BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 28

(Brazoria and Harris Counties, Texas)

PRELIMINARY OFFICIAL STATEMENT

DATED: OCTOBER 21, 2026

$5,000,000 UNLIMITED TAX BONDS SERIES 2026

BIDS DUE: 11:00 A.M., HOUSTON TIME
BONDS AWARDED: 5:00 P.M., HOUSTON TIME
WEDNESDAY, NOVEMBER 18, 2026
HOUSTON, TEXAS

RATHMANN & ASSOCIATES
Financial Advisor to the District

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

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 21, 2026

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

The Bonds will be designated "qualified tax-exempt obligations" for financial institutions.

NEW ISSUE - Book-Entry Only

Ratings: Moody's Investors Service (Underlying) "A3"
See "SALE AND DISTRIBUTION OF THE BONDS - Municipal Bond Insurance and Ratings" herein

$5,000,000
BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 28
(A Political Subdivision of the State of Texas located within Brazoria and Harris Counties, Texas)
UNLIMITED TAX BONDS, SERIES 2026

Dated: December 1, 2026
Interest Accrual Date: Date of Delivery

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

Principal of the above bonds (the "Bonds") is payable by the paying agent/registrar, initially, The Bank of New York Mellon Trust Company, N. A., currently in Houston, Texas, or any successor paying agent/registrar (the "Paying Agent," "Registrar" or "Paying Agent/Registrar"). Interest on the Bonds accrues from the initial date of delivery (expected December 16, 2026) (the "Date of Delivery"), and is payable on March 1, 2027, and on each September 1 and March 1 thereafter until the earlier of maturity or redemption. The Bonds are issued in denominations of $5,000 or any integral multiple thereof in fully registered form only.

The Bonds are subject to redemption prior to maturity at the option of Brazoria County Municipal Utility District No. 28 (the "District"), as a whole or in part, on September 1, 2031, or any date thereafter, at a price equal to the principal amount thereof plus accrued interest from the most recent interest payment date to the date fixed for redemption. If fewer than all of the Bonds are redeemed at any time, the particular maturities and amounts of the Bonds to be redeemed shall be selected by the District in integral multiples of $5,000 within any one maturity. If fewer than all of the Bonds of any given maturity are to be redeemed at any time, the particular Bonds to be redeemed shall be selected by such method of random selection as determined by the Registrar (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form). The Registered Owner of any Bond, all or a portion of which has been called for redemption, shall be required to present same to the Registrar for payment of the redemption price on the portion of the Bond so called for redemption and issuance of a new Bond in the principal amount equal to the portion of such Bond not redeemed.

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

See Maturity Schedule on the inside cover

The Bonds constitute the ninth series of bonds issued by the District for the purpose of acquiring and constructing a waterworks, sanitary sewer and storm drainage system (the "System") to serve the District. THE BONDS ARE SUBJECT TO SPECIAL INVESTMENT CONSIDERATIONS DESCRIBED HEREIN. SEE "INVESTMENT CONSIDERATIONS." Voters in the District have authorized a total of $89,155,000 principal amount of bonds for the purpose of acquiring and constructing the System. Following the issuance of the Bonds, $14,410,000 principal amount of unlimited tax bonds authorized by the District's voters will remain authorized but unissued. See "THE BONDS - Issuance of Additional Debt."

The Bonds, when issued, constitute valid and binding obligations of the District, and are payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District. See "THE BONDS - Source of Payment." Neither the State of Texas, the City of Pearland, Texas, Brazoria County, Texas, Harris County, Texas, nor any political subdivision other than the District shall be obligated to pay the principal of and interest on the Bonds. Neither the faith and credit nor the taxing power of the State of Texas, the City of Pearland, Texas, Brazoria County, Texas, or Harris County, Texas, is pledged to the payment of the principal of and interest on the Bonds.

The Bonds are offered when, as and if issued by the District, subject among other things to the approval of the Attorney General of Texas and of Allen Boone Humphries Robinson LLP, Houston, Texas, Bond Counsel. Delivery of the Bonds in book-entry form through DTC is expected on or about December 16, 2026.

