,825	433,825
2034	195,000	240,963	435,963
2035	205,000	232,675	437,675
2036	220,000	223,962	443,962
2037	230,000	214,338	444,338
2038	240,000	203,987	443,987
2039	255,000	193,188	448,188
2040	270,000	181,712	451,712
2041	285,000	169,225	454,225
2042	300,000	156,044	456,044
2043	315,000	142,169	457,169
2044	330,000	127,600	457,600
2045	350,000	112,338	462,338
2046	370,000	96,150	466,150
2047	390,000	79,037	469,037
2048	410,000	61,000	471,000
2049	430,000	42,038	472,038
2050	455,000	21,612	476,612
	$ 6,500,000	$ 4,728,063	$ 11,228,063

See accompanying auditor's report.

Katy West Municipal Utility District
TSI-5. Long-Term Debt Service Requirements
All Bonded Debt Series--by Years
May 31, 2025

Due During Fiscal Years Ending	Principal Due April 1	Interest Due October 1, April 1	Total
2026	$ 980,000	$ 1,180,147	$ 2,160,147
2027	1,065,000	1,143,808	2,208,808
2028	1,105,000	1,106,714	2,211,714
2029	1,185,000	1,069,177	2,254,177
2030	1,225,000	1,029,952	2,254,952
2031	1,255,000	993,328	2,248,328
2032	1,335,000	955,977	2,290,977
2033	1,400,000	916,745	2,316,745
2034	1,460,000	875,676	2,335,676
2035	1,500,000	832,527	2,332,527
2036	1,560,000	788,038	2,348,038
2037	1,625,000	751,291	2,376,291
2038	1,695,000	689,039	2,384,039
2039	1,755,000	635,027	2,390,027
2040	1,870,000	578,238	2,448,238
2041	1,945,000	517,250	2,462,250
2042	2,005,000	453,769	2,458,769
2043	2,120,000	388,120	2,508,120
2044	2,160,000	318,276	2,478,276
2045	2,305,000	246,726	2,551,726
2046	1,565,000	169,868	1,734,868
2047	890,000	116,443	1,006,443
2048	935,000	86,531	1,021,531
2049	980,000	55,092	1,035,092
2050	455,000	21,612	476,612
	$ 36,375,000	$ 15,919,371	$ 52,294,371

See accompanying auditor's report.

TSI-6. Change in Long-Term Bonded Debt
May 31, 2025

	Bond Issue		
	Series 2017	Series 2017A Road	Series 2018 Road
Interest rate	2.10% - 4.00%	2.00% - 4.00%	3.00% - 4.00%
Dates interest payable	10/1; 4/1	10/1; 4/1	10/1; 4/1
Maturity dates	4/1/21 - 4/1/45	4/1/21 - 4/1/45	4/1/22 - 4/1/46
Beginning bonds outstanding	$ 2,925,000	$ 2,775,000	$ 3,050,000
Bonds retired	(75,000)	(75,000)	(75,000)
Ending bonds outstanding	$ 2,850,000	$ 2,700,000	$ 2,975,000
Interest paid during fiscal year	$ 108,100	$ 105,000	$ 117,906

Paying agent's name and city	
Series 2017, 2017A Road, 2018 Road	Amegy Bank, a division of ZB, N.A., Houston, Texas
All Other Series	The Bank of New York Mellon Trust Company, N.A., Dallas, Texas

Bond Authority (2009):	Water, Sanitary Sewer, and Storm Water Facilities and Refunding	Park and Recreation Facilities and Refunding	Road Facilities and Refunding
Amount Authorized by Voters	$ 40,575,000	$ 7,680,000	$ 16,785,000
Amount Issued	(27,030,000)		(12,430,000)
Remaining To Be Issued	$ 13,545,000	$ 7,680,000	$ 4,355,000

Bond Authority (2022):	Water, Sanitary Sewer, and Storm Water Facilities	Park and Recreation Facilities	Road Facilities
New Bonds:			
Amount Authorized by Voters	$ 250,000,000	$ 50,520,000	$ 175,695,000
Amount Issued			
Remaining To Be Issued	$ 250,000,000	$ 50,520,000	$ 175,695,000
Refunding Bonds:			
Amount Authorized by Voters	$ 250,000,000	$ 50,520,000	$ 175,695,000
Amount Issued			
Remaining To Be Issued	$ 250,000,000	$ 50,520,000	$ 175,695,000

All bonds are secured with tax revenues. Bonds may also be secured with other revenues in combination with taxes.

