This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

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 WILL BE DESIGNATED "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS.

NEW ISSUE—BOOK-ENTRY ONLY
CUSIP No. 61374A

$2,860,000
MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 110
(A political subdivision of the State of Texas, located in Montgomery County, Texas)
UNLIMITED TAX ROAD BONDS
SERIES 2026

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

Interest on the $2,860,000 Unlimited Tax Road Bonds, Series 2026 (the "Bonds") will accrue from December 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 BOKF, N.A., Dallas, Texas. See "THE BONDS – Paying Agent/Registrar."

MATURITIES, AMOUNTS, INTEREST RATES AND PRICES

Principal Amount	Maturity	Interest Rate	Yield (a)	Principal Amount	Maturity	Interest Rate	Yield (a)
$50,000	2030	%	%	$110,000	2043(b)	%	%
$55,000	2031	%	%	$120,000	2044(b)	%	%
$55,000	2032(b)	%	%	$125,000	2045(b)	%	%
$60,000	2033(b)	%	%	$135,000	2046(b)	%	%
$65,000	2034(b)	%	%	$140,000	2047(b)	%	%
$70,000	2035(b)	%	%	$150,000	2048(b)	%	%
$75,000	2036(b)	%	%	$160,000	2049(b)	%	%
$75,000	2037(b)	%	%	$170,000	2050(b)	%	%
$80,000	2038(b)	%	%	$180,000	2051(b)	%	%
$85,000	2039(b)	%	%	$190,000	2052(b)	%	%
$90,000	2040(b)	%	%	$200,000	2053(b)	%	%
$100,000	2041(b)	%	%	$215,000	2054(b)	%	%
$105,000	2042(b)	%	%				

(a) The initial reoffering yields are established by and are the sole responsibility of the Underwriter (hereinafter defined) and may be subsequently changed.

(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."

Proceeds from the sale of the Bonds will be used to: (1) reimburse the Developer (hereinafter defined) for advancing funds to construct road facilities serving the District and associated engineering and testing costs; (2) reimburse certain land acquisition costs; (3) fund developer interest related to the advancement of funds for certain road construction costs; (4) fund twelve (12) months of capitalized interest on the Bonds; 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, Montgomery County, the City of Conroe, or any entity other than the District. Neither the faith and credit nor the taxing power of the State of Texas, Montgomery County, or the City of Conroe 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 December 17, 2026.

Bids Due: Thursday, November 19, 2026 at 10:00 A.M. Houston Time

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USE OF INFORMATION IN OFFICIAL STATEMENT

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

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. 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.

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 _____ (the "Underwriter"), to purchase the Bonds bearing the rates shown on the cover page of this Official Statement at a price of _____% of par plus accrued interest to the date of delivery, which resulted in a net effective interest rate of _____%, 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 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 specified material events, to the Municipal Securities Rulemaking Board ("MSRB"). The MSRB has established the Electronic Municipal Market Access ("EMMA") system.

Annual Reports

The information to be updated with respect to the District includes the quantitative financial information and operating data of the District of the general type included in "DISTRICT DEBT" (except for the subheading "Estimated Overlapping 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 2027. 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 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 April 30. Accordingly, it must provide updated information by October 31 in each year, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify the MSRB 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. 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

Since the District’s first bond issue in 2023, the District has complied in all material respects with all previous continuing disclosure agreements made in accordance with SEC Rule 15c2-12.

BOND INSURANCE

The District has applied to Assured Guaranty Inc. (“AG”) and Build America Mutual Assurance Company (“BAM”) for qualification of the Bonds for bond insurance. The Underwriter (as defined herein) may bid for the Bonds with or without bond insurance. If the Underwriter bids for the Bonds with bond insurance, the cost of the bond insurance premium must be paid for by the Underwriter. If the Underwriter purchases the Bonds with bond insurance and subsequent to the sale date and prior to the closing date, the bond insurer’s credit rating is downgraded, the Underwriter is still obligated to accept delivery of the Bonds. Information relative to the cost of the insurance premium will be available from the bond insurance companies on the day of the sale.

NO MUNICIPAL BOND RATING

In connection with the sale of the Bonds, the District has not made an application to a rating company for a rating on the Bonds and does not believe an investment grade rating would have been assigned to the Bonds had an application been made.

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 $2,860,000 Unlimited Tax Road Bonds, Series 2026 (the “Bonds”), are dated and will bear interest from December 1, 2026. The Bonds represent the fourth series of bonds to be issued by Montgomery County Municipal Utility District No. 110 (the “District”). The Bonds mature on April 1 in the years as shown in the table on the cover page of this Official Statement. The Bonds are issued pursuant to Article III, Section 52 of the Texas Constitution, 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") to be adopted by the Board of Directors of the District, and an election held within the District on November 2, 2021. 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, Montgomery County, the City of Conroe, 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 from time to time in part, 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 Bonds will be initially registered and delivered only to Cede & Co., the nominee of DTC, pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of $5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the beneficial owners thereof. Principal of, and interest on, the Bonds will be payable by the Paying Agent/Registrar 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 to: (1) reimburse the Developer (defined herein) for advancing funds to construct road facilities serving the District and associated engineering and testing costs; (2) reimburse certain land acquisition costs; (3) fund developer interest related to the advancement of funds for certain road construction costs; (4) fund twelve (12) months of capitalized interest on the Bonds; 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 two (2) series of unlimited tax road bonds and has previously issued one (1) series of unlimited tax bonds, of which $11,410,000 principal amount was outstanding as of November 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.”

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."

Qualified Tax Exempt Obligations: The District will designate the Bonds as "qualified tax-exempt obligations" for financial institutions. See "TAX MATTERS – Qualified Tax-Exempt Obligations."

No Municipal Bond Rating: In connection with the sale of the Bonds, the District has not made an application to a rating company for a rating on the Bonds and does not believe an investment grade rating would have been assigned to the Bonds had an application been made. See “NO MUNICIPAL BOND RATING.”

Bond Insurance: The District has applied to AG and BAM for qualification of the Bonds for bond insurance. The Underwriter may bid for the Bonds with or without bond insurance. If the Underwriter bids for the Bonds with bond insurance, the cost of the bond insurance premium must be paid for by the Underwriter. Information relative to the cost of the insurance premium will be available from the bond insurance companies on the day of the sale. See “BOND INSURANCE.”

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

Paying Agent/Registrar: BOKF, NA, Dallas, Texas. See “THE BONDS – Paying Agent/Registrar.”

THE DISTRICT

Description: The District is a municipal utility district created by an order of the Texas Commission on Environmental Quality ("TCEQ") dated July 1, 2021. The District was created pursuant to the authority of Article XVI, Section 59 and Article III, Section 52 of the Texas Constitution and operates pursuant to Chapters 49 and 54, Texas Water Code, as amended. 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 is empowered to purchase, construct, operate, and maintain roads and parks and recreational facilities. See "THE DISTRICT – Authority."

Location: The District, as it was originally created, included approximately 212 acres. Since the creation of the District, there have been no annexations or exclusions of land. The District is located in southern Montgomery County, Texas and is situated entirely within the extraterritorial jurisdiction of the City of Conroe, Texas (the "City"). The District is located approximately 12 miles southeast of the central business district of the City and approximately 27 miles north of the central business district of the City of Houston, Texas. The District is located approximately two (2) miles north of State Highway 99 (Grand Parkway) and immediately west of F.M. 1314. Residents gain access to the District by way of State Highway 99 (Grand Parkway) to F.M. 1314. See "THE DISTRICT – Description and Location."

Development of the District: The District is being developed for single-family residential purposes in the subdivision known as Maple Heights. Homebuilding in the District has taken place in Maple Heights, Phase 1A and Sections 2 – 5.

As of November 1, 2026, the District included approximately 461 completed homes (of which approximately 454 homes were owner-occupied), 26 homes under construction, and 57 vacant developed lots. See "THE DISTRICT – Status of Residential Development" and "APPENDIX B – Photographs Taken in the District."

Summary of Land Uses: As of November 1, 2026, the District included approximately 85 acres that have been developed and improved for single-family residential purposes, approximately no acres under development, approximately 61 acres remaining for future development, and approximately 66 undevelopable acres, which includes road rights-of-way, detention ponds, drainage easements, District plant sites, open spaces, and a recreation center serving the Maple Heights subdivision. See "THE DISTRICT – Land Uses and Status of Land Development."

The Developer: The sole developer of the District is Century Land Holdings of Texas, LLC, a Texas limited liability company (the "Developer") and a special purpose entity created solely for the purpose of developing land in projects located in the Texas market. The Developer is a wholly owned subsidiary of Century Communities, Inc., a Delaware corporation, the stock of which is publicly traded on the New York Stock Exchange under the ticker symbol "CCS." The Developer is also the sole homebuilder in the District. According to the Developer, homes in the District are currently being constructed on 40-foot lots and are currently being marketed in the $200,000 - $315,000 price range.

The Developer has completed the development of Maple Heights, Phase 1A, Section 2, Section 3, Section 4, and Section 5, and is currently implementing its homebuilding program in such sections. The Developer has additional land holdings within the District that are currently planned for future single-family residential development. See "– Future Development" herein and "THE DISTRICT – Land Uses and Status of Land Development" and "– Status of Residential Development."

As noted above, the Developer is a wholly owned subsidiary of its publicly traded parent company, Century Communities, Inc., a Delaware corporation, the stock of which is publicly traded on the New York Stock Exchange under the ticker symbol "CCS." As a publicly traded company, Century Communities, Inc. is subject to the information requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith files annual reports, quarterly reports, proxy statements, and periodic statements with the United States Securities and Exchange Commission ("SEC"). Reports, proxy statements, and other information filed by Century Communities, Inc. can be inspected at the office of the SEC at Judiciary Plaza, Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. Copies of the above reports, proxy statements and other information may also be inspected at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005. The SEC maintains a website at http://www.sec.gov that contains reports, proxy information statements, and other information regarding registrants that file electronically with the SEC. Audited financial statements for Century Communities, Inc. are also available at www.centurycommunities.com. See "THE DEVELOPER."

The System:

The District's water supply and distribution facilities are provided pursuant to a Water Facilities Development and Service Agreement by and between the Developer and Porter Special Utility District ("Porter SUD") dated November 2, 2020 (the "Water Agreement"). Under the terms of the Water Agreement, Porter SUD serves as the retail water supplier to customers located within the boundaries of the District and the Developer, or the District, agrees to construct certain extensions to the potable water supply system of Porter SUD, which include certain improvements to the water supply, storage, and distribution facilities necessary to serve property in the District. The Water Agreement provides that the Developer will fund the costs of construction of such system extensions and improvements in lieu of impact fees payable to Porter SUD. Upon construction of all such extensions and improvements, if the costs of construction exceed the impact fees that would have been paid under the standard rules and regulations of Porter SUD, then Porter SUD agrees to reimburse the Developer to the extent of such excess. Likewise, upon construction of all such extensions and improvements, if the costs of construction are less than the amount of impact fees that would have been paid, then the Developer agrees to pay to Porter SUD an amount equal to the difference between such amounts. The term of the Water Agreement runs until the earlier of: (i) November 2, 2030; or (ii) the date on which the final payment is made to the Developer or Porter SUD, as appropriate, depending on the cost of construction of such extensions and improvements. Pursuant to the terms of the Water Agreement, Porter SUD's obligation to serve as the retail water supplier to customers located within the boundaries of the District survives the termination of the Water Agreement indefinitely. Pursuant to the Water Agreement, all water supply and distribution facilities are conveyed to Porter SUD for ownership and operation under the same terms, conditions, fees, and charges applicable to its other customers. Therefore, the District does not own or operate any water supply or distribution facilities and receives no payments from customers for such services. The District's source of water supply is groundwater from wells owned and operated by Porter SUD. Subject to certain terms and conditions, the Water Agreement requires Porter SUD to provide the District with up to 1,100 equivalent single-family connections ("ESFCs") of water supply capacity. According to the Engineer (hereinafter defined), such water supply capacity is adequate to serve the District at ultimate buildout based on current projected or anticipated land uses.

The District has entered into a 60-month lease that may be extended on a month-to-month basis upon written notice from the District for one (1) interim wastewater treatment plant, which has a total capacity of 175,000 gallons per day ("gpd"). Such interim wastewater treatment plant is currently rated by the TCEQ to serve approximately 584 ESFCs. According to the Engineer, the 584 ESFCs of capacity currently provided by the interim wastewater treatment plant is adequate to serve the District's existing ESFCs.

The District has entered into a second 60-month lease that may be extended on a month-to-month basis upon written notice from the District for the final phase wastewater treatment plant expansion, which has a total capacity of 350,000 gallons per day ("gpd"). Such wastewater treatment plant expansion is anticipated to be rated by the TCEQ to serve approximately 1,166 ESFCs. According to the Engineer, the 1,166 ESFCs of capacity anticipated to be provided by the wastewater treatment plant expansion is adequate to serve the District's planned ultimate ESFCs.

The District's underground storm drainage collection system serves Maple Heights, Phase 1A and Sections 2-5. The District's drainage system utilizes a combination of curb and gutter street system to convey runoff within the District. Stormwater is collected through such curb and gutter system and storm sewers and is routed to a series of detention ponds within the District, which drain into an unnamed tributary and ultimately outfall into the San Jacinto River. According to the Engineer, none of the land located in the District's boundaries is located within the 100-year floodplain as determined by the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map (FIRM), Map No. 48339C0575G dated August 18, 2014, for Montgomery County, Texas. See "THE SYSTEM."

SELECTED FINANCIAL INFORMATION
(Unaudited)

9/1/2026 Estimated Taxable Value	$118,950,589	(a)
2026 Certified Taxable Value	$104,313,228	(b)
Direct Debt:		
Outstanding Bonds (as of November 1, 2026)	$11,410,000	
The Bonds	$2,860,000	
Total Direct Debt	$14,270,000	
See “DISTRICT DEBT”		
Estimated Overlapping Debt	$11,537,215	(c)
Direct and Estimated Overlapping Debt	$25,807,215	
Percentage of Direct Debt to:		
9/1/2026 Estimated Taxable Value	12.00%	
2026 Certified Taxable Value	13.68%	
See “DISTRICT DEBT”		
Percentage of Direct and Estimated Overlapping Debt to:		
9/1/2026 Estimated Taxable Value	21.70%	
2026 Certified Taxable Value	24.74%	
See “DISTRICT DEBT”		
2026 Tax Rate Per $100 of Assessed Value:		
Debt Service Tax	$0.18	
Road Debt Service Tax	$0.51	
Maintenance and Operations Tax	$0.66	
Total 2026 Tax Rate	$1.35	
Cash and Temporary Investment Balances as of October 15, 2026:		
General Fund	$447,463	(d)
Debt Service Fund	$51,056	(e)
Road Debt Service Fund	$423,489	(f)

(a) Reflects data supplied by the Montgomery Central Appraisal District (the “Appraisal District”). The Estimated Taxable Value as of September 1, 2026, was prepared by the Appraisal District and provided to the District. Such values are not binding on the Appraisal District and are provided for informational purposes only. Any value as a result of new construction since January 1, 2026 will not be included on the District’s tax roll until the subsequent year’s tax roll is prepared and certified by the Appraisal District. 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, 2026, Certified Taxable Value according to data supplied to the District by the Appraisal District. See "DISTRICT TAX DATA" and “TAXING PROCEDURES.”