MATURITY SCHEDULE
CUSIP Prefix (a): 10606P

Principal Amount	Maturity (Due September 1)	Interest Rate	Initial Reoffering Yield (b)	CUSIP Suffix (a)
$230,000	2041(c)	%	%	
240,000	2042(c)			
250,000	2043(c)			
265,000	2044(c)			
280,000	2045(c)			
295,000	2046(c)			
310,000	2047(c)			
325,000	2048(c)			
340,000	2049(c)			
360,000	2050(c)			
380,000	2051(c)			
400,000	2052(c)			
420,000	2053(c)			
440,000	2054(c)			
465,000	2055(c)			

(a) CUSIP is a registered trademark of the American Bankers Association. CUSIP data is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. CUSIP numbers have been assigned to this issue by CUSIP Global Services and are included solely for the convenience of the owners of the Bonds. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP services. Neither the District, the Financial Advisor (as defined herein), nor the Underwriter (as defined herein) take any responsibility for the accuracy of CUSIP numbers.

(b) Information with respect to the initial reoffering yields of the Bonds is the responsibility of the Underwriter. Initial reoffering yields represent the initial offering price to the public which has been established by the Underwriter for public offerings, and which subsequently may be changed.

(c) Subject to optional redemption as described on the front cover.

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USE OF INFORMATION IN OFFICIAL STATEMENT

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

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

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

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

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, their 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.

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

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

SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Bonds, the District has accepted the bid resulting in the lowest net interest cost to the District, which was tendered by _____ (referred to herein as the "Underwriter" or the "Initial Purchaser") to purchase the Bonds bearing the interest rates shown under "MATURITY SCHEDULE" at a price of _____% of the principal amount thereof plus accrued interest to the date of delivery, which resulted in a net effective interest rate of _____%, as calculated pursuant to Chapter 1204, Texas Government Code, as amended.

Prices and Marketability

The delivery of the Bonds is conditioned upon the receipt by the District of a certificate executed and delivered by the Underwriter on or before the date of delivery of the Bonds stating the prices at which a substantial amount of the Bonds of each maturity have been sold to the public. For this purpose the term "public" shall not include any person who is a bond house, broker or similar person acting in the capacity of underwriter or wholesaler. The District has no control over trading of the Bonds after a bona fide offering of the Bonds is made by the Underwriter at the yields specified on the cover page. Information concerning reoffering yields or prices is the responsibility of the Underwriter.

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

The prices and other terms respecting the offering and sale of the Bonds may be changed from time to time by the Underwriter after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering price, including sales to dealers who may sell the Bonds into investment accounts.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Securities Laws

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

Municipal Bond Insurance and Ratings

Applications have been made to Assured Guaranty Inc. ("AG") and Build America Mutual Assurance Company ("BAM") to issue a commitment for municipal bond guaranty insurance on the Bonds. The purchase of such insurance, if available, and payment of all associated costs, including the premium charged by the insurer, and fees charged by any rating companies other than Moody's Investors Service, Inc. ("Moody's"), will be at the option and expense of the Underwriter. The Underwriter understands, by submission of its bid, that the Underwriter is solely responsible for the selection of any insurer and for all negotiations with (i) the insurer as to the premium to be paid, and (ii) the insurer and any and all rating companies as to selection of such rating companies, the ratings to be assigned the Bonds as a consequence of the issuance