Debt Service Fund cash and investments balance as of May 31, 2025:	$ 3,010,696
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 2,091,775

See accompanying auditor's report.

TSI-6. Change in Long-Term Bonded Debt

May 31, 2025

	Bond Issue			
	Series 2019	Series 2019A Road	Series 2021	Series 2021A Refunding
Interest rate	2.00% - 3.375%	2.00% - 3.25%	2.00% - 4.50%	1.25% - 3.00%
Dates interest payable	10/1; 4/1	10/1; 4/1	10/1; 4/1	10/1; 4/1
Maturity dates	4/1/22 - 4/1/46	4/1/22 - 4/1/46	4/1/24 - 4/1/49	4/1/22 - 4/1/45
Beginning bonds outstanding	$ 3,930,000	$ 2,790,000	$ 8,825,000	$ 3,545,000
Bonds retired	(100,000)	(75,000)	(200,000)	(125,000)
Ending bonds outstanding	$ 3,830,000	$ 2,715,000	$ 8,625,000	$ 3,420,000
Interest paid during fiscal year	$ 121,256	$ 84,950	$ 217,938	$ 78,238

See accompanying auditor's report.

Bond Issue		
Series 2021B Road Refunding	Series 2023	Totals
1.25% - 3.00% 10/1; 4/1 4/1/22 - 4/1/45	4.25% - 6.75% 10/1; 4/1 4/1/25 - 4/1/50	
$ 2,860,000	$ 6,620,000	$ 37,320,000
(100,000)	(120,000)	(945,000)
$ 2,760,000	$ 6,500,000	$ 36,375,000
$ 62,950	$ 318,337	$ 1,214,675

Katy West Municipal Utility District
TSI-7a. Comparative Schedule of Revenues and Expenditures - General Fund
For the Last Five Fiscal Years

	Amounts				
	2025	2024	2023	2022	2021
Revenues					
Property taxes	$ 3,962,004	$ 3,437,816	$ 2,300,910	$ 1,852,467	$ 1,218,145
Miscellaneous			13,097	7,625	
Investment earnings	471,372	360,713	163,136	4,490	2,045
Total Revenues	4,433,376	3,798,529	2,477,143	1,864,582	1,220,190
Expenditures					
Operating and administrative					
Professional fees	130,347	137,790	157,776	107,986	179,663
Contracted services	61,015	49,042	56,500	12,290	9,700
Repairs and maintenance	399,988	244,542	185,115	116,965	130,730
Administrative	39,329	34,883	25,653	24,650	19,466
Other	28,550	25,820	7,672		
Capital outlay	1,260,552	120,942	666,000	94,510	
Debt service					
Developer interest	23,849				
Total Expenditures	1,943,630	613,019	1,098,716	356,401	339,559
Revenues Over Expenditures	$ 2,489,746	$ 3,185,510	$ 1,378,427	$ 1,508,181	$ 880,631

*Percentage is negligible

See accompanying auditor's report.