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

(d) Unaudited figure per the District’s records. The Developer has entered into an agreement with the District memorializing its obligation to make operating advances to the District as may be required from time to time. See “THE SYSTEM – General Fund Operating History” and “RISK FACTORS – Operating Funds.”

(e) 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 District’s outstanding utility bonds, and any funds in the Debt Service Fund are not available to make debt service payments on the District’s outstanding road bonds, including the Bonds. See "DISTRICT TAX DATA – Tax Adequacy of Tax Revenue" and “THE BONDS – Funds.”

(f) Includes $171,600, which represents twelve (12) months of capitalized interest at an estimated interest rate of 6.00%. Neither Texas law nor the District's Bond Resolution requires that the District maintain any particular balance in the Road Debt Service Fund or the Debt Service Fund. The cash and investment balances in the Debt Service Fund are not available to make debt service payments on the Bonds, and any funds in the Road Debt Service Fund are not available to make debt service payments on the District’s outstanding utility bonds. See “USE OF BOND PROCEEDS.”

DEBT SERVICE REQUIREMENTS

The following table sets forth the debt service requirements for the Outstanding Bonds plus the estimated debt service requirements on the Bonds.

Year	Outstanding Debt Service Requirements	Debt Service Requirements on the Bonds		Total Debt Service Requirements*
		Principal	Interest*	
2027	$714,106	-	$143,000	$857,106
2028	$788,981	-	$171,600	$960,581
2029	$795,406	-	$171,600	$967,006
2030	$795,906	$50,000	$170,100	$1,016,006
2031	$785,803	$55,000	$166,950	$1,007,753
2032	$789,966	$55,000	$163,650	$1,008,616
2033	$793,019	$60,000	$160,200	$1,013,219
2034	$795,738	$65,000	$156,450	$1,017,188
2035	$794,141	$70,000	$152,400	$1,016,541
2036	$797,522	$75,000	$148,050	$1,020,572
2037	$794,972	$75,000	$143,550	$1,013,522
2038	$801,384	$80,000	$138,900	$1,020,284
2039	$806,559	$85,000	$133,950	$1,025,509
2040	$805,338	$90,000	$128,700	$1,024,038
2041	$812,472	$100,000	$123,000	$1,035,472
2042	$813,091	$105,000	$116,850	$1,034,941
2043	$812,378	$110,000	$110,400	$1,032,778
2044	$819,997	$120,000	$103,500	$1,043,497
2045	$816,069	$125,000	$96,150	$1,037,219
2046	$820,578	$135,000	$88,350	$1,043,928
2047	$823,253	$140,000	$80,100	$1,043,353
2048	$823,975	$150,000	$71,400	$1,045,375
2049	$832,500	$160,000	$62,100	$1,054,600
2050	$833,888	$170,000	$52,200	$1,056,088
2051	$278,225	$180,000	$41,700	$499,925
2052	$281,188	$190,000	$30,600	$501,788
2053	-	$200,000	$18,900	$218,900
2054	-	$215,000	$6,450	$221,450
TOTALS	**$19,826,453**	**$2,860,000**	**$3,150,800**	**$25,837,253**

Maximum Annual Debt Service Requirements (2050)..... $1,056,088 (a)

Requires a $0.94 debt service tax rate on the September 1, 2026 Estimated Taxable Value of $118,950,589 at 95% collections..... $1,062,229 (a)

Requires a $1.07 debt service tax rate on the 2026 Certified Taxable Value of $104,313,228 at 95% collections..... $1,060,344 (a)

(a) Preliminary, subject to change. 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."

*Preliminary, subject to change.

OFFICIAL STATEMENT

relating to

$2,860,000

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 110
(A political subdivision of the State of Texas located within Montgomery County, Texas)

UNLIMITED TAX ROAD BONDS
SERIES 2026

INTRODUCTION

This Official Statement provides certain information in connection with the issuance of the $2,860,000 Montgomery County Municipal Utility District No. 110 Unlimited Tax Road Bonds, Series 2026 (the "Bonds").

The Bonds are issued pursuant to Article III, Section 52 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") to be adopted by the Board of Directors of Montgomery County Municipal Utility District No. 110 (the "District"), and an election held within the District.

This Official Statement includes descriptions of the Bonds, the Bond Resolution, certain information about the District and its financial condition, and the Developer 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, Montgomery County, the City of Conroe, 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, levied against 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 (defined herein) 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 market conditions limiting the proceeds from a foreclosure sale of taxable property and collection procedures. While the District has a lien on taxable property within the District for taxes levied against such property, such lien can be foreclosed only in a judicial proceeding. The costs of collecting any such taxpayer's delinquencies could substantially reduce the net proceeds to the District from a tax foreclosure sale. Finally, a bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the District pursuant to the Federal Bankruptcy Code could stay any attempt by the District to collect delinquent ad valorem taxes against such taxpayer. In addition to the automatic stay against collection of delinquent taxes afforded a taxpayer during the pendency of a bankruptcy, a bankruptcy could affect payment of taxes in two other ways: first, a debtor’s confirmation plan may allow a debtor to make installment payments on delinquent taxes for up to six years; and, second, a debtor may challenge, and a bankruptcy court may reduce, the amount of any taxes assessed against the debtor, including taxes that have already been paid. See “TAX PROCEDURES—District's Rights in the Event of Tax Delinquencies.”

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

The Houston area economy is particularly tied to the energy industry, and fluctuations in oil and natural gas prices could adversely affect the demand for housing and the assessed values of properties located in the District.

The continued growth of taxable values in the District is directly related to the housing and building industry. The 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 homebuilding costs. Interest rate levels may affect the Developer's 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 Houston metropolitan area has, in the past, experienced increased unemployment, business failures, and slow absorption of office space. These factors, if they recur, could affect the demand for new residential home construction and commercial development and hence the growth of property values in the District.

The housing industry in the Houston area is competitive and the District can give no assurance that current homebuilding programs will be completed. The competitive position of the Developer in the sale of its developed lots or, respectively, that of present and prospective builders in the construction of single-family residential houses, is affected by most of the factors discussed herein. Such a competitive position is directly related to tax revenues to be received by the District and the growth and maintenance of taxable values in the District.

Alternative sites are available for the construction of single-family residential improvements and commercial development within the market area in which the District is located. Such sites could pose competition to the continued home-building development and commercial development on comparable sites within the District.

Potential Effects of Oil Price Fluctuation on the Houston Area

Fluctuations in oil prices in the U.S. and globally, which at times have led to the lowest such prices in three decades, may lead to adverse conditions in the oil and gas industry, including but not limited to reduced revenues, declines in capital and operating expenditures, business failures, and layoffs of workers. 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.

Dependence on Principal Taxpayers

According to the District's 2026 certified tax rolls as provided by the Appraisal District, the top 10 taxpayers represent $25,999,907 of taxable assessed valuation, or approximately 24.87% of the District's 2026 Certified Taxable Value of $104,313,228. The District's principal taxpayers include the Developer, which represents $8,175,758 of taxable assessed valuation, or approximately 7.83% of the District's 2026 Certified Taxable Value.

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 operations within the District, a substantial decrease in the District's value may result; 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 DEVELOPER" and "DISTRICT TAX DATA – Principal Taxpayers."

Landowners/Developer Under No Obligation to the District

The Developer has informed the District of its current plans to continue to develop land in the District for residential purposes. However, neither the Developer 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 Developer's) to sell its land. Failure to construct taxable improvements on developed lots (currently existing lots or lots anticipated to be created by the Developer) 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, including the Developer, 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. See "DISTRICT TAX DATA – Principal Taxpayers."

Dependence on Future Development and Potential Impact on District Tax Rates

The District's 2026 tax rate of $1.35 per $100 of assessed valuation is slightly higher than the tax rate that is common among many other similar utility districts providing water, sanitary sewer, and storm drainage services in Montgomery County. An increase in the District's tax rate substantially above such a level could have an adverse impact on future development in the District and on the District's ability to collect such tax.

Assuming no further residential building development within the District other than that which has 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 $1,056,088 (2050). The District's September 1, 2026, Estimated Taxable Value is $118,950,589. Assuming no increase or decrease from the September 1, 2026, Estimated Taxable Value and no use of other District funds, a combined debt service tax rate and road debt service tax rate of $0.94 per $100 of assessed valuation at 95% collection rate would be necessary to pay the Maximum Annual Debt Service Requirement. The District's 2026 Certified Taxable Value is $104,313,228. Assuming no increase or decrease from the 2026 Certified Taxable Value and no use of other District funds, a combined debt service tax rate and road debt service tax rate of $1.07 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."

Operating Funds

Property owners within the District receive water service from Porter Special Utility District. The District does not operate the water supply system and therefore does not receive payments from customers for water service. However, the District does operate the wastewater treatment system and therefore receives payments from customers for sewer service pursuant to the District's rate order. The District set a 2026 maintenance tax rate in the amount of $0.66 per $100 assessed valuation. The revenue produced from the maintenance tax and the wastewater system revenues must be sufficient to offset the operating expenses of the District. The District's 2026 operations and maintenance tax levy amount is approximately $688,647, which will be deposited into the District's General Fund. As of October 15, 2026, the District's General Fund had an unaudited cash and investment balance of $447,463. For the fiscal year ending April 30, 2027, the District is currently budgeting expenditures of $799,800. Maintenance of a positive General Fund balance will depend upon: (i) continued development and increased amounts of wastewater revenue and maintenance tax revenue; and (ii) operating advances from the Developer from time to time, which may be reimbursed from proceeds of future bonds. Upon request from the District from time to time, the Developer has made operating advances to the District's General Fund, and such advances have been made on time and in full. If its General Fund balance is depleted, then the District will be required to levy a maintenance tax at a rate sufficient to fund its operating expenses as previously described. Such a tax, when added to the District's road debt service tax, may result in a total District tax which could adversely affect continued development of the District, as well as the willingness of taxpayers to pay taxes on their property. The District expects that it will be able to maintain a total tax rate of $1.35 per $100 of assessed valuation subsequent to the sale of the Bonds. The Developer has entered into an agreement with the District memorializing its obligation to make operating advances to the District as may be required from time to time. See "THE SYSTEM – General Fund Operating History" and "DISTRICT TAX DATA – Tax Rate and Collections."

Future Debt

At an election held on November 2, 2021, the District's voters authorized the issuance of unlimited tax bonds for various purposes as reflected in the table below:

Amount	Purpose
$58,805,000	For certain water, wastewater, and drainage facilities
$58,805,000	For refunding water, wastewater, and drainage facilities bonds previously issued
$31,275,000	For certain road facilities
$31,275,000	For refunding road facilities bonds previously issued
$11,740,000	For certain parks and recreational facilities
$11,740,000	For refunding parks and recreational facilities bonds previously issued

After the issuance of the Bonds, the District will have the following amounts that remain authorized but unissued: (i) $56,190,000 of unlimited tax bonds for water, wastewater, and drainage facilities; (ii) $58,805,000 of unlimited tax bonds for refunding water, wastewater, and drainage facilities bonds previously issued; (iii) $19,475,000 of unlimited tax bonds for road facilities; (iv) $31,275,000 of unlimited tax bonds for refunding road facilities bonds previously issued; (v) $11,740,000 of unlimited tax bonds for parks and recreational facilities; and (vi) $11,740,000 of unlimited tax bonds for refunding parks and recreational facilities bonds previously issued.

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 of Conroe 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 authorizing preparation of a fire plan or calling a fire bond election at this time. Issuance of bonds for fire-fighting activities could dilute the investment security for the Bonds.

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. 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 a bond election on November 2, 2021, that authorized $11,740,000 of park and recreational facilities bonds, 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.

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 a bond election that authorized $31,275,000 of road bonds at an election held on November 2, 2021, of which $19,475,000 will remain authorized but unissued, after issuance of 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 TCEQ issued the General Permit for Phase II (Small) Municipal Separate Storm Sewer Systems (the "MS4 Permit") on August 15, 2024. The MS4 Permit authorizes the discharge of stormwater to surface water in the state from small municipal separate storm sewer systems. While the District is currently not subject to the MS4 Permit, if the District's inclusion were required at a future date, the District could incur substantial costs to develop, implement, and maintain the necessary plans as well as to install or implement best management practices to minimize or eliminate unauthorized pollutants that may otherwise be found in stormwater runoff in order to comply with the MS4 Permit.

Operations of utility districts, including the 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.

Bond Insurance Risk Factors

The District has applied for a bond insurance policy to guarantee the scheduled payment of principal and interest on the Bonds. If such policy is issued, investors should be aware of the following:

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 District to pay principal and interest on the Bonds and the claims paying ability of the Bond Insurer, particularly over the life of the investment. See "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 60 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.

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 man-made drainage systems (canals or channels) 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.

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"). The atlas is updated periodically and in 2026 or 2027 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.

Increase in Costs of Building Materials and Labor Shortages

As a result of low supply and high demand, shipping constraints, and the ongoing trade war (including tariffs and retaliatory tariffs), there have been substantial increases in the cost of lumber and other materials, causing developers, homebuilders, and general contractors to experience budget overruns. Further, the federal administration's impositions and threatened impositions of tariffs and the imposition or threatened impositions of retaliatory tariffs against the United States will impact the ability of developers, homebuilders, general contractors, and district consultants to estimate costs, which could have a direct effect on the District's ability to finance water, sanitary, and detention facilities, and road facilities. Furthermore, the federal administration's immigration policies may impact the Texas' workforce.

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.

The 90th Texas Legislature

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

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.

USE OF BOND PROCEEDS

Proceeds from the sale of the Bonds will be used to: (1) reimburse the Developer (defined herein) for advancing funds to construct road facilities serving the District and associated engineering and testing costs; (2) reimburse certain land acquisition costs; (3) fund developer interest related to the advancement of funds for certain road construction costs; (4) fund twelve (12) months of capitalized interest on the Bonds; and (5) pay administrative costs and issuance expenses associated with the sale and delivery of the Bonds.

LJA, Inc. (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**	
District Items		
Maple Heights Section 4 Paving	$990,749	
Maple Heights Section 5 Paving	$680,907	
Engineering and Surveying, Material Testing	$83,321	
Land Acquisition Costs (Maple Heights Phase 1A - 11.68 acres)	$427,203	
Total District Items	**$2,182,180**	
Less Surplus Funds	($15,500)	
TOTAL CONSTRUCTION COSTS	**$2,166,680**	
NON-CONSTRUCTION COSTS		
Legal Fees	$85,800	
Fiscal Agent Fees	$57,200	
Interest Costs:		
Capitalized Interest (12 months)	$171,600	
Developer Interest	$238,528	
Bond Discount (3%)	$85,800	
Bond Issuance Expenses	$24,032	
Bond Costs (Engineering)	$27,500	
Attorney General Fee	$2,860	
Contingency	$0	(a)
TOTAL NON-CONSTRUCTION COSTS	**$693,320**	
TOTAL BOND ISSUE REQUIREMENT	**$2,860,000**	

(a) The District will designate any surplus proceeds resulting from the sale of Bonds at a lower interest rate than the estimated rate as a contingency line item in the Final Official Statement. Such funds will be used by the District for eligible road-related costs only after approval by the Board of Directors.