of the municipal bond insurance policy, and the payment of fees in connection with such ratings except the Moody's rating fees as described below. Moody's has assigned an underlying rating of "A3" to the Bonds. If the Underwriter chooses to purchase municipal bond insurance on the Bonds, separate rating(s), including a rating by Moody's, may at the election of the Underwriter be assigned the Bonds based upon the understanding that upon delivery of the Bonds an insurance policy insuring the timely payment of the principal of and interest on the Bonds will be issued by the insurer. The District will pay the cost of both the underlying rating of Moody's and the Moody's rating associated with the insurance policy issued relating to the Bonds, if the latter is elected to be used by the Underwriter. As is stated in this Preliminary Official Statement under the caption "LEGAL MATTERS - No Material Adverse Change," if the Underwriter elects to purchase municipal bond guaranty insurance on the Bonds, the rating of the insurer's creditworthiness by any rating agency does not and will not in any manner affect the District's financial condition, and thus any change to such rating, including a downgrade thereof, at any time, does not and will not constitute a change, material or otherwise, in the District's financial condition, and therefore cannot be a basis for termination by the Underwriter of its obligations to take up and pay for the Bonds.

BOND INSURANCE RISK FACTORS

As is stated above under the caption "Municipal Bond Insurance and Ratings," applications have been made to insurers to issue a commitment for municipal bond guaranty insurance on the Bonds. If the Underwriter purchases such municipal bond guaranty insurance on the Bonds as set forth under such caption, in the event of default of the payment of principal of or interest on the Bonds when all or some become due, any owner of the Bonds shall have a claim under the municipal bond guaranty insurance policy (the "Policy") for such payments.

In the event that an insurer is unable to make payment of principal and interest on the Bonds as such payments become due under the Policy, the Bonds are payable solely from the moneys received pursuant to the applicable bond documents. In the event that an insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event would 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 any such insurer and its claims paying ability. An 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 an insurer and the ratings on bonds insured by any such insurer, including the Bonds, would not be subject to downgrade. Such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

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

Neither the District, nor, to the knowledge of the District, the Underwriter, has made independent investigation into the claims paying ability of any potential insurer of the Bonds and no assurance or representation regarding the financial strength or projected financial strength of any potential insurer is made by either the District or the Underwriters. Therefore, when making an investment decision, potential investors should carefully consider the ability of the District to pay the principal of and interest on the Bonds and the claims paying ability of any potential insurer, particularly over the life of the investment. See "SALE AND DISTRIBUTION OF THE BONDS - Municipal Bond Insurance and Ratings" above for further information regarding the District's application for municipal bond guaranty insurance on the Bonds.

OFFICIAL STATEMENT SUMMARY

The following material is a summary of certain information contained herein and is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement.

THE BONDS

The Issuer	Brazoria County Municipal Utility District No. 28 (the "District"), a political subdivision of the State of Texas, is located within Brazoria and Harris Counties, Texas. See "THE DISTRICT."
Description.....	$5,000,000 Unlimited Tax Bonds, Series 2026, are dated December 1, 2026. Interest on the Bonds accrues from the Date of Delivery (as defined herein), at the rates shown on the inside cover hereof, and is payable on March 1, 2027, and on each September 1 and March 1 thereafter until maturity or prior redemption. The Bonds mature on September 1 in each of the years and in the amounts shown on the inside cover page of this Official Statement. The Bonds are subject to redemption, in whole or in part, prior to their scheduled maturities, on September 1, 2031, or on any date thereafter at the option of the District. Upon redemption, the Bonds will be payable at a price equal to the principal amount of the Bonds, or portions thereof, so called for redemption, plus accrued interest to the date of redemption. See "THE BONDS."
Book-Entry-Only System.....	The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of DTC (defined herein), pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of $5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the beneficial owners thereof. Principal of and interest on the Bonds will be payable by the Paying Agent/Registrar (hereinafter defined) to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds (see "THE BONDS - Book-Entry-Only System").
Source of Payment.....	Principal of and interest on the Bonds are payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District. See "THE BONDS - Source of Payment," "TAX DATA - Tax Rate Calculations," and "INVESTMENT CONSIDERATIONS - Maximum Impact on District Tax Rates."
Use of Proceeds	Proceeds of the sale of the Bonds will be used by the District to (i) finance the District's cost of acquisition or construction of underground water distribution, wastewater collection and storm drainage facilities (the "System") that serve the subdivisions platted as Creekside at Highland Glen, Sections 1 and 2, and Residences on the Parkway, including engineering, surveying and geotechnical fees, and stormwater pollution prevention plans for such items; (ii) finance the District's cost of clearing and grubbing and stormwater detention capacity fees for Residences on the Parkway; and land acquisition costs and a drainage impact analysis for Creekside at Highland Glen; (iii) finance impact fees