Percent of Fund Total Revenues				
2025	2024	2023	2022	2021
89%	91%	92%	100%	100%
		1%	*	
11%	9%	7%	*	*
100%	100%	100%	100%	100%
3%	4%	6%	6%	15%
1%	1%	2%	1%	1%
9%	6%	7%	6%	11%
1%	1%	1%	1%	2%
1%	1%	*		
28%	3%	27%	5%	
1%				
44%	16%	43%	19%	29%
56%	84%	57%	81%	71%

Katy West Municipal Utility District
TSI-7b. Comparative Schedule of Revenues and Expenditures - Debt Service Fund
For the Last Five Fiscal Years

	Amounts				
	2025	2024	2023	2022	2021
Revenues					
Property taxes	$ 2,117,178	$ 2,166,296	$ 1,882,657	$ 1,673,099	$ 1,414,850
Penalties and interest	19,180	15,100	19,951	2,697	1,481
Miscellaneous	5,281	672			
Investment earnings	122,080	117,048	60,318	2,264	1,664
Total Revenues	2,263,719	2,299,116	1,962,926	1,678,060	1,417,995
Expenditures					
Tax collection services	97,108	78,618	66,337	54,004	33,801
Administrative	5,256	9,854	7,975	1,619	1,687
Debt service					
Principal	945,000	770,000	490,000	475,000	265,000
Interest and fees	1,219,225	1,014,949	937,037	916,215	802,314
Debt issuance costs				344,236	
Total Expenditures	2,266,589	1,873,421	1,501,349	1,791,074	1,102,802
Revenues Over/(Under) Expenditures	$ (2,870)	$ 425,695	$ 461,577	$ (113,014)	$ 315,193

*Percentage is negligible

See accompanying auditor's report.

Percent of Fund Total Revenues				
2025	2024	2023	2022	2021
94%	94%	96%	100%	100%
1%	1%	1%	*	*
*	*			
5%	5%	3%	*	*
100%	100%	100%	100%	100%
4%	3%	3%	3%	2%
*	*	*	*	*
42%	33%	25%	28%	19%
54%	44%	48%	55%	57%
			21%	
100%	80%	76%	107%	78%
0%	20%	24%	(7%)	22%

Katy West Municipal Utility District
TSI-8. Board Members, Key Personnel and Consultants
For the Year Ended May 31, 2025

Complete District Mailing Address:	3200 Southwest Freeway, Suite 2600, Houston, TX 77027
District Business Telephone Number:	(713) 860-6400
Submission Date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):	April 28, 2025
Limit on Fees of Office that a Director may receive during a fiscal year: (Set by Board Resolution -- TWC Section 49.060)	$ 7,200

Names:	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid *	Expense Reimburse-ments	Title at Year End
Board Members				
Suzanne Corbin	05/24 - 05/28 (Elected)	$ 3,978	$ 5,357	President
Gary Whitt	05/22 - 05/26 (Elected)	4,420	3,065	Vice President
Carolyn Davis	05/22 - 05/26 (Elected)	2,210	341	Secretary
William Regner	04/25 - 05/28 (Appointed)	442	56	Assistant Vice President
Samantha Gilligan	05/24 - 05/28	3,315	846	Assistant Secretary
Lisa Lindley	07/22 - 04/25	1,768	746	Former Director
Consultants		Amounts Paid		
Allen Boone Humphries Robinson LLP *General legal fees*		$ 112,425		Attorney
Municipal Accounts & Consulting, L.P.		52,887		Bookkeeper
Tax Tech, Inc.		14,400		Tax Collector
Fort Bend Central Appraisal District	Legislation	4,242		Property Valuation
Waller County Appraisal District	Legislation	69,163		Property Valuation
Harris Central Appraisal District	Legislation	404		Property Valuation
Perdue, Brandon, Fielder, Collins & Mott, LLP		7,784		Delinquent Tax Attorney
Quiddity Engineering, LLC		109,611		Engineer
McGrath & Co., PLLC		25,500		Auditor
The GMS Group, LLC		1,700		Financial Advisor

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

See accompanying auditor's report.

APPENDIX B

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No.: -N

BONDS: $ in aggregate principal amount of Effective Date:

Premium: $

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

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

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

SPECIMEN

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

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

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

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

ASSURED GUARANTY INC.

By _____
Authorized Officer

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

Form 500 (8/24)

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