THE DISTRICT

Authority

The District is a municipal utility district created by order of the TCEQ dated July 1, 2021. The District was created pursuant to the authority of Article XVI, Section 59 and Article III, Section 52 of the Texas Constitution and operates pursuant to Chapters 49 and 54, Texas Water Code, as amended. 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 is empowered to purchase, construct, operate, and maintain roads and parks and recreational facilities.

Under certain limited circumstances, the District is authorized to construct, develop, maintain, and finance park and recreational facilities, and to construct, develop, maintain, and finance 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. See "RISK FACTORS – Financing Road Facilities," "– Financing Parks and Recreational Facilities," and "THE BONDS – Issuance of Additional Debt."

In order to obtain the consent of the City of Conroe, Texas (the "City"), within whose extraterritorial jurisdiction 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 and limit the net effective interest rate on such bonds and other terms of such bonds.

Description and Location

The District, as it was originally created, included approximately 212 acres. Since the creation of the District, there have been no annexations or exclusions of land. The District is located in southern Montgomery County, Texas and is situated entirely within the extraterritorial jurisdiction of the City of Conroe, Texas (the "City"). The District is located approximately 12 miles southeast of the central business district of the City and approximately 27 miles north of the central business district of the City of Houston, Texas. The District is located approximately two (2) miles north of State Highway 99 (Grand Parkway) and immediately west of F.M 1314. Residents gain access to the District by way of State Highway 99 (Grand Parkway) to F.M. 1314.

Land Uses and Status of Land Development

A summary of the approximate land use in the District as of November 1, 2026 , appears in the following table:

Type of Land Use	Approximate Acres
Developed and Improved Acres (a)	85
Acres Under Development (b)	0
Remaining Developable Acreage (c)	61
Undevelopable Acreage (d)	66
Total Approximate Acres	**212**

(a) Represents land that is served with utilities and has single-family residential improvements constructed on site, including Maple Heights, Phase 1A, Section 2, Section 3, Section 4, and Section 5. See "– Status of Residential Development" herein.

(b) Represents the land located in Maple Heights, which is currently under construction. Currently there are no sections of Maple Heights under construction.

(c) Represents land available for future development, which will include Maple Heights, Sections 6 and 7. According to the Developer, the lots in Maple Heights, Sections 6 and 7 are anticipated to be available for homebuilding during the second quarter of 2027 and third quarter of 2028, respectively. 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. See "THE DEVELOPER – Future Development."

(d) Includes road rights-of-way, detention ponds, drainage easements, District plant sites, open spaces, and a recreation center serving the Maple Heights subdivision.

Status of Residential Development

The District is being developed for single-family residential purposes in the subdivision known as Maple Heights. Homebuilding within the District commenced on or about June of 2022. The following table indicates the approximate status of single-family residential development as of November 1, 2026 . See "APPENDIX B – Photographs Taken in the District" for further illustration of the various products of homes being constructed in the District.

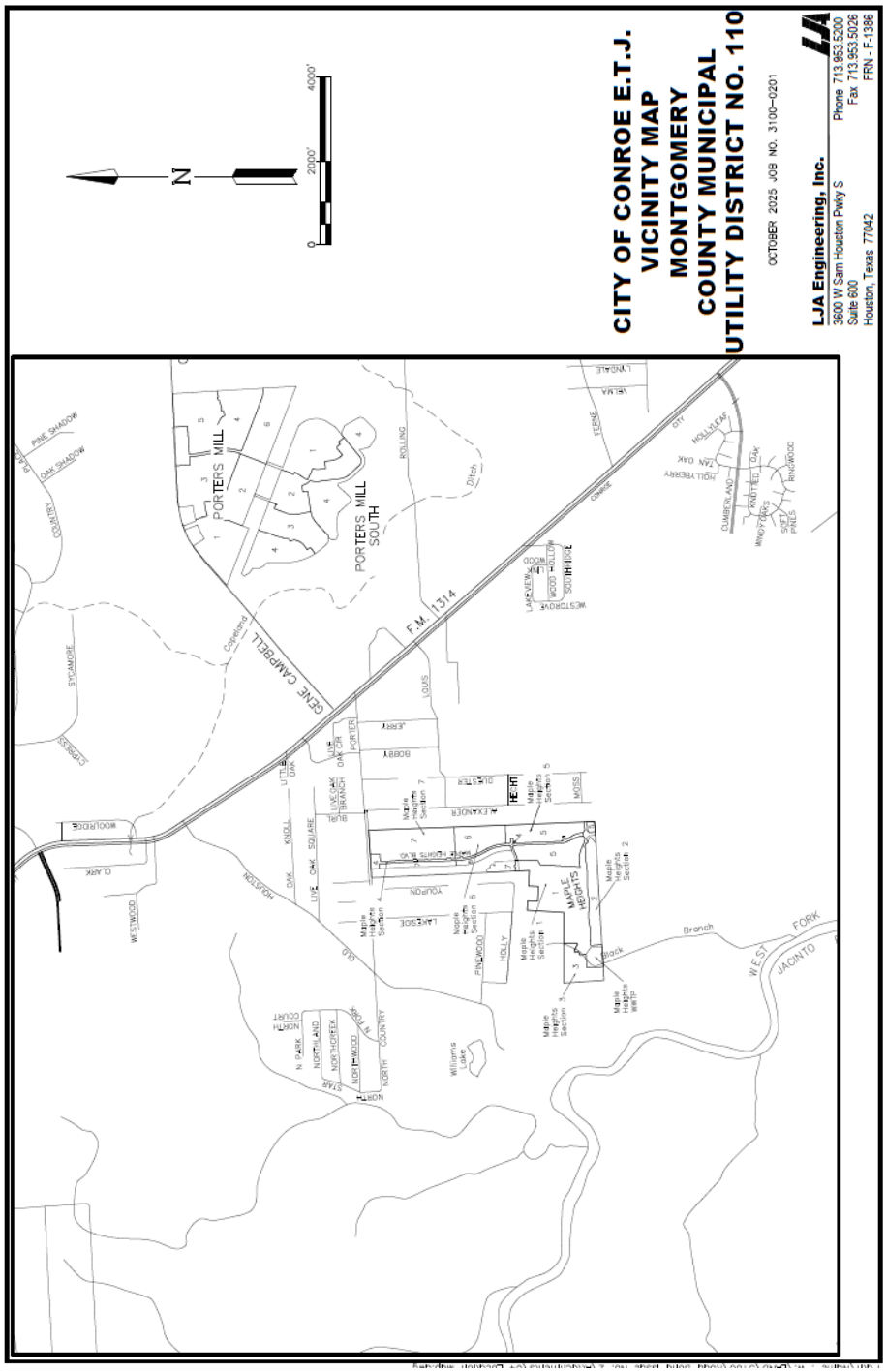
		Homes		
Subdivision/Section	Total Lots	Complete	Under Construction	Vacant Lots
Maple Heights, Phase 1A (a)	228	222	6	-
Maple Heights, Section 2 (a)	115	113	2	-
Maple Heights, Section 3 (a)	55	45	6	4
Maple Heights, Section 4 (b)	4	2	0	2
Maple Heights, Section 5 (a)	142	79	12	51
TOTALS	**544**	**461**(c)	**26**	**57**

(a) Homes in the Maple Heights subdivision are being constructed by the Developer on 40-foot lots and are currently being marketed and sold in the $200,000 - $315,000 price range.

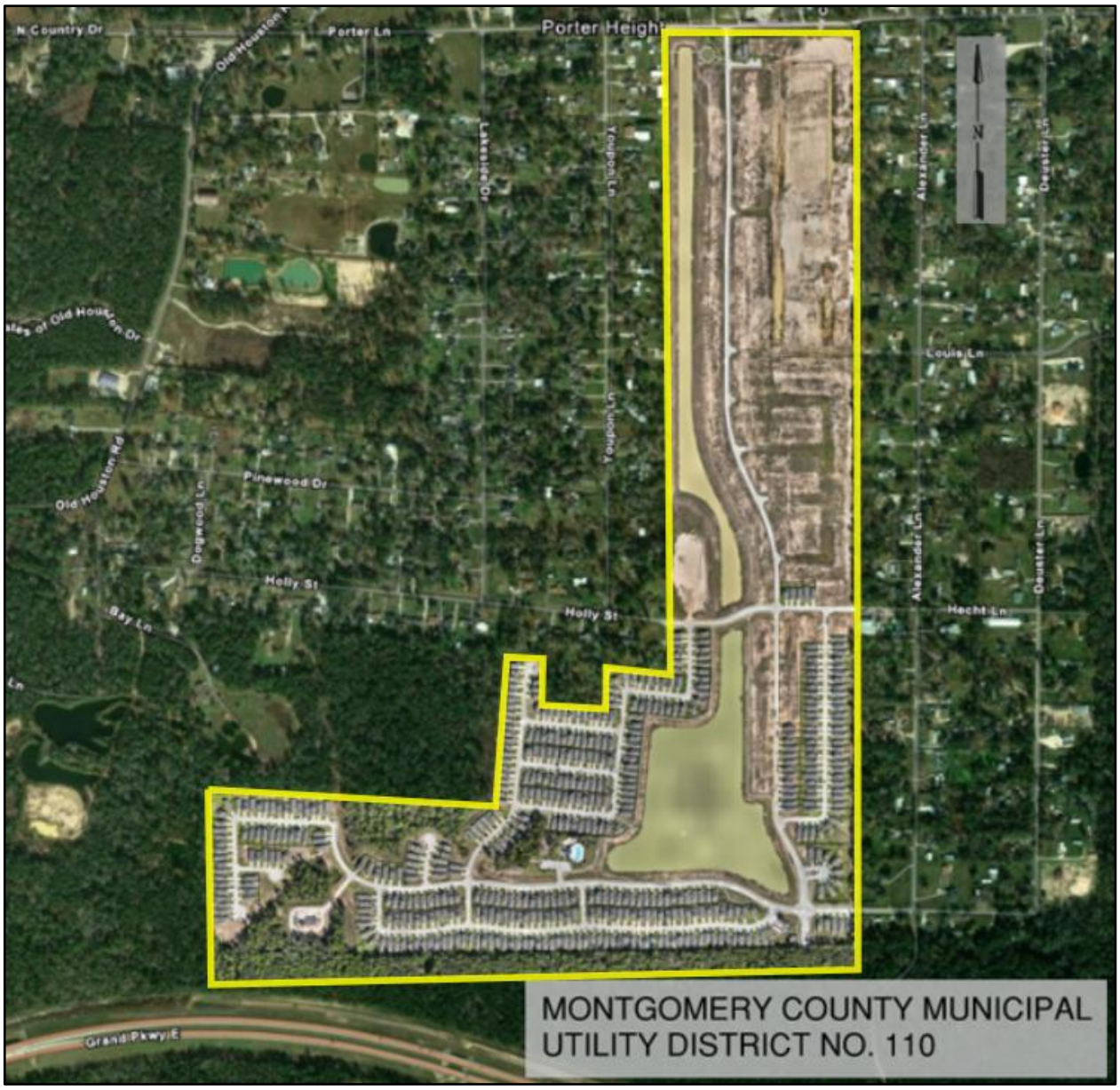
(b) Homes in Maple Heights, Section 4 will be intended for use as model homes.

(c) As of November 1, 2026 , approximately 454 of the completed homes were owner-occupied.

Vicinity Map



Aerial Photograph



THE DEVELOPER

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, 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.

Description of the Developer

The sole developer of the District is Century Land Holdings of Texas, LLC, a Texas limited liability company (the "Developer") and a special purpose entity created solely for the purpose of developing land in projects located in the Texas market. The Developer is a wholly owned subsidiary of Century Communities, Inc., a Delaware corporation, the stock of which is publicly traded on the New York Stock Exchange under the ticker symbol "CCS." The Developer is also the sole homebuilder in the District. According to the Developer, homes in the District are currently being constructed on 40-foot lots and are currently being marketed in the $200,000 - $315,000 price range.

The Developer has completed the development of Maple Heights, Phase 1A, Sections 2-5. The Developer has additional land holdings within the District that are currently planned for future single-family residential development. See "– Future Development" herein and "THE DISTRICT – Land Uses and Status of Land Development" and "– Status of Residential Development."

Developer Financing

As noted above, the Developer is a wholly owned subsidiary of its publicly traded parent company, Century Communities, Inc., a Delaware corporation, the stock of which is publicly traded on the New York Stock Exchange under the ticker symbol "CCS." As a publicly traded company, Century Communities, Inc. is subject to the information requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith files annual reports, quarterly reports, proxy statements, and periodic statements with the United States Securities and Exchange Commission ("SEC"). Reports, proxy statements, and other information filed by Century Communities, Inc. can be inspected at the office of the SEC at Judiciary Plaza, Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. Copies of the above reports, proxy statements and other information may also be inspected at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005. The SEC maintains a website at http://www.sec.gov that contains reports, proxy information statements, and other information regarding registrants that file electronically with the SEC. Audited financial statements for Century Communities, Inc. are also available at www.centurycommunities.com.

While Century Communities, Inc. may provide internal financing to its subsidiaries, including the Developer, it is not in any way responsible for the payment of taxes to the District or for the payment of interest and principal on the Bonds. Neither the Developer nor Century Communities, Inc. has made any commitment to pay debt service on the Bonds, and reference to the financial information of Century Communities, Inc. in this Official Statement should not be so construed. The District has not obtained any representations from Century Communities, Inc. concerning its publicly available filings or undertaken any review thereof and assumes no responsibility for the information contained therein.

Future Development

The Developer owns additional land within the District that is currently undeveloped, which is anticipated to be developed for predominantly single-family residential purposes in the Maple Heights subdivision. According to the Developer, the Maple Heights subdivision is currently planned for 969 single-family residential lots at ultimate buildout, of which 544 single-family residential lots have heretofore been developed in Maple Heights, Phase 1A, Section 2, Section 3, Section 4, and Section 5. See "THE DISTRICT – Status of Residential Development." As stated elsewhere in this Official Statement, the Developer has 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 homebuilding depend, in part, upon short-term and long-term interest rates, availability of mortgage and development funds, labor conditions, and general economic conditions. Neither the District nor the Developer represent that the remaining development of the Maple Heights subdivision will ever be undertaken nor that any taxable improvements will ever be constructed thereon. See "RISK FACTORS – Economic Factors and Interest Rates," and "– Landowners/Developer Under No Obligation to the District."

THE SYSTEM

Description of the System and Regulation

According to the Engineer, the water, wastewater, and storm drainage facilities serving the land within the District (the "System") have been designed in conformance with accepted engineering practices and the requirements of certain governmental agencies having regulatory or supervisory jurisdiction over the construction and operation of such facilities, including, as applicable among others, the TCEQ, Montgomery County, and Porter Special Utility District ("Porter SUD"). According to the Engineer, all such facilities constructed to date have been approved by all required governmental agencies. During construction, such facilities are subject to inspection by the foregoing governmental agencies having jurisdiction.

Operation of the water supply and distribution facilities serving the District is provided by Porter SUD. The water supply and wastewater treatment facilities are subject to regulation by, among others, the United States Environmental Protection Agency, the TCEQ, and the Texas Department of State Health Services. In many cases, regulations promulgated by these agencies have become effective only recently and are subject to further development and revisions.