(the "Impact Fees") paid to the City of Pearland (the "City") for Creekside at Highland Glen, Sections 1 and 2, and Residences on the Parkway associated with the City's provision of water supply and wastewater treatment to the District; (iv) engineering and materials testing fees associated with the foregoing projects, and Storm Water Pollution Prevention; (v) pay interest on advances that have been made on behalf of the District; and (vi) pay for issuance costs, legal fees, fiscal agent's fees, fees to the Attorney General of Texas and Texas Commission on Environmental Quality (the "TCEQ"), and certain financing costs related to the issuance of the Bonds. See "THE BONDS - Use and Distribution of Bond Proceeds."

Payment Record..... The Bonds are the ninth series of unlimited tax bonds issued by the District for the purpose of financing the acquisition or construction of components of the System and to finance Impact Fees. The District has previously issued Unlimited Tax Bonds, Series 2006 (the "Series 2006 Bonds"), Unlimited Tax Bonds, Series 2007 (the "Series 2007 Bonds"), Unlimited Tax Bonds, Series 2010 (the "Series 2010 Bonds"), Unlimited Tax Bonds, Series 2013 (the "Series 2013 Bonds"), Unlimited Tax Bonds, Series 2014 (the "Series 2014 Bonds"), Unlimited Tax Bonds, Series 2016 (the "Series 2016 Bonds"), Unlimited Tax Bonds, Series 2017 (the "Series 2017 Bonds") and Unlimited Tax Bonds, Series 2021A (the "Series 2021A Bonds"). The District also has issued Unlimited Tax Refunding Bonds, Series 2013 (the "Series 2013 Refunding Bonds"), Unlimited Tax Refunding Bonds, Series 2014 (the "Series 2014 Refunding Bonds") and Unlimited Tax Refunding Bonds, Series 2021 (the "Series 2021 Refunding Bonds") to refund bonds issued by the District. Collective reference is made in this Official Statement to all of such bonds previously issued by the District as the "Prior Bonds." As of the date hereof, the principal amount of the Prior Bonds that has not been previously retired by the District is $46,220,000 (the "Outstanding Bonds"). After issuance of the Bonds, the aggregate principal amount of the District's bonded indebtedness, including the Bonds, will be $51,220,000. The District has timely made all payments of principal of and interest on the Prior Bonds when due.

Authorized But Unissued Bonds..... $14,410,000 for waterworks, wastewater, and drainage facilities (the "System") and $57,115,000 for refunding purposes will remain authorized but unissued after issuance of the Bonds.

Municipal Bond Insurance and Ratings..... Applications have been made to Assured Guaranty Inc. ("AG") and Build America Mutual Assurance Company ("BAM") to issue a commitment for municipal bond guaranty insurance on the Bonds. The purchase of such insurance, if available, and payment of all associated costs, including the premium charged by the insurer, and fees charged by any rating companies other than Moody's Investors Service, Inc. ("Moody's"), will be at the option and expense of the Underwriter. The Underwriter understands, by submission of its bid, that the Underwriter is solely responsible for the selection of any insurer and for all negotiations with (i) the insurer as to the premium to be paid, and (ii) the insurer and any and all rating companies as to selection of such rating companies, the ratings to be assigned the Bonds as a consequence of the issuance of the municipal bond insurance policy, and the payment of fees in connection with such ratings

except the Moody's rating fees as described below. Moody's has assigned an underlying rating of "A3" to the Bonds. If the Underwriter chooses to purchase municipal bond insurance on the Bonds, separate rating(s), including a rating by Moody's, may at the election of the Underwriter be assigned the Bonds based upon the understanding that upon delivery of the Bonds an insurance policy insuring the timely payment of the principal of and interest on the Bonds will be issued by the insurer. The District will pay the cost of both the underlying rating of Moody's and the Moody's rating associated with the insurance policy issued relating to the Bonds, if the latter is elected to be used by the Underwriter. As is stated in this Preliminary Official Statement under the caption "LEGAL MATTERS - No Material Adverse Change," if the Underwriter elects to purchase municipal bond guaranty insurance on the Bonds, the rating of the insurer's creditworthiness by any rating agency does not and will not in any manner affect the District's financial condition, and thus any change to such rating, including a downgrade thereof, at any time, does not and will not constitute a change, material or otherwise, in the District's financial condition, and therefore cannot be a basis for termination by the Underwriter of its obligations to take up and pay for the Bonds. See "SALE AND DISTRIBUTION OF THE BONDS - Municipal Bond Insurance and Ratings."

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

Disclosure Counsel ..... McCall, Parkhurst & Horton L.L.P., Houston, Texas.

Qualified Tax-Exempt Obligations ..... The Bonds will be designated as "qualified tax-exempt obligations" for financial institutions.

THE DISTRICT

Description..... The District is a political subdivision of the State of Texas, created by Order of the TCEQ on February 27, 2003. The District contains approximately 984 acres of land. The District is located within Brazoria and Harris Counties, Texas, and entirely within the corporate boundaries of the City of Pearland, Texas (the "City"). The District, which is comprised of eighteen (18) non-contiguous tracts of land, is located mainly in the northeastern quadrant of Brazoria County, with Tract 7 (consisting of approximately 5.7 acres) and a portion of Tract One, east of Clear Creek, located in Harris County. Tract One (approximately 312.17 acres) is located south of Beltway 8 and east of Old Alvin Road. Tract Two (approximately 210.38 acres) is located west of Pearland Sites Road and south of Magnolia Road. Tract Three (approximately 40.83 acres) is located south of Beltway 8 and east of O' Day Road. Tract Four (approximately 65.43 acres) is located east of Veterans Road. Tracts Five, Six and Seven (approximately 47.63 acres total) are located north of East Broadway Street and west of Country Club Drive. Tract Eight (approximately 10.47 acres) is located north of Walnut Street and east of O'Day Road. Tract Nine (approximately 33.29 acres) is located east of County Road 93 and west of Hooks 2 Road. Tract Ten (approximately 20.34 acres) is located north of Fites Road. Tract Eleven (approximately 15.51 acres) is located north of Fites Road. Tract Twelve (approximately 81.58 acres) is

located along Old Alvin Road and north of McHard Road. Tract Thirteen (approximately 9.64 acres) is located west of Hillhouse Road and north of Hughes Ranch Road. Tract Fourteen (approximately 64.51 acres) and (approximately 9.779 acres) is located entirely in Harris County and is south of Tract One. Tract Fifteen (approximately 19.445 acres) is located south of Tract Twelve along Old Alvin Road, but south of McHard Road. Tract Sixteen (approximately 14.32 acres) is located along Dixie Farm Road and east of Highway 35. Tract Seventeen (approximately 12.40 acres) is located east of Tract Ten and west of Tract Eleven along Fite Road. Tract Eighteen (approximately 16.31 acres) is located along Harkey Road, south of Magnolia Road. The District lies partially within the Pearland Independent School District and partially within the Pasadena Independent School District. See "THE DISTRICT - General" and - "Description," and "APPENDIX A - LOCATION MAP."