The District is financing the acquisition or construction of a portion of the water supply and distribution, wastewater collection and treatment, and storm drainage and detention facilities to serve property in the District with the proceeds of the sale of the Bonds. The District expects to finance additional costs of acquisition or construction of the water supply and distribution, wastewater collection and treatment, and storm drainage and detention facilities, among other facilities that have been and will be constructed to serve the land within the District, with proceeds of the sale of bonds, if any, that the District expects to issue in the future. See "USE OF BOND PROCEEDS," "THE BONDS – Issuance of Additional Debt," and "RISK FACTORS – Future Debt."

Water Supply Facilities

The District's water supply and distribution facilities are provided pursuant to a Water Facilities Development and Service Agreement by and between the Developer and Porter SUD dated November 2, 2020 (the "Water Agreement"). Under the terms of the Water Agreement, Porter SUD serves as the retail water supplier to customers located within the boundaries of the District and the Developer, or the District, agrees to construct certain extensions to the potable water supply system of Porter SUD, which include certain improvements to the water supply, storage, and distribution facilities necessary to serve property in the District. The Water Agreement provides that the Developer will fund the costs of construction of such system extensions and improvements in lieu of impact fees payable to Porter SUD. Upon construction of all such extensions and improvements, if the costs of construction exceed the impact fees that would have been paid under the standard rules and regulations of Porter SUD, then Porter SUD agrees to reimburse the Developer to the extent of such excess. Likewise, upon construction of all such extensions and improvements, if the costs of construction are less than the amount of impact fees that would have been paid, then the Developer agrees to pay to Porter SUD an amount equal to the difference between such amounts. The term of the Water Agreement runs until the earlier of: (i) November 2, 2030; or (ii) the date on which the final payment is made to the Developer or Porter SUD, as appropriate, depending on the cost of construction of such extensions and improvements. Pursuant to the terms of the Water Agreement, Porter SUD's obligation to serve as the retail water supplier to customers located within the boundaries of the District survives the termination of the Water Agreement indefinitely. Pursuant to the Water Agreement, all water supply and distribution facilities are conveyed to Porter SUD for ownership and operation under the same terms, conditions, fees, and charges applicable to its other customers. Therefore, the District does not own or operate any water supply or distribution facilities and receives no payments from customers for such services.

The District's source of water supply is groundwater from wells owned and operated by Porter SUD. Subject to certain terms and conditions, the Water Agreement requires Porter SUD to provide the District with up to 1,100 equivalent single-family connections ("ESFCs") of water supply capacity. According to the Engineer (hereinafter defined), such water supply capacity is adequate to serve the District at ultimate buildout based on current projected or anticipated land uses.

Wastewater Treatment Facilities

The District has entered into a 60-month lease that may be extended on a month-to-month basis upon written notice from the District for one (1) interim wastewater treatment plant, which has a total capacity of 175,000 gallons per day ("gpd"). Such interim wastewater treatment plant is currently rated by the TCEQ to serve approximately 584 ESFCs. The District anticipates future expansions to the wastewater treatment plant in order to accommodate the District's ultimate capacity requirements at buildout based on current projected or anticipated land uses. According to the Engineer, the 584 ESFCs of capacity currently provided by the interim wastewater treatment plant is adequate to serve the District's existing ESFCs.

The District has entered into a second 60-month lease that may be extended on a month-to-month basis upon written notice from the District for the final phase wastewater treatment plant expansion, which has a total capacity of 350,000 gallons per day ("gpd"). Such wastewater treatment plant expansion is anticipated to be rated by the TCEQ to serve approximately 1,166 ESFCs. According to the Engineer, the 1,166 ESFCs of capacity anticipated to be provided by the wastewater treatment plant expansion is adequate to serve the District's planned ultimate ESFCs.

Drainage and Detention Facilities

The underground storm drainage collection system serving Maple Heights, Phase 1A, Section 2 – Section 5 is complete. The District's drainage system utilizes a combination of curb and gutter street system to convey runoff within the District. Stormwater is

collected through such curb and gutter system and storm sewers and is routed to a series of detention ponds within the District, which drain into an unnamed tributary and ultimately outfall into the San Jacinto River.

100-Year Flood Plain

According to the Engineer, none of the land located in the District's boundaries is located within the 100-year floodplain as determined by the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map (FIRM), Map No. 48339C0575G dated August 18, 2014, for Montgomery County, Texas.

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 April 30 (a)				
REVENUES	**2026**	**2025**	**2024**	**2023**	**2022**
Sewer service	$289,228	$240,339	$179,188	$129,607	-
Property taxes	$559,979	$573,073	**$518,706**	$80,458	**-**
Penalties and interest	-	-	$1,143	$159	-
Inspection fees	$16,485	$21,150	$20,610	$27,225	$5,400
Miscellaneous	$55	$6	$88	-	-
Investment earnings	$12,941	$8,145	$1,053	$201	$5
TOTAL REVENUES	**$878,688**	**$842,713**	**$720,788**	**$237,650**	**$5,405**
EXPENDITURES					
Current service operations:					
Professional fees	$145,936	$145,238	$203,571	$138,792	$24,869
Contracted services	$180,902	$127,186	$93,498	$67,875	$7,709
Repairs and maintenance	$128,794	$317,771	$164,396	$195,011	-
Utilities	$37,220	$34,059	$32,986	$2,779	-
Administrative	$27,012	$28,599	$33,203	$25,308	$9,546
Other	$25,741	$22,493	$21,663	$2,234	$1,031
Debt service					
Lease – principal	$119,114	$109,984	$101,556	$93,772	$22,298
Lease – interest	$12,886	$22,016	$30,444	$38,228	$10,702
Capital outlay					
Right-to-use lease asset (b)	-	-	-	-	$542,503
TOTAL EXPENDITURES	**$677,605**	**$807,346**	**$681,317**	**$563,999**	**$618,658**
OTHER FINANCING SOURCES					
Lease financing (b)	-	-	-	-	$542,503
Developer advances (c)	-	-	-	$142,000	$65,000
TOTAL OTHER FINANCING SOURCES	**-**	**-**	**-**	**$142,000**	**$607,503**
NET CHANGE IN FUND BALANCE	**$201,083**	**$35,367**	**39,471**	**($184,349)**	**($5,750)**
BEGINNING FUND BALANCE	**$500,813**	**$295,446**	**($190,099)**	**($5,750)**	**$0**
ENDING FUND BALANCE (d)	**$701,896**	**$500,813**	**$295,446**	**($190,099)**	**($5,750)**

(a) Data is taken from the District's audited financial statements. See "APPENDIX A." The information for the fiscal year ended April 30, 2023 represents the first year of audited financial statements. The information for the fiscal year ended April 30, 2026 represents audited information.

(b) The amount reflected for the lease financing line item represents the present value of the future payments due for the lease liability for the District's intangible right-to-use leased asset of the 175,000 gpd interim wastewater treatment plant serving property in the District. See "– Wastewater Treatment Facilities" herein. Pursuant to certain generally accepted accounting principles, such amount of other financing sources reflected for the lease financing line item is directly offset by the expenditure amount reflected for the right-to-use lease asset line item within capital outlay.

(c) The District was funded by operating advances from the Developer for fiscal years 2023 and prior. As noted elsewhere in this Official Statement, the Developer has entered into an agreement with the District memorializing its obligation to make operating advances to the District as may be required from time to time. See "RISK FACTORS – Operating Funds."

(d) As of October 15, 2026, the District's General Fund had an unaudited cash and investment balance of $447,463. For the fiscal year ending April 30, 2027, the District's General Fund is currently budgeting revenues of $835,000, and expenditures of $777,640.

THE ROADS

The District has financed the acquisition or construction of a portion of the road system to serve property in the District (the "Roads") with the proceeds of the sale of the Outstanding Bonds. The District expects to finance additional costs of acquisition or construction of the Roads, among other facilities that have been and will be constructed to serve the land within the District, with proceeds of the sale of bonds, if any, that the District expects to issue in the future. See "THE BONDS – Issuance of Additional Debt" and "RISK FACTORS – Future Debt." The Roads serve the residents of the District by providing access to the major thoroughfares and collector roads within the Maple Heights subdivision and the surrounding area.

The Roads lie within the public right-of-way. In addition to the roadway, public utilities such as underground water, wastewater and drainage facilities are located within the right-of-way or easement dedicated to the District. The right-of-way is also shared by streetlights, sidewalks, and franchise utilities, including power, gas, telephone, and cable utilities. The Roads have been designed and constructed in accordance with standards, rules, and regulations of Montgomery County. Upon completion, the Roads are conveyed to Montgomery County for ownership, operation and maintenance in accordance with the standard acceptance procedures. See "RISK FACTORS – Financing Road Facilities."

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. Each of the directors owns a parcel of land within the District that is subject to a note and deed of trust. A directors' election is held within the District 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
Ralph Stafford	President	2028
Brittany Keeswood	Vice President	2028
Kyle Macy	Secretary	2028
Joseph Schwieterman	Assistant Vice President/Assistant Secretary	2030
Brad T. Fellows	Assistant Vice President/Assistant Secretary	2030

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 Utility Tax Service, LLC, who is employed under an annual contract to perform the District's tax collection functions.

Bookkeeper – The District has contracted with Municipal Financial Management, Inc. for bookkeeping services.

Auditor – The financial statements of the District as of April 30, 2026, and for the year then ended, included in this offering document, have been audited by McGrath & Co., PLLC, independent auditors, as stated in their report appearing herein. See "APPENDIX A" for a copy of the District's April 30, 2026, audited financial statements.

Utility System Operator – The operator of the District's wastewater system is Inframark, LLC. The operator of the water supply and distribution system serving the District is Porter Special Utility District.

Engineer – The consulting engineer for the District is LJA, Inc. (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."

Legal Counsel – Allen Boone Humphries Robinson LLP serves as Bond Counsel to the District and as general counsel for the District on matters other than the issuance of bonds. Payment for General Counsel services is based upon hourly fee charges. Payment of fees for Bond Counsel services are contingent upon sale and delivery of the Bonds.

Disclosure Counsel – Norton Rose Fulbright US LLP, Houston, Texas, serves 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

9/1/2026 Estimated Taxable Value	$118,950,589	(a)
2026 Certified Taxable Value	$104,313,228	(b)
Direct Debt:		
Outstanding Bonds (as of November 1, 2026)	$11,410,000	
The Bonds	$2,860,000	
Total Direct Debt	$14,270,000	
See “DISTRICT DEBT”		
Estimated Overlapping Debt	$11,537,215	(c)
Direct and Estimated Overlapping Debt	$25,807,215	
Percentage of Direct Debt to:		
9/1/2026 Estimated Taxable Value	12.00%	
2026 Certified Taxable Value	13.68%	
See “DISTRICT DEBT”		
Percentage of Direct and Estimated Overlapping Debt to:		
9/1/2026 Estimated Taxable Value	21.70%	
2026 Certified Taxable Value	24.74%	
See “DISTRICT DEBT”		
2026 Tax Rate Per $100 of Assessed Value:		
Debt Service Tax	$0.18	
Road Debt Service Tax	$0.51	
Maintenance and Operations Tax	$0.66	
Total 2026 Tax Rate	$1.35	
Cash and Temporary Investment Balances as of October 15, 2026:		
General Fund	$447,463	(d)
Debt Service Fund	$51,056	(e)
Road Debt Service Fund	$423,489	(f)

(a) Reflects data supplied by the Appraisal District. The Estimated Taxable Value as of September 1, 2026, was prepared by the Appraisal District and provided to the District. Such values are not binding on the Appraisal District and are provided for informational purposes only. Any value as a result of new construction since January 1, 2026 will not be included on the District’s tax roll until the subsequent year’s tax roll is prepared and certified by the Appraisal District. 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, 2026, Certified Taxable Value according to data supplied to the District by the Appraisal District. See "DISTRICT TAX DATA" and “TAXING PROCEDURES.”

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

(d) Unaudited figure per the District’s records. The Developer has entered into an agreement with the District memorializing its obligation to make operating advances to the District as may be required from time to time. See “THE SYSTEM – General Fund Operating History” and “RISK FACTORS – Operating Funds.”

(e) 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 District’s outstanding utility bonds, and any funds in the Debt Service Fund are not available to make debt service payments on the District’s outstanding road bonds, including the Bonds. See "DISTRICT TAX DATA – Tax Adequacy of Tax Revenue" and “THE BONDS – Funds.”

(f) Includes $171,600, which represents twelve (12) months of capitalized interest at an estimated interest rate of 6.00%. Neither Texas law nor the District's Bond Resolution requires that the District maintain any particular balance in the Road Debt Service Fund or the Debt Service Fund. The cash and investment balances in the Debt Service Fund are not available to make debt service payments on the Bonds, and any funds in the Road Debt Service Fund are not available to make debt service payments on the District’s outstanding utility bonds. See “USE OF BOND PROCEEDS.”

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**	**Overlapping %**	**Amount**
Montgomery County	$535,450,000	0.11%	$570,913
New Caney Independent School District	$876,990,000	1.24%	$10,864,561
Lone Star College System	$336,455,000	0.03%	$101,741
Total Estimated Overlapping Debt			**$11,537,215**
The District (a)			$14,270,000
Total Direct and Estimated Overlapping Debt			**$25,807,215**

(a) Includes the Outstanding Bonds and 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 year 2022 through 2026. Such table has also been prepared based upon information from District records. Reference is made to such records for further and complete information.

Year	Taxable Valuation	Tax Rate (a)	Tax Levy	Cumulative Tax Collections (b)	Year Ended September 30
2026	$104,313,228	$1.35	$1,408,229	(c)	2027
2025	$89,499,288	$1.35	$1,208,240	97.9%	2026
2024	$61,597,320	$1.35	$831,564	99.6%	2025
2023	$39,414,170	$1.35	$532,091	99.6%	2024
2022	$5,981,310	$1.35	$80,748	100%	2023

(a) See “Tax Rate Distribution” herein.

(b) Represents cumulative collections as of September 30, 2026.

(c) The 2026 taxes are in the process of collections; such taxes become delinquent if not paid before February 1, 2027. See “TAXING PROCEDURES.”

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 $1.50 per $100 of assessed valuation at an election held on November 2, 2021. The District's voters also authorized a road maintenance tax of up to $0.25 per $100 of assessed valuation at an election held on November 2, 2021. The District has never levied a road maintenance tax and the District currently has no plans to levy such tax. See “Tax Rate Distribution” herein.

Tax Rate Distribution

The following table sets forth the tax rate distribution of the District for the years 2022 through 2026.

	2026	2025	2024	2023	2022
Debt Service	$0.18	$0.21	$0.14	$0.00	$0.00
Road Debt Service	$0.51	$0.44	$0.25	$0.00	$0.00
Maintenance/Operations	$0.66	$0.70	$0.96	$1.35	$1.35
Total	**$1.35**	**$1.35**	**$1.35**	**$1.35**	**$1.35**

Additional Penalties

The District has contracted with a delinquent tax attorney to collect certain delinquent taxes. In connection with that contract, the District has established 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 2026 and the other information provided by this table were provided by the Appraisal District 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 the Appraisal District.