The District obtains water, sewer and drainage service from the City. Sowell Property Partners Parkside, L.P. and RH of Texas Limited Partnership, on behalf of the District, and the City entered into a Utility Agreement dated February 25, 2002, which was assumed on September 3, 2003, by the District (the "Original Agreement"), and amended on June 26, 2017 (the "First Amendment to Utility Agreement') (the Original Agreement and the First Amendment to Utility Agreement are collectively referred to as the "Utility Agreement") to provide a water distribution system, sanitary sewer collection system and a drainage system (the "System") to serve the area within the District. In consideration of the District's acquiring and constructing the System on behalf of the City, the City agreed, pursuant to the terms and conditions of the Utility Agreement, to own and operate the System. In addition, the City currently pays to the District the City Utility Rebate (as such term is defined and rebate is explained in this Official Statement under "THE DISTRICT - Utility Agreement"). The City Utility Rebate is not pledged to the payment of the Bonds. Pursuant to the Utility Agreement, the City provides water supply and wastewater treatment to the District in consideration of the payment by the District of Impact Fees. See "THE SYSTEM."

Authority..... The rights, powers, privileges, authority and functions of the District are established by Article XVI, Section 59 of the Constitution of the State of Texas and the general laws of the State of Texas pertaining to municipal utility districts, particularly Chapters 49 and 54 of the Texas Water Code, as amended. See "THE DISTRICT - General."

Development and Home Construction..... As of October 1, 2026, development and home construction accomplished in the District to date include the completion of the development of 2,567 single-family residential lots, on all of such lots homes have been constructed and conveyed to home purchasers. In addition, there are approximately 149,194 total square feet of commercial improvements, including four retail shopping centers totaling approximately 101,973 square feet of building area, a Chili's restaurant containing approximately 4,775 square feet of building area, an approximately 5,483 square foot Third Coast Bank, an approximately 7,962 square foot Home Town Bank, an approximately 8,641 square foot Brown Interiors furniture store, an approximately 10,360 square

foot daycare facility, and an approximately 10,000 square foot senior living facility that have been constructed in the District. According to the District's Engineer, underground water distribution, wastewater collection, and storm drainage/detention facilities and street paving have been completed to serve 2,567 single family residential lots in the District located in the fully developed subdivisions that have been platted as Creekside, Sections 1 and 2, Canterbury Park, Sections 1 through 6, Twin Lakes, Section 1, Stonebridge, Sections 1 and 2, Covington Estates, Spring Meadow, Emerald Stone, Pearland Estates, Preserve at Highland Glen, Sections 1 through 3, Pearland Lakes, Sections 1 and 2, Highland Crossing, Sections 1 through 5, Enclave at Highland Glen, Sections 1 through 5, Province Village, Tracts A through C, Highland Park, Oakshire, Tranquility Lake Estates, Section 4, Cypress Village, Section 3, Mirror Lake, Section 1, Creekside at Highland Glen, Sections 1 and 2, and Residences on the Parkway (a total of approximately 912.11 acres) as is delineated in the chart that appears in this Official Statement under the caption "DEVELOPMENT AND HOME CONSTRUCTION."

The development of approximately 9.92 additional acres of land located within the District that are being utilized for commercial development has been completed. The aforementioned Chili's restaurant that contains approximately 4,775 square feet of building area, Brown Interiors furniture store that contains approximately 8,641 square feet of building area, and a retail shopping center that contains approximately 25,976 square feet of building area have been constructed on such approximately 9.92 acre tract.

Musgrave Grohman Ventures, Ltd., a Texas limited partnership ("MGV"), has developed a total of approximately 11.99 additional acres in four tracts for future commercial and office usage, some of which tracts (aggregating approximately 6.10 acres) MGV has sold. A retail shopping center that contains approximately 37,955 square feet of building area has been constructed and a retail shopping center that contains approximately 23,050 square feet of building area has been constructed on two of the tracts that MGV has sold, and the aforementioned approximately 5,483 square foot Third Coast Bank has been constructed on another of such tracts.

Approximately 4.52 additional acres of currently undeveloped land located within the District are owned by multiple other parties, none of which has reported a definitive development plan to the District covering any of such undeveloped land. Since no party is under any obligation to the District to undertake the development of any currently undeveloped portion of the District, the District can make no representation as to when, or whether, the undeveloped portions of the District might be developed. The balance of the undeveloped land located within the District is contained within drainage easements and rights-of-way, lakes and stormwater detention ponds, or is otherwise not available for development. See "DEVELOPERS AND OTHER PRINCIPAL LAND OWNERS," "FUTURE DEVELOPMENT," "TAX DATA - Principal 2026 Taxpayers" and "INVESTMENT CONSIDERATIONS - Factors Affecting Taxable Values and Tax Payments."