Property Owner	Property Description	Property Value	% of Total
Century Land Holdings of Texas LLC (a)	Land and Improvement	$8,175,758	7.83%
SFR Fund VI Borrower LLC	Land and Improvement	$5,141,787	4.92%
AHR Texas Four LLC	Land and Improvement	$4,518,849	4.33%
510 SFR TX Operations LLC	Land and Improvement	$2,751,471	2.63%
660 SFR TX Operations LLC	Land and Improvement	$2,088,078	2.00%
Homeowner	Land and Improvement	$721,286	0.69%
Homeowner	Land and Improvement	$708,399	0.67%
Styled Re Holdings LLC	Land and Improvement	$670,516	0.64%
Homeowner	Land and Improvement	$662,133	0.63%
Homeowner	Land and Improvement	$561,630	0.53%
	TOTALS	**$25,999,907**	**24.87%**

(a) See “THE DEVELOPER” and “RISK FACTORS – Dependence on Principal Taxpayers.”

Analysis of Tax Base

Based on information provided to the District by the Appraisal District and its Tax Assessor/Collector, the following represents the composition of property comprising the gross tax roll valuations and the deferments for 2022 through 2026, and includes the September 1, 2026 Estimated Taxable Value.

Year	Land	Improvement	Personal Property	Gross Valuations	Exemptions	Taxable Valuations
9/1/2026						$118,950,589 (a)
2026	$24,667,512	$82,166,057	$1,650,390	$108,483,959	$4,170,731	$104,313,228 (c)
2025	$23,609,250	$67,233,243	$1,206,784	$92,049,277	$2,549,989	$89,499,288
2024	$18,604,668	$44,341,373	$24,343	$62,970,384	$1,373,064	$61,597,320
2023	$17,412,730	$22,659,116	$1,800	$40,073,646	$659,476	$39,414,170
2022	$3,939,470	$2,041,840 (b)	$1,800	$5,983,110	$1,800	$5,981,310

(a) The Estimated Taxable Value as of September 1, 2026, was prepared by the Appraisal District and provided to the District. Such values are not binding on the Appraisal District and are provided for informational purposes only. The District is authorized by law to levy taxes only against certified values. See "TAXING PROCEDURES.”

(b) Homebuilding in the District commenced subsequent to January 1, 2022. See “THE DISTRICT – Status of Residential Development.”

(c) Reflects the January 1, 2026, Certified Taxable Value according to data supplied to the District by the Appraisal District.

Estimated Overlapping Taxes

The following table sets forth all 2026 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.

Taxing Jurisdictions	2026 Tax Rate
Montgomery County	$0.386000
Montgomery County Hospital District	$0.045800
New Caney Independent School District	$1.239300
Lone Star College System	$0.105800
Montgomery County Emergency Services District No. 6	$0.100000
Overlapping Taxes	**$1.876900**
The District	$1.350000 (a)
Total Direct & Overlapping Taxes	**$3.226900**

(a) Represents the District's 2026 levied total tax rate.

Tax Adequacy of Tax Revenue

The calculations shown below are solely for the purpose of illustration, reflect no net revenues of the System, no transfers of surplus funds from the District's General Fund to the Debt Service Fund or the Road Debt Service Fund, and no increase or decrease in assessed valuation over the September 1, 2026 Estimated Taxable Value and the 2026 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 Requirements (2050)..... $1,056,088 (a)

Requires a $0.94 debt service tax rate on the September 1, 2026 Estimated Taxable Value at 95% collections ..... $1,062,229 (a)

Requires a $1.07 debt service tax rate on the 2026 Certified Taxable Value at 95% collections ..... $1,060,344 (a)

(a) Preliminary, subject to change. 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.

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 1 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 District has the responsibility for appraising property for all taxing units within their respective county. Such appraisal values are subject to review and change by the Montgomery Central Appraisal Review Board (the "Appraisal Review Board"). 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

Montgomery County may designate all or part of the area within the District as a reinvestment zone. Thereafter, either Montgomery 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.

Valuation of Property for Taxation

Generally, property in the District must be appraised by the Appraisal District at market value as of January 1 of each year. Once an appraisal roll is prepared and finally approved by the Appraisal Review Board, it is used by the District in establishing its tax rolls and tax rate. Assessments under the Property Tax Code are to be based on 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 District to implement a plan for periodic reappraisal of property to update appraisal values. The plan must provide for appraisal of all real property in the Appraisal District at least once every three years. It is not known what frequency of reappraisal will be utilized by the Appraisal District or whether reappraisals will be conducted on a zone- or county-wide basis. The District, however, at its expense, has the right to obtain from the Appraisal District a current estimate of appraised values within the District or an estimate of any new property or improvements within the District. While such current estimate of appraised values may serve to indicate the rate and extent of growth of taxable values within the District, it cannot be used for establishing a tax rate within the District until such time as the Appraisal District chooses to formally include such values on its appraisal roll.

The Property Tax Code provides for a temporary exemption from ad valorem taxation of a portion of the appraised value of certain property that is at least 15% 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 Board by filing a timely petition for review in state district court. In such event, the value of the property in question will be determined by the court or by a jury if requested by any party. Additionally, taxing units may bring suit against the Appraisal District to compel compliance with the Property Tax Code.

The Property Tax Code sets forth notice and hearing procedures for certain tax rate increases by the District and provides for taxpayer referenda 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, 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. Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, by taxpayer redemption rights or by bankruptcy proceedings which restrict the collection of taxpayer debts. A taxpayer may redeem property within two years for residential and agricultural property and six months for commercial property and all other types of property after the purchaser's deed at the foreclosure sale is filed in the county records. See "RISK FACTORS – Tax Collections."

ANNEXATION, STRATEGIC PARTNERSHIP AGREEMENT, AND CONSOLIDATION

Annexation by the City of Conroe

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City, the District must conform to a City consent ordinance. Generally, the District may be annexed by the City without the District's consent, and the City cannot annex territory within the District unless it annexes the entire District. However, the City may not annex the District unless (i) such annexation has been approved by a majority of those voting in an election held for that purpose within the area to be annexed, and (ii) if the registered voters in the area to be annexed do not own more than 50 percent of the land in the area, a petition has been signed by more than 50 percent of the landowners consenting to the annexation. Notwithstanding the preceding sentence, the described election and petition process does not apply during the term of a strategic partnership agreement between the City and the District specifying the procedures for full purpose annexation of all or a portion of the District. See “Strategic Partnership Agreement” below, for a description of the terms of the Strategic Partnership Agreement between the City and the District.

If the District is annexed, the City will assume the District’s assets and obligations (including the Bonds) and dissolve the District. Annexation of territory by the City is a policy-making matter within the discretion of the Mayor and City Council of the City, and therefore, the District makes no representation that the City will ever annex the District and assume its debt. Moreover, no representation is made concerning the ability of the City to make debt service payments should annexation occur.

Strategic Partnership Agreement

On May 25, 2023, the District entered into a strategic partnership agreement with the City pursuant to Section 43.0751, Texas Local Government Code, whereby the District may be annexed by the City for limited purposes. As a result of the agreement, the City may impose any sales and use tax imposed by the City within its full-purpose boundaries (but not its property taxes) within the area of limited purpose annexation. In addition, the City agrees not to annex the District for full purposes until the earlier of: (i) the date on which the District has achieved 90% build out as defined in the strategic partnership agreement, or (ii) December 31, 2039, whichever is first. The City and the District may amend the strategic partnership agreement at any time. If the District is annexed, the City will assume the District’s assets and obligations and dissolve the District within ninety (90) days. Annexation of territory by the City is a policy-making matter within the discretion of the Mayor and City Council of the City, and therefore, the District makes no representation that the City will ever annex the District and assume its debt, nor does the District make any representation concerning the ability of the City to pay debt service on the District’s bonds if annexation were to occur.

Consolidation

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

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 December 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 Bonds maturing on and after April 1, 2032, are subject to redemption prior to scheduled maturity at the option of the District, in whole or from time to time in part, on April 1, 2031, and on any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest from the most recent interest payment date to the redemption date. 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. In the event of redemption of fewer than all of the Bonds of a particular maturity, the Paying Agent/Registrar, on behalf of the District, will select the Bonds of such maturity to be redeemed by lot or by such other customary method as the Paying Agent/Registrar deems fair and appropriate or while the Bonds are in Book-Entry-Only form the portions to be redeemed shall be selected by DTC in accordance with its procedures.

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 District fees. The Bonds are obligations of the District and are not the obligations of the State of Texas, Montgomery County, the City of Conroe, 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 Road Debt Service Fund is confirmed and maintains proceeds from all taxes levied, appraised, and collected for and on account of the Bonds authorized by the Bond Resolution, and shall be deposited as collected in such fund.

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

Accrued interest on the Bonds and 12 months of capitalized interest shall be deposited into the Road Debt Service Fund upon receipt. The remaining proceeds of sale of the Bonds shall be deposited into the Road Capital Projects Fund to be used for the purpose of reimbursing the Developer for certain construction costs and for paying the costs of issuance of the Bonds. Any monies remaining in the Road Capital Projects Fund will be used as described in the Bond Resolution or ultimately transferred to the Road Debt Service Fund.

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 to ensure 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 BOKF, N.A., Dallas, 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 Dallas, 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. No representation is made concerning other laws, rules, regulations, or investment criteria which might be utilized by any of such persons or entities to limit the acceptability or suitability of the Bonds for any of the foregoing purposes. Prospective purchasers are urged to carefully evaluate the investment quality of the Bonds as to the suitability or acceptability of the Bonds for investment or collateral purposes.

Issuance of Additional Debt

At an election held on November 2, 2021, the District's voters authorized the issuance of unlimited tax bonds for various purposes as reflected in the table below:

Amount	Purpose
$58,805,000	For certain water, wastewater, and drainage facilities
$58,805,000	For refunding water, wastewater, and drainage facilities bonds previously issued
$31,275,000	For certain road facilities
$31,275,000	For refunding road facilities bonds previously issued
$11,740,000	For certain parks and recreational facilities
$11,740,000	For refunding parks and recreational facilities bonds previously issued

After the issuance of the Bonds, the District will have the following amounts that remain authorized but unissued: (i) $56,190,000 of unlimited tax bonds for water, wastewater, and drainage facilities; (ii) $58,805,000 of unlimited tax bonds for refunding water, wastewater, and drainage facilities bonds previously issued; (iii) $19,475,000 of unlimited tax bonds for road facilities; (iv) $31,275,000 of unlimited tax bonds for refunding road facilities bonds previously issued; (v) $11,740,000 of unlimited tax bonds for parks and recreational facilities; and (vi) $11,740,000 of unlimited tax bonds for refunding parks and recreational facilities bonds previously issued.

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.

Further, the principal amount of park bonds issued by the District is limited to one percent of the District's taxable valuation, unless the District meets certain financial feasibility requirements under the TCEQ rules, in which case the principal amount of such bonds issued by the District is limited to three percent of the District's taxable valuation. See "RISK FACTORS – Financing Parks and Recreational Facilities."

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 Conroe 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 authorizing preparation of a fire plan or calling a fire bond election at this time. Issuance of bonds for fire-fighting activities 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.

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 Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the 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 the 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," "ANNEXATION, STRATEGIC PARTNERSHIP AGREEMENT, AND 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, 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.

Qualified Tax-Exempt Obligations

The Code requires a pro rata reduction in the interest expense deduction of a financial institution to reflect such financial institution's investment in tax-exempt obligations acquired after August 7, 1986. An exception to the foregoing provision is provided in the Code for "qualified tax-exempt obligations," which include tax-exempt obligations, such as the Bonds, (a) designated by the issuer as "qualified tax-exempt obligations" and (b) issued by or on behalf of a political subdivision for which the aggregate amount of tax-exempt obligations (not including private activity bonds other than qualified 501(c)(3) bonds) to be issued during the calendar year is not expected to exceed $10,000,000.

The District will designate the Bonds as "qualified tax-exempt obligations" and has represented that the aggregate amount of tax-exempt bonds (including the Bonds) issued by the District and entities aggregated with the District under the Code during calendar year 2026 is not expected to exceed $10,000,000 and that the District and entities aggregated with the District under the Code have not designated more than $10,000,000 in "qualified tax-exempt obligations" (including the Bonds) during calendar year 2026.

Notwithstanding these exceptions, financial institutions acquiring the Bonds will be subject to a 20% disallowance of allocable interest expense.

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 as to 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," "USE OF BOND PROCEEDS," and certain engineering matters included in "THE DISTRICT – Description and Location," "THE DISTRICT – Land Uses and Status of Land Development," and "THE ROADS" has been provided by LJA, Inc. 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 District and by Utility Tax Service, LLC, in reliance upon their authority as experts in the field of tax assessing and appraising.

Auditor – The financial statements of the District as of April 30, 2026, and for the year then ended, included in this offering document, have been audited by McGrath & Co., PLLC, independent auditors, as stated in their report appearing herein. See "APPENDIX A" for a copy of the District's April 30, 2026, 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 Montgomery County Municipal Utility District No. 110 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 APRIL 30, 2026

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 110

MONTGOMERY COUNTY, TEXAS

FINANCIAL REPORT

April 30, 2026

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McGRATH & CO., PLLC

Certified Public Accountants
2950 North Loop West, Suite 810
Houston, Texas 77092

Independent Auditor's Report

Board of Directors
Montgomery County Municipal Utility District No. 110
Montgomery County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Montgomery County Municipal Utility District No. 110 (the "District"), as of and for the year ended April 30, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Montgomery County Municipal Utility District No. 110, as of April 30, 2026, 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.

Emphasis of Matter

As discussed in Note 3 to the financial statements, beginning net position has been restated to correct a misstatement in prior years. Our opinion is not modified with respect to this matter.

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.



Houston, Texas
August 20, 2026

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Management's Discussion and Analysis

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Using this Annual Report

This section of the financial report of Montgomery County Municipal Utility District No. 110 (the "District") provides a narrative discussion and analysis of the financial activities of the District for the fiscal year ended April 30, 2026. 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 April 30, 2026, was negative $14,887,427. The District's net position is negative because the District incurs debt to construct certain facilities which it conveys to other governmental entities. A comparative summary of the District's overall financial position, as of April 30, 2026 and 2025, is as follows:

	2026	2025
Current and other assets	$ 1,559,169	$ 1,233,079
Capital assets	15,006,460	12,661,278
Total assets	16,565,629	13,894,357
Current liabilities	416,886	384,691
Long-term liabilities	31,036,170	25,724,114
Total liabilities	31,453,056	26,108,805
Net position		
Net investment in capital assets	(2,677,694)	(1,796,353)
Restricted	596,690	323,115
Unrestricted	(12,806,423)	(10,741,210)
Total net position	$ (14,887,427)	$ (12,214,448)

During the current fiscal year, the District determined that certain transfers to other governments and related long-term liabilities had been overstated in the prior fiscal year due to an error in the recognition of estimated amounts due to the developer. Accordingly, the District restated its beginning long-term liabilities and net position as of the start of the current fiscal year. Comparative amounts for fiscal year 2025 have been restated accordingly. See Notes 3 and 7 for additional information.

The total net position of the District decreased during the current fiscal year by $2,672,979. A comparative summary of the District's *Statement of Activities* for the past two fiscal years is as follows:

	2026	2025
Revenues		
Sewer service	$ 289,228	$ 240,339
Property taxes, penalties and interest	1,243,007	827,435
Other	51,050	44,617
Total revenues	1,583,285	1,112,391
Expenses		
Current service operations	598,988	828,475
Debt interest and fees	478,769	396,967
Developer interest	318,412	236,385
Debt issuance costs	337,520	230,347
Depreciation and amortization	477,439	420,295
Total expenses	2,211,128	2,112,469
Change in net position before other items	(627,843)	(1,000,078)
Other items		
Transfers to other governments	(2,045,136)	(4,802,729)
Change in net position	(2,672,979)	(5,802,807)
Net position, beginning of year (2025 restated)	(12,214,448)	(6,411,641)
Net position, end of year (2025 restated)	$ (14,887,427)	$ (12,214,448)

As previously noted, comparative amounts reported for the 2025 fiscal year for transfers to other governments and ending net position have been restated due to the correction of an error in the previous fiscal year. See Notes 3 and 7 for additional information.

Financial Analysis of the District's Funds

The District's combined fund balances, as of April 30, 2026, were $1,235,918, which consists of $701,896 in the General Fund and $534,022 in the Debt Service Fund.

General Fund

A comparative summary of the General Fund's financial position as of April 30, 2026 and 2025, is as follows:

	2026	2025
Total assets	$ 916,833	$ 609,607
Total liabilities	$ 120,461	$ 86,479
Total deferred inflows	94,476	22,315
Total fund balance	701,896	500,813
Total liabilities, deferred inflows, and fund balance	$ 916,833	$ 609,607

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

	2026	2025
Total revenues	$ 878,688	$ 842,713
Total expenditures	(677,605)	(807,346)
Revenues over expenditures	201,083	35,367
Other changes in fund balance		170,000
Net change in fund balance	$ 201,083	$ 205,367

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 and the provision of sewer services to customers within the District. Financial resources are influenced by a variety of factors each year:

- Property tax revenues are dependent upon assessed values in the District and the maintenance tax rate set by the District. While assessed values in the District increased from the prior year, property tax revenues decreased because the District decreased the maintenance component of the levy.
- Sewer revenues are dependent upon the number of connections in the District.

Debt Service Fund

A comparative summary of the Debt Service Fund's financial position as of April 30, 2026 and 2025, is as follows:

	2026	2025
Total assets	$ 673,087	$ 357,213
Total liabilities	$ 31,068	$ 3,336
Total deferred inflows	107,997	11,015
Total fund balance	534,022	342,862
Total liabilities, deferred inflows, and fund balance	$ 673,087	$ 357,213

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

	2026	2025
Total revenues	$ 535,346	$ 248,060
Total expenditures	(626,308)	(383,610)
Revenues under expenditures	(90,962)	(135,550)
Other changes in fund balance	282,122	137,288
Net change in fund balance	$ 191,160	$ 1,738

The District's financial resources in the Debt Service Fund in both the current and prior fiscal year are from property tax revenues and capitalized interest from the sale of bonds. The difference between these financial resources and debt service requirements resulted in an increase 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 service requirements.

Capital Projects Fund

A comparative summary of the Capital Projects Fund's financial position as of April 30, 2026 and 2025, is as follows:

	2026	2025
Total assets	$ 22,631	$ 266,259
Total liabilities	$ 22,631	$ -
Total fund balance		266,259
Total liabilities and fund balance	$ 22,631	$ 266,259

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

	2026	2025
Total revenues	$ 107	$ 732
Total expenditures	(3,924,244)	(2,513,856)
Revenues under expenditures	(3,924,137)	(2,513,124)
Other changes in fund balance	3,657,878	2,384,712
Net change in fund balance	$ (266,259)	$ (128,412)

The District has had considerable capital asset activity in the last two years, which was financed with proceeds from the issuance of its Series 2025 Unlimited Tax Road Bonds in the current fiscal year and the sale of its Series 2024 Unlimited Tax Bonds in the prior year.

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 $125,883 greater than budgeted. The *Budgetary Comparison Schedule* on page 38 of this report provides variance information per financial statement line item.

Capital Assets

The District has entered into a financing agreement with its developer for the financing of the construction of capital assets within the District. The developer 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 April 30, 2026 and 2025, are summarized as follows:

	2026	2025
Capital assets not being depreciated		
Land and improvements	$ 2,199,637	$ 1,521,930
Capital assets being depreciated		
Right-to-use leased asset	542,503	542,503
Infrastructure	10,317,608	8,513,932
Recreational facilities	3,246,264	2,905,026
	14,106,375	11,961,461
Less accumulated depreciation		
Right-to-use leased asset	(461,141)	(352,637)
Infrastructure	(453,573)	(224,292)
Recreational facilities	(384,838)	(245,184)
	(1,299,552)	(822,113)
Depreciable capital assets, net	12,806,823	11,139,348
Capital assets, net	$ 15,006,460	$ 12,661,278

Capital asset additions during the current fiscal year include the following:

- Maple Heights Section 3 and 5 – utilities
- Maple Heights Section 4 – hardscape and landscape
- Maple Heights Phase 3 – detention and storm sewer facilities
- Maple Heights Section 4 Primary Entry – hardscape improvements

Additionally, Montgomery County assumes responsibility (after a one-year maintenance period) for road facilities constructed within the boundaries of the County. Accordingly, these facilities are not considered assets of the District. The estimated value of these assets is recorded as transfers to other governments upon completion of construction. This estimated cost is trued-up when the developer is reimbursed. For the year ended April 30, 2026, capital assets in the amount of $2,045,136 have been recorded as transfers to other governments in the government-wide statements.

Lease Obligations

The District has entered into an equipment lease obligation for an interim wastewater treatment plant. The District recognized right-to-use leased asset and lease obligations in the amount of $542,503 for this lease. The balance due for the lease as of April 30, 2026, was $95,779.

Long-Term Debt and Related Liabilities

As of April 30, 2026, the District owes approximately $19,781,170 to its developer for completed projects and operating advances. 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 $370,000 for projects under construction by the developer. As noted, the District will owe its developer for these projects upon completion of construction. The District intends to reimburse the developer from proceeds of future bond issues or other lawfully available funds. The estimated cost of amounts owed to the developer is trued up when the developer is reimbursed.

At April 30, 2026 and 2025, the District had total bonded debt outstanding as shown below:

Series	2026	2025
2023 Road	$ 4,905,000	$ 5,000,000
2024	2,565,000	2,615,000
2025 Road	3,940,000	
	$ 11,410,000	$ 7,615,000

During the current fiscal year, the District issued $3,940,000 in unlimited tax road bonds. At April 30, 2026, the District had $56,190,000 unlimited tax bonds authorized, but unissued for the purposes of acquiring, constructing, and improving the water, sanitary sewer, and drainage systems within the District and $58,805,000 for the refunding of such bonds; $11,740,000 for parks and recreational facilities and $11,740,000 for the refunding of such bonds; and $22,335,000 for road improvements and $31,275,000 for the refunding of such bonds.

Property Taxes

The District's property tax base increased approximately $5,564,000 for the 2026 tax year from $88,942,605 to $94,506,585, based on certified values. The District has an additional $10,275,483 in uncertified values. 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 sewer services and the projected cost of operating the District and providing services to customers. A comparison of next fiscal year's budget to current fiscal year actual amounts for the General Fund is as follows:

	2026 Actual	2027 Budget
Total revenues	$ 878,688	$ 835,000
Total expenditures	(677,605)	(777,640)
Revenues over expenditures	201,083	57,360
Beginning fund balance	500,813	701,896
Ending fund balance	$ 701,896	$ 759,256

Basic Financial Statements

Montgomery County Municipal Utility District No. 110
Statement of Net Position and Governmental Funds Balance Sheet
April 30, 2026

	General Fund	Debt Service Fund	Capital Projects Fund	Total
Assets				
Cash	$ 135,697	$ 42,087	$ 22,631	$ 200,415
Investments	515,711	499,982		1,015,693
Taxes receivable	119,268	131,018		250,286
Customer service receivables	44,055			44,055
Interfund receivables	53,382			53,382
Prepaid items	48,720			48,720
Capital assets not being depreciated				
Capital assets, net				
Total Assets	$ 916,833	$ 673,087	$ 22,631	$ 1,612,551
Liabilities				
Accounts payable	$ 57,185	$ -	$ -	$ 57,185
Other payables	20,201	317		20,518
Customer deposits	43,075			43,075
Interfund payables		30,751	22,631	53,382
Accrued interest payable				
Due to developer				
Obligations under leases				
Due within one year				
Long-term debt				
Due within one year				
Due after one year				
Total Liabilities	120,461	31,068	22,631	174,160
Deferred Inflows of Resources				
Deferred property taxes	94,476	107,997		202,473
Fund Balances/Net Position				
Fund Balances				
Nonspendable	48,720			48,720
Restricted		534,022		534,022
Unassigned	653,176			653,176
Total Fund Balances	701,896	534,022		1,235,918
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 916,833	$ 673,087	$ 22,631	$ 1,612,551
Net Position				
Net investment in capital assets				
Restricted for debt service				
Unrestricted				
Total Net Position				

See notes to basic financial statements.

Adjustments	Statement of Net Position
$ -	$ 200,415
	1,015,693
	250,286
	44,055
(53,382)	
	48,720
2,199,637	2,199,637
12,806,823	12,806,823
14,953,078	16,565,629
	57,185
	20,518
	43,075
(53,382)	
45,329	45,329
19,781,170	19,781,170
95,779	95,779
155,000	155,000
11,255,000	11,255,000
31,278,896	31,453,056
(202,473)	
(48,720)	
(534,022)	
(653,176)	
(1,235,918)	
(2,677,694)	(2,677,694)
596,690	596,690
(12,806,423)	(12,806,423)
$ (14,887,427)	$ (14,887,427)

Montgomery County Municipal Utility District No. 110
Statement of Activities and Governmental Funds Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended April 30, 2026

	General Fund	Debt Service Fund	Capital Projects Fund	Total
Revenues				
Sewer service	$ 289,228	$ -	$ -	$ 289,228
Property taxes	559,979	506,336		1,066,315
Penalties and interest		7,548		7,548
Inspection fees	16,485			16,485
Miscellaneous	55	4,980		5,035
Investment earnings	12,941	16,482	107	29,530
Total Revenues	878,688	535,346	107	1,414,141
Expenditures/Expenses				
Current service operations				
Professional fees	145,936		22,631	168,567
Contracted services	180,902	14,610		195,512
Repairs and maintenance	128,794			128,794
Utilities	37,220			37,220
Administrative	27,012	1,884		28,896
Other	25,741	13,498	760	39,999
Capital outlay			3,244,921	3,244,921
Debt service				
Principal	119,114	145,000		264,114
Interest and fees	12,886	451,316		464,202
Developer interest			318,412	318,412
Debt issuance costs			337,520	337,520
Depreciation				
Total Expenditures/Expenses	677,605	626,308	3,924,244	5,228,157
Revenues Over (Under) Expenditures/Expenses	201,083	(90,962)	(3,924,137)	(3,814,016)
Other Financing Sources				
Proceeds from sale of bonds		282,122	3,657,878	3,940,000
Other Items				
Transfers to other governments				
Net Change in Fund Balances	201,083	191,160	(266,259)	125,984
Change in Net Position				
Fund Balance/Net Position				
Beginning of the year, as reported	500,813	342,862	266,259	1,109,934
Change due to error correction (See Note 3)				
Beginning of the year, as restated	500,813	342,862	266,259	1,109,934
End of the year	$ 701,896	$ 534,022	$ -	$ 1,235,918

See notes to basic financial statements.

Adjustments	Statement of Activities
$ -	$ 289,228
146,436	1,212,751
22,708	30,256
	16,485
	5,035
	29,530
169,144	1,583,285
	168,567
	195,512
	128,794
	37,220
	28,896
	39,999
(3,244,921)	
(264,114)	
14,567	478,769
	318,412
	337,520
477,439	477,439
(3,017,029)	2,211,128
3,186,173	(627,843)
(3,940,000)	
(2,045,136)	(2,045,136)
(125,984)	
(2,672,979)	(2,672,979)
(16,570,709)	(15,460,775)
3,246,327	3,246,327
(13,324,382)	(12,214,448)
$ (16,123,345)	$ (14,887,427)

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Note 1 – Summary of Significant Accounting Policies

The accounting policies of Montgomery County Municipal Utility District No. 110 (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 pursuant to an order of the Texas Commission on Environmental Quality, dated July 1, 2021, and operates in accordance with the Texas Water Code, Chapters 49 and 54. The Board of Directors held its first meeting on July 23, 2021, and the first bonds were issued on December 20, 2023.

The District's primary activities include construction, maintenance, and operation of water, sewer, and drainage facilities and park and recreational facilities and the construction of road facilities. As further discussed in Note 11, the District transfers the water facilities to Porter Special Utility District 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's sewer system and all other financial transactions not reported in other funds. The principal sources of revenue are property taxes and sewer service fees. 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. During the current fiscal year, financial resources also included capitalized interest from the sale of bonds. 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, and drainage 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, interest earned on investments, and income from District operations. 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.

Prepaid Items

Certain payments made by the District reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

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 April 30, 2026, an allowance for uncollectible accounts was not considered necessary.

Unbilled Service Revenues

Utility revenue is recorded when earned. Customers are billed monthly. The estimated value of services provided but unbilled at year-end has been included in the accompanying financial statements.

Interfund Activity

During the course of operations, transactions occur between individual funds. This can include internal transfers, payables, and receivables. This activity is eliminated in the government-wide 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 $15,000 or more and an estimated life of two or more years. The threshold for subscription-based information technology arrangements (SBITAs) is $100,000.

Capital assets are recorded at historical cost or estimated historical cost. Right-to-use leased assets are valued at the present value of future lease payments. 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 drainage and recreational facilities, are depreciated (or amortized in the case of intangible assets) using the straight-line method as follows:

Assets	Useful Life
Right-to-use leased assets	5 years
Infrastructure	10-45 years
Recreational facilities	10-50 years

The District's detention facilities 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.

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's nonspendable fund balance consists of prepaid items.

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 balance

consists of property taxes levied for debt service and capitalized interest from the sale of bonds 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 value of unbilled utility revenues and receivables; the useful lives and impairment of capital assets; the value of amounts due to developer; the value of capital assets transferred to other governmental entities 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		$ 1,235,918
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
Historical cost	$ 16,306,012	
Less accumulated depreciation	(1,299,552)	
		15,006,460
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	(45,329)	
Due to developer	(19,781,170)	
Lease obligations	(95,779)	
Bonds payable	(11,410,000)	
		(31,332,278)
Deferred inflows in the fund statements consist of property taxes receivable and related penalties and interest 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.		202,473
Total net position - governmental activities		$ (14,887,427)

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			$ 125,984
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 and related penalties and interest.			169,144
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	$ 3,244,921		
Depreciation expense	(477,439)		
Transfers to other governments	(2,045,136)		
			722,346
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 - bonds	145,000		
Principal payments - leases	119,114		
Issuance of long-term debt	(3,940,000)		
Interest expense accrual	(14,567)		
			(3,690,453)
Change in net position of governmental activities			$ (2,672,979)

Note 3 – Prior Period Restatement

During the current fiscal year, the District determined that the estimated amounts due to the developer related to certain road facilities transferred to other governments had been erroneously recognized in the prior fiscal year, resulting in overstatements in amounts due to the developer and transfers to other governments. Accordingly, the District restated its beginning balances to reduce the estimated amount due to the developer by $3,246,327 and increase beginning net position of the same amount. Comparative information in the Management's Discussion and Analysis and supplementary schedules has been restated.

Note 4 – Deposits and Investments

Deposit Custodial Credit Risk

Custodial credit risk as it applies to deposits (i.e. cash) 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 April 30, 2026, the District's investments consist of the following:

Type	Fund	Carrying Value	Rating	Weighted Average Maturity
Texas CLASS	General	$ 515,711		
	Debt Service	499,982		
		$ 1,015,693	AAAm	50 days

Texas CLASS

The District participates in Texas Cooperative Liquid Assets Securities System (Texas CLASS). Texas CLASS is managed by an elected Board of Trustees consisting of members of the pool. Additionally,

the Board of Trustees has established an advisory board, the function of which is to provide guidance on investment policies and strategies. The Board of Trustees has selected Public Trust Advisors, LLC as the program administrator and UMB Bank N.A., as the custodian.

The District's investment in Texas CLASS is reported at fair value because Texas CLASS uses fair value to report investments (other than repurchase agreements which are valued at amortized cost). Governmental accounting standards establish the following hierarchy of inputs used to measure fair value: Level 1 inputs are based on quoted prices in active markets, Level 2 inputs are based on significant other observable inputs, and Level 3 inputs are based on significant unobservable inputs. The District's investment in Texas CLASS is measured using published fair value per share (level 1 inputs).

Investments in Texas CLASS may be withdrawn via wire transfer on a same day basis, as long as the transaction is executed by 4 p.m. ACH withdrawals made by 4 p.m. will settle on the next business day.

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

Amounts due to/from other funds at April 30, 2026, consist of the following:

Receivable Fund	Payable Fund	Amounts	Purpose
General Fund	Debt Service Fund	$ 30,751	Maintenance tax collections not remitted as of year end
General Fund	Capital Projects Fund	22,631	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 April 30, 2026, is as follows:

	Beginning Balances	Additions	Ending Balances
Capital assets not being depreciated			
Land and improvements	$ 1,521,930	$ 677,707	$ 2,199,637
Capital assets being depreciated			
Right-to-use leased asset	542,503		542,503
Infrastructure	8,513,932	1,803,676	10,317,608
Recreational facilities	2,905,026	341,238	3,246,264
	11,961,461	2,144,914	14,106,375
Less accumulated depreciation			
Right-to-use leased asset	(352,637)	(108,504)	(461,141)
Infrastructure	(224,292)	(229,281)	(453,573)
Recreational facilities	(245,184)	(139,654)	(384,838)
	(822,113)	(477,439)	(1,299,552)
Subtotal depreciable capital assets, net	11,139,348	1,667,475	12,806,823
Capital assets, net	$ 12,661,278	$ 2,345,182	$ 15,006,460

Depreciation/amortization expense for the current fiscal year was $477,439.

Note 7 – Due to Developer

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

The District's developer has also advanced funds to the District for operating expenses.

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

Due to developer, beginning of year	$ 18,158,335
Developer reimbursements	(3,244,921)
Developer funded construction and adjustments	4,867,756
Due to developer, end of year	$ 19,781,170

As discussed in Note 3, the District restated the beginning balance of estimated amounts due to the developer to correct a prior period error. Accordingly, the beginning balance in the current fiscal year differs from that previously reported.

In addition, the District will owe the developer approximately $370,000 for the Black Branch wastewater treatment plant, phase 2 and on-site lift station expansion. As previously noted, the project will be reported in the government-wide financial statements upon completion of construction. The exact amount due to the developer is not known until approved by the TCEQ and verified by the District's auditor.

Note 8 – Lease Obligations

On August 20, 2020, the District entered into an equipment lease agreement for an interim wastewater treatment plant. The agreement was amended on November 11, 2021. This lease is for a 60-month term at a rate of 8% with payments commencing February 1, 2022. The lease agreement shall automatically be extended for successive 90-day periods after the initial term, unless otherwise terminated. The District recognized a lease liability and an intangible right-to-use leased asset in the amount of $542,503, which is measured at the present value of future payments. The remaining balance of the liability at April 30, 2026, is $95,779. The District is responsible for all ordinary expenses related to repairing and maintaining the equipment. Monthly payments for the lease are $11,000. Lease payments for the current fiscal year were $132,000, which includes principal of $119,114 and interest of $12,886.

Annual requirements to amortize long-term lease obligations and related interest are as follows:

Year Ended	Principal	Interest	Total
2027	$ 95,779	$ 3,221	$ 99,000

Note 9 – Long-Term Debt

Long-term debt is comprised of the following:

Bonds payable	$ 11,410,000
Due within one year	$ 155,000

The District's bonds payable at April 30, 2026, consist of unlimited tax bonds as follows:

Series	Amounts Outstanding	Original Issue	Interest Rates	Maturity Date, Serially, Beginning/ Ending	Interest Payment Dates	Call Dates
2023 Road	$ 4,905,000	$ 5,000,000	5.00% - 5.375%	April 1, 2026/2050	October 1, April 1	April 1, 2028
2024	2,565,000	2,615,000	4.00% - 5.00%	April 1, 2026/2050	October 1, April 1	April 1, 2029
2025 Road	3,940,000	3,940,000	4.00% - 7.00%	April 1, 2028/2052	October 1, April 1	April 1, 2031
	$ 11,410,000					

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 April 30, 2026, the District had $56,190,000 unlimited tax bonds authorized, but unissued for the purposes of acquiring, constructing, and improving the water, sanitary sewer, and drainage systems within the District and $58,805,000 for the refunding of such bonds; $11,740,000 for parks and recreational facilities and $11,740,000 for the refunding of such bonds; and $22,335,000 for road improvements and $31,275,000 for the refunding of such bonds.

On November 20, 2025, the District issued its $3,940,000 Series 2025 Unlimited Tax Road Bonds at a net effective interest rate of 4.720747%. Proceeds of the bonds were used to reimburse the developer for the cost of capital assets constructed within the District plus interest expense at the net effective interest rate of the bonds and to pay capitalized interest into the Debt Service Fund.

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

Bonds payable, beginning of year	$ 7,615,000
Bonds issued	3,940,000
Bonds payable, end of year	$ 11,410,000

As of April 30, 2026, annual debt service requirements on bonds outstanding are as follows:

Year	Principal	Interest	Totals
2027	$ 155,000	$ 562,706	$ 717,706
2028	240,000	555,506	795,506
2029	260,000	542,456	802,456
2030	275,000	528,356	803,356
2031	280,000	513,456	793,456
2032	300,000	498,150	798,150
2033	320,000	481,781	801,781
2034	340,000	464,256	804,256
2035	355,000	447,219	802,219
2036	375,000	431,062	806,062
2037	390,000	413,981	803,981
2038	415,000	395,963	810,963
2039	440,000	376,807	816,807
2040	460,000	356,313	816,313
2041	490,000	334,362	824,362
2042	515,000	310,581	825,581
2043	540,000	285,600	825,600
2044	575,000	259,156	834,156
2045	600,000	230,838	830,838
2046	635,000	201,301	836,301
2047	670,000	169,857	839,857
2048	705,000	136,650	841,650
2049	750,000	101,299	851,299
2050	790,000	63,700	853,700
2051	260,000	24,075	284,075
2052	275,000	12,375	287,375
	$ 11,410,000	$ 8,697,806	$ 20,107,806

Note 10 – Property Taxes

On November 2, 2021, the voters of the District authorized the District's Board of Directors to levy taxes annually for use in financing general operations limited to $1.50 per $100 of assessed value. In addition, the voters of the District authorized the District's Board of Directors to levy taxes annually for road maintenance limited to $0.25 per $100 of assessed value. 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 Montgomery 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 2026 fiscal year was financed through the 2025 tax levy, pursuant to which the District levied property taxes of $1.35 per $100 of assessed value, of which $0.70 was allocated to maintenance and operations, $0.21 was allocated to debt service, and $0.44 was allocated to road debt service. The resulting tax levy was $1,200,725 on the adjusted taxable value of $88,942,605.

Property taxes receivable, at April 30, 2026, consisted of the following:

Current year taxes receivable	$	210,020
Prior years taxes receivable		13,756
		223,776
Penalty and interest receivable		26,510
Total property taxes receivable	$	250,286

Note 11 – Water Facilities Development and Service Agreement with Porter Special Utility District ("Porter SUD")

The District's water supply and distribution facilities are provided pursuant to a Water Facilities Development and Service Agreement by and between the Developer and Porter SUD dated November 2, 2020 (the "Water Agreement"). Under the terms of the Water Agreement, Porter SUD serves as the retail water supplier to customers located within the boundaries of the District and the Developer, or the District, agrees to construct certain extensions to the potable water supply system of Porter SUD, which include certain improvements to the water supply, storage, and distribution facilities necessary to serve property in the District (the "Extensions").

The Water Agreement provides that the Developer will fund the costs of construction of such system extensions and improvements in lieu of impact fees payable to Porter SUD. Upon construction of all such extensions and improvements, if the costs of construction exceed the impact fees that would have been paid under the standard rules and regulations of Porter SUD, then Porter SUD agrees to reimburse the Developer to the extent of such excess. Likewise, upon construction of all such extensions and improvements, if the costs of construction are less than the amount of impact fees that would have been paid, then the Developer agrees to pay Porter SUD an amount equal to the difference between such amounts.

The term of the Water Agreement runs until the earlier of: (i) November 2, 2030; or (ii) the date on which the final payment is made to the Developer or Porter SUD, as appropriate, depending on the cost of construction of such extensions and improvements.

Pursuant to the terms of the Water Agreement, Porter SUD's obligation to serve as the retail water supplier to customers located within the boundaries of the District survives the termination of the Water Agreement indefinitely. Pursuant to the Water Agreement, all water supply and distribution facilities are conveyed to Porter SUD for ownership and operation under the same terms, conditions, fees, and charges applicable to its other customers. Therefore, the District does not own or operate water supply or distribution facilities and receives no payments from customers for such services. As of April 30, 2026, construction of the Extensions was ongoing and the final accounting has not occurred.

Once construction of the Extensions to serve the District is complete, those facilities are conveyed to Porter SUD for operation under the same terms, conditions, fees and charges applicable to its other customers.

Note 12 – Transfers to Other Governments

Montgomery County assumes responsibility for the maintenance of public roads constructed within the county limits, including public roads constructed within the District. As noted, Porter SUD assumes responsibility for water facilities. Accordingly, water and road facilities are considered to be capital assets of each respective government, not of the District, and are recorded as transfers to other governments on the *Statement of Activities* upon completion of construction. This cost is trued-up when the developer is subsequently reimbursed. For the year ended April 30, 2026, the District recorded transfers to other governments in the amount of $2,045,136 for water and road facilities constructed by a developer within the District.

Note 13 – Strategic Partnership Agreement

On May 25, 2023, the District and the City of Conroe (the "City") entered into a Strategic Partnership Agreement under which the City may annex the District for limited purposes. If any part of the District is annexed for limited purposes, the District continues to exercise all powers and functions of a municipal utility district. The City has not yet annexed any part of the District for limited purposes.

The City agrees that it will not annex all or part of the District until the earlier of: (1) the date on which the District has achieved 90% build out as defined in the Agreement, (2) or December 31, 2039, whichever is first. On the full purpose annexation date, the land included within the boundaries of the District shall be deemed to be within the full purpose boundary limits of the City and all taxable property within the territory of the District shall become subject to ad valorem taxation by the City.

If debt of the District remains outstanding on the full purpose annexation conversion or if the District has not fully reimbursed any developer within the District in accordance with any written reimbursement agreement, then the District shall become a "limited district". The "limited district" shall be known as Montgomery County Municipal Utility District No. 110 and shall continue until all outstanding debt has been fully paid. The powers of the "limited district" are restricted to the levy and collection of ad valorem taxes sufficient to meet the outstanding debt service requirements.

Note 14 – 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 15 – Subsequent Event

The District entered into an equipment lease agreement for an interim wastewater treatment plant, effective May 6, 2026. The agreement is for a 60-month term at a rate of 8%, with payments commencing upon substantial completion of the wastewater treatment plant. During the current fiscal year, the District prepaid $26,720 for the first and last month's lease payments pursuant to the agreement.

Required Supplementary Information

Montgomery County Municipal Utility District No. 110
Required Supplementary Information - Budgetary Comparison Schedule - General Fund
For the Year Ended April 30, 2026

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Sewer service	$ 285,000	$ 289,228	$ 4,228
Property taxes	560,000	559,979	(21)
Inspection fees	30,000	16,485	(13,515)
Miscellaneous		55	55
Investment earnings		12,941	12,941
Total Revenues	875,000	878,688	3,688
Expenditures			
Current service operations			
Professional fees	147,000	145,936	1,064
Contracted services	130,500	180,902	(50,402)
Repairs and maintenance	303,000	128,794	174,206
Utilities	35,000	37,220	(2,220)
Administrative	26,500	27,012	(512)
Other	25,800	25,741	59
Debt service			
Lease - principal	132,000	119,114	12,886
Lease - interest		12,886	(12,886)
Total Expenditures	799,800	677,605	122,195
Revenues Over Expenditures	75,200	201,083	125,883
Fund Balance			
Beginning of the year	500,813	500,813	
End of the year	$ 576,013	$ 701,896	$ 125,883

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

Montgomery County Municipal Utility District No. 110
TSI-1. Services and Rates
April 30, 2026

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

[ ] Retail Water	[ ] Wholesale Water	[X] Solid Waste / Garbage	[X] Drainage
[X] Retail Wastewater	[ ] Wholesale Wastewater	[ ] Flood Control	[ ] Irrigation
[X] Parks / Recreation	[ ] Fire Protection	[X] 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
Wastewater:	$ 55.00	N/A	Y	N/A	-0- to unlimited

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

Total charges per 10,000 gallons usage: Water $ - Wastewater $ 55.00

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	466	429	x 1.0	429

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):

   The District does not have Debt Service standby fees.

   The District does not have Operation and Maintenance standby fees.

5. Location of District:

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

   County(ies) in which the District is located: Montgomery County

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

   City(ies) in which the District is located:

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

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

   ETJs in which the District is located: City of Conroe

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

   If Yes, by whom?

See accompanying auditor's report.

Montgomery County Municipal Utility District No. 110
TSI-2. General Fund Expenditures
For the Year Ended April 30, 2026

Professional fees	
Legal	$ 85,411
Audit	17,000
Engineering	43,525
	145,936
Contracted services	
Bookkeeping	27,581
Operator	48,979
Garbage collection	104,342
	180,902
Repairs and maintenance	128,794
Utilities	37,220
Administrative	
Directors fees	13,044
Printing and office supplies	1,282
Insurance	11,790
Other	896
	27,012
Other	25,741
Debt service	
Lease - principal	119,114
Lease - interest	12,886
	132,000
Total expenditures	$ 677,605

See accompanying auditor's report.

Montgomery County Municipal Utility District No. 110
TSI-3. Investments
April 30, 2026

Fund	Interest Rate	Maturity Date	Balance at End of Year
General			
Texas CLASS	Variable	N/A	$ 515,711
Debt Service			
Texas CLASS	Variable	N/A	422,031
Texas CLASS	Variable	N/A	77,951
			499,982
Total - All Funds			$ 1,015,693

See accompanying auditor's report.

Montgomery County Municipal Utility District No. 110
TSI-4. Taxes Levied and Receivable
April 30, 2026

	Maintenance Taxes	Debt Service Taxes	Road Debt Service Taxes	Totals
Taxes Receivable, Beginning of Year	$ 22,315	$ 2,589	$ 4,624	$ 29,528
Adjustments to Prior Year Tax Levy	9,543	891	1,592	12,026
Adjusted Receivable	31,858	3480	6216	41,554
2025 Original Tax Levy	435,907	130,772	273,999	840,678
Adjustments	186,691	56,007	117,349	360,047
Adjusted Tax Levy	622,598	186,779	391,348	1,200,725
Total to be accounted for	654,456	190,259	397,564	1,242,279
Tax collections:				
Current year	513,699	154,110	322,896	990,705
Prior years	21,489	2,265	4,044	27,798
Total Collections	535,188	156,375	326,940	1,018,503
Taxes Receivable, End of Year	$ 119,268	$ 33,884	$ 70,624	$ 223,776
Taxes Receivable, By Years				
2025	$ 108,899	$ 32,669	$ 68,452	$ 210,020
2024	8,339	1,215	2,172	11,726
2023	2,030			2,030
Taxes Receivable, End of Year	$ 119,268	$ 33,884	$ 70,624	$ 223,776

	2025	2024	2023	2022
Property Valuations:				
Land	$ 23,609,250	$ 18,604,668	$ 17,412,730	$ 3,939,470
Improvements	66,718,909	46,280,895	22,659,116	2,041,840
Personal Property	1,206,784	24,343	1,800	1,800
Exemptions	(2,592,338)	(3,320,910)	(659,476)	(1,800)
Total Property Valuations	$ 88,942,605	$ 61,588,996	$ 39,414,170	$ 5,981,310
Tax Rates per $100 Valuation:				
Maintenance tax rates	$ 0.70	$ 0.96	$ 1.35	$ 1.35
Debt service tax rates	0.21	0.14		
Road debt service tax rates	0.44	0.25		
Total Tax Rates per $100 Valuation	$ 1.35	$ 1.35	$ 1.35	$ 1.35
Adjusted Tax Levy:	$ 1,200,725	$ 831,451	$ 532,091	$ 80,748
Percentage of Taxes Collected to Taxes Levied **	82.51%	98.59%	99.62%	100.00%

* Maximum Maintenance Tax Rate Approved by Voters: $1.50 on November 2, 2021
* Maximum Road Maintenance Tax Rate Approved by Voters: $0.25 on November 2, 2021

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

See accompanying auditor's report.

Montgomery County Municipal Utility District No. 110
TSI-5. Long-Term Debt Service Requirements
Series 2023 Road--by Years
April 30, 2026

Due During Fiscal Years Ending	Principal Due April 1	Interest Due October 1, April 1	Total
2027	$ 100,000	$ 258,431	$ 358,431
2028	105,000	253,431	358,431
2029	115,000	248,181	363,181
2030	120,000	242,431	362,431
2031	125,000	236,431	361,431
2032	135,000	230,025	365,025
2033	140,000	223,106	363,106
2034	150,000	215,931	365,931
2035	155,000	208,244	363,244
2036	165,000	200,300	365,300
2037	175,000	191,844	366,844
2038	185,000	182,875	367,875
2039	195,000	173,394	368,394
2040	205,000	163,400	368,400
2041	220,000	152,381	372,381
2042	230,000	140,556	370,556
2043	245,000	128,194	373,194
2044	260,000	115,025	375,025
2045	270,000	101,050	371,050
2046	285,000	86,538	371,538
2047	305,000	71,219	376,219
2048	320,000	54,825	374,825
2049	340,000	37,625	377,625
2050	360,000	19,351	379,351
	$ 4,905,000	$ 3,934,788	$ 8,839,788

See accompanying auditor's report.

Montgomery County Municipal Utility District No. 110
TSI-5. Long-Term Debt Service Requirements
Series 2024--by Years
April 30, 2026

Due During Fiscal Years Ending	Principal Due April 1	Interest Due October 1, April 1	Total
2027	$ 55,000	$ 116,194	$ 171,194
2028	55,000	113,994	168,994
2029	60,000	111,794	171,794
2030	65,000	109,394	174,394
2031	65,000	106,794	171,794
2032	70,000	104,194	174,194
2033	75,000	101,394	176,394
2034	80,000	98,394	178,394
2035	85,000	95,094	180,094
2036	90,000	91,481	181,481
2037	90,000	87,656	177,656
2038	95,000	83,606	178,606
2039	105,000	79,331	184,331
2040	110,000	74,606	184,606
2041	115,000	69,656	184,656
2042	120,000	64,481	184,481
2043	125,000	59,081	184,081
2044	135,000	53,456	188,456
2045	140,000	47,213	187,213
2046	150,000	40,738	190,738
2047	155,000	33,613	188,613
2048	165,000	26,250	191,250
2049	175,000	17,999	192,999
2050	185,000	9,249	194,249
	$ 2,565,000	$ 1,795,662	$ 4,360,662

See accompanying auditor's report.

Montgomery County Municipal Utility District No. 110
TSI-5. Long-Term Debt Service Requirements
Series 2025 Road--by Years
April 30, 2026

Due During Fiscal Years Ending	Principal Due April 1	Interest Due October 1, April 1	Total
2027	$ -	$ 188,081	$ 188,081
2028	80,000	188,081	268,081
2029	85,000	182,481	267,481
2030	90,000	176,531	266,531
2031	90,000	170,231	260,231
2032	95,000	163,931	258,931
2033	105,000	157,281	262,281
2034	110,000	149,931	259,931
2035	115,000	143,881	258,881
2036	120,000	139,281	259,281
2037	125,000	134,481	259,481
2038	135,000	129,482	264,482
2039	140,000	124,082	264,082
2040	145,000	118,307	263,307
2041	155,000	112,325	267,325
2042	165,000	105,544	270,544
2043	170,000	98,325	268,325
2044	180,000	90,675	270,675
2045	190,000	82,575	272,575
2046	200,000	74,025	274,025
2047	210,000	65,025	275,025
2048	220,000	55,575	275,575
2049	235,000	45,675	280,675
2050	245,000	35,100	280,100
2051	260,000	24,075	284,075
2052	275,000	12,375	287,375
	$ 3,940,000	$ 2,967,356	$ 6,907,356

See accompanying auditor's report.

Montgomery County Municipal Utility District No. 110
TSI-5. Long-Term Debt Service Requirements
All Bonded Debt Series--by Years
April 30, 2026

Due During Fiscal Years Ending	Principal Due April 1	Interest Due October 1, April 1	Total
2027	$ 155,000	$ 562,706	$ 717,706
2028	240,000	555,506	795,506
2029	260,000	542,456	802,456
2030	275,000	528,356	803,356
2031	280,000	513,456	793,456
2032	300,000	498,150	798,150
2033	320,000	481,781	801,781
2034	340,000	464,256	804,256
2035	355,000	447,219	802,219
2036	375,000	431,062	806,062
2037	390,000	413,981	803,981
2038	415,000	395,963	810,963
2039	440,000	376,807	816,807
2040	460,000	356,313	816,313
2041	490,000	334,362	824,362
2042	515,000	310,581	825,581
2043	540,000	285,600	825,600
2044	575,000	259,156	834,156
2045	600,000	230,838	830,838
2046	635,000	201,301	836,301
2047	670,000	169,857	839,857
2048	705,000	136,650	841,650
2049	750,000	101,299	851,299
2050	790,000	63,700	853,700
2051	260,000	24,075	284,075
2052	275,000	12,375	287,375
	$ 11,410,000	$ 8,697,806	$ 20,107,806

See accompanying auditor's report.

Montgomery County Municipal Utility District No. 110
TSI-6. Change in Long-Term Bonded Debt
April 30, 2026

	Bond Issue			
	Series 2023 Road	Series 2024	Series 2025 Road	Totals
Interest rate	5.00% - 5.375%	4.00% - 5.00%	4.00% - 7.00%	
Dates interest payable	4/1 ; 10/1	4/1 ; 10/1	4/1 ; 10/1	
Maturity dates	4/1/26 - 4/1/50	4/1/26 - 4/1/50	4/1/28 - 4/1/52	
Beginning bonds outstanding	$ 5,000,000	$ 2,615,000	$ -	$ 7,615,000
Bonds issued			3,940,000	3,940,000
Bonds retired	(95,000)	(50,000)		(145,000)
Ending bonds outstanding	$ 4,905,000	$ 2,565,000	$ 3,940,000	$ 11,410,000
Interest paid during fiscal year	$ 263,181	$ 118,694	$ 78,367	$ 460,242
Paying agent's name and city				
All series	BOKF, N.A., Dallas, Texas			

Bond Authority:	Water, Sewer, and Drainage Bonds	Park Bonds	Road Bonds
Amount Authorized by Voters	$ 58,805,000	$ 11,740,000	$ 31,275,000
Amount Issued	(2,615,000)		(8,940,000)
Remaining To Be Issued	$ 56,190,000	$ 11,740,000	$ 22,335,000

Bond Authority:	Water, Sewer, and Drainage Refunding Bonds	Park Refunding Bonds	Road Refunding Bonds
Amount Authorized by Voters	$ 58,805,000	$ 11,740,000	$ 31,275,000
Amount Issued			
Remaining To Be Issued	$ 58,805,000	$ 11,740,000	$ 31,275,000

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 April 30, 2026:	$ 542,069
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 773,377

See accompanying auditor's report.

Montgomery County Municipal Utility District No. 110
TSI-7a. Comparative Schedule of Revenues and Expenditures - General Fund
For the Last Five Fiscal Years

	Amounts				
	2026	2025	2024	2023	2022**
Revenues					
Sewer service	$ 289,228	$ 240,339	$ 179,188	$ 129,607	$ -
Property taxes	559,979	573,073	518,706	80,458	
Penalties and interest			1,143	159	
Inspection fees	16,485	21,150	20,610	27,225	5,400
Miscellaneous	55	6	88		
Investment earnings	12,941	8,145	1,053	201	5
Total Revenues	878,688	842,713	720,788	237,650	5,405
Expenditures					
Current service operations					
Professional fees	145,936	145,238	203,571	138,792	24,869
Contracted services	180,902	127,186	93,498	67,875	7,709
Repairs and maintenance	128,794	317,771	164,396	195,011	
Utilities	37,220	34,059	32,986	2,779	
Administrative	27,012	28,599	33,203	25,308	9,546
Other	25,741	22,493	21,663	2,234	1,031
Capital					
Right-to-use leased asset					542,503
Debt service					
Lease - principal	119,114	109,984	101,556	93,772	22,298
Lease - interest	12,886	22,016	30,444	38,228	10,702
Total Expenditures	677,605	807,346	681,317	563,999	618,658
Revenues Over (Under) Expenditures	201,083	35,367	39,471	(326,349)	(613,253)
Other Financing Sources					
Lease financing					542,503
Developer advances		170,000	446,074	142,000	65,000
Net Change in Fund Balance	201,083	205,367	485,545	(184,349)	(5,750)
Fund Balance, Beginning of the year	500,813	295,446	(190,099)	(5,750)	
End of the year	$ 701,896	$ 500,813	$ 295,446	$ (190,099)	$ (5,750)
Total Active Retail Water Connections	N/A	N/A	N/A	N/A	N/A
Total Active Retail Wastewater Connections	429	386	289	179	N/A

*Percentage is negligible
** Unaudited
See accompanying auditor's report.

Percent of Fund Total Revenues				
2026	2025	2024	2023	2022**
33%	29%	25%	55%	
64%	67%	72%	34%	
		*	*	
2%	3%	3%	11%	100%
*	*	*		
1%	1%	*	*	*
100%	100%	100%	100%	100%
17%	17%	28%	58%	460%
21%	15%	13%	29%	143%
15%	38%	23%	82%	
4%	4%	5%	1%	
3%	3%	5%	11%	177%
3%	3%	3%	1%	19%
				10037%
14%	13%	14%	39%	413%
1%	3%	4%	16%	198%
78%	96%	95%	237%	11447%
22%	4%	5%	(137%)	(11347%)

Montgomery County Municipal Utility District No. 110
TSI-7b. Comparative Schedule of Revenues and Expenditures - Debt Service Fund
For the Last Three Fiscal Years

	Amounts		
	2026	2025	2024
Revenues			
Property taxes	$ 506,336	$ 230,500	$ -
Penalties and interest	7,548	2,976	
Miscellaneous	4,980	866	
Investment earnings	16,482	13,718	2,666
Total Revenues	535,346	248,060	2,666
Expenditures			
Tax collection services	29,992	14,622	
Other		3,598	205
Debt service			
Principal	145,000		
Interest and fees	451,316	365,390	73,837
Total Expenditures	626,308	383,610	74,042
Revenues Under Expenditures	(90,962)	(135,550)	(71,376)
Other Financing Sources			
Proceeds from sale of bonds	282,122	137,288	412,500
Net Change in Fund Balance	191,160	1,738	341,124
Fund Balance, Beginning of the year	342,862	341,124	
End of the year	$ 534,022	$ 342,862	$ 341,124

*Percentage is negligible

See accompanying auditor's report.

Percent of Fund Total Revenues		
2026	2025	2024
95%	93%	
1%	1%	
1%	*	
3%	6%	100%
100%	100%	100%
6%	6%	
	1%	8%
27%		
84%	147%	2770%
117%	154%	2778%
(17%)	(54%)	(2678%)

Montgomery County Municipal Utility District No. 110
TSI-8. Board Members, Key Personnel and Consultants
For the Year Ended April 30, 2026

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):	May 16, 2024
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				
Ralph Stafford	05/24 - 05/28	$ 2,420	$ 373	President
Brittany Keeswood	05/24 - 05/28	2,210	343	Vice President
Kyle Macy	05/24 - 05/28	2,431	130	Secretary
Joseph Schwieterman	05/22 - 05/26	2,210	153	Assistant Vice President/ Assistant Secretary
Brad T. Fellows	05/22 - 05/26	2,431	343	Assistant Vice President/ Assistant Secretary

Consultants		Amounts Paid	
Allen Boone Humphries Robinson LLP	2021		Attorney
General legal fees		$ 80,402	
Bond counsel		117,440	
Inframark, LLC	2021	120,676	Operator
Municipal Financial Management, Inc.	2025	23,736	Bookkeeper
Utility Tax Service, LLC	2021	7,153	Tax Collector
Montgomery Central Appraisal District	Legislation	7,456	Property Valuation
Perdue, Brandon, Fielder, Collins & Mott, LLP	2022	4,855	Delinquent Tax Attorney
LJA Engineering, Inc.	2022	55,528	Engineer
McGrath & Co., PLLC	2021	24,750	Auditor
The GMS Group, LLC	2021	82,030	Financial Advisor
District Data Services, Inc.	2021	6,806	Former Bookkeeper

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

See accompanying auditor's report.

APPENDIX B

PHOTOGRAPHS TAKEN IN THE DISTRICT













APPENDIX C

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

(To Be Included in the Final Official Statement, If Applicable)