The District financed its costs of the construction or acquisition of certain of the water distribution, wastewater collection, and storm drainage facilities to serve the lots located within Creekside, Sections 1 and 2, Canterbury Park, Sections 1 through 6, Twin Lakes, Section 1, Stone Bridge, Sections 1 and 2, Spring Meadow, Emerald Stone, Preserve at Highland Glen, Sections 1 through 3, Highland Crossing, Sections 1 through 5, Pearland Estates, Covington Estates, Province Village, Tracts A-C, Pearland Lakes, Sections 1 and 2, Enclave at Highland Glen, Sections 1 through 5, Highland Park, Oakshire, Province Village Drive, Mirror Lake, Section 1, Cypress Village, Section 3, and Tranquility Lake Estates, Section 4, and Impact Fees, and other facilities, with portions of the proceeds of the sale of the Prior Bonds and other funds of the District. The District will finance its portion of the costs of the construction or acquisition of components of the System to serve the lots platted as Creekside at Highland Glen, Sections 1 and 2, and Residences on the Parkway; Impact Fees and other facilities, and certain financing costs related to the costs of issuance with proceeds of the Bonds as is enumerated in this Official Statement under the caption "THE BONDS - Use and Distribution of Bond Proceeds." The District expects to finance the acquisition or construction of additional water distribution, wastewater collection, storm drainage/detention facilities and/or Impact Fees with portions of the proceeds of the sale of bonds, if any, in the future. See "THE BONDS - Issuance of Additional Debt," "THE SYSTEM" and "INVESTMENT CONSIDERATIONS - Future Debt."

Developers and Other Principal Land Owners..

The developer of the 57 single-family residential lots located within the District that have been subdivided as Creekside at Highland Glen, Sections 1 and 2 is Beazer Homes Texas, L.P., which owns no additional land located within the District..

The developer of the 110 single-family residential lots located within the District that have been subdivided as Residences on the Parkway is Residences on the Parkway, LLC/Fite Interests, which owns no additional land located within the District.

A total of approximately 4.52 additional acres of undeveloped land located within the District is owned by multiple parties, none of which has reported any definitive development plan to the District covering any of such currently undeveloped acres. Since no party is under any obligation to the District to undertake the development of any currently undeveloped portion of the District, the District can make no representation as to when, or whether, the undeveloped portions of the District might be developed. The balance of the undeveloped land located within the District is contained within drainage easements and rights-of-way, lakes and stormwater detention ponds, or is otherwise not available for development. See "FUTURE DEVELOPMENT," "TAX DATA - Principal 2026 Taxpayers" and "INVESTMENT CONSIDERATIONS - Factors Affecting Taxable Values and Tax Payments."

Collective reference is made in this Official Statement to Beazer Homes and Residences on the Parkway, LLC/Fite Interests as the "Developers."

INVESTMENT CONSIDERATIONS

THE BONDS ARE SUBJECT TO CERTAIN INVESTMENT CONSIDERATIONS. PROSPECTIVE PURCHASERS SHOULD REVIEW THE ENTIRE OFFICIAL STATEMENT BEFORE MAKING AN INVESTMENT DECISION, INCLUDING PARTICULARLY THE SECTION OF THE OFFICIAL STATEMENT ENTITLED "INVESTMENT CONSIDERATIONS."

SELECTED FINANCIAL INFORMATION
(UNAUDITED)

2026 Assessed Valuation (As of January 1, 2026) See "TAX DATA" and "TAXING PROCEDURES"	$	835,252,159	(a)
Direct Debt:			
Outstanding Bonds	$	46,220,000	
The Bonds		5,000,000	
Total	$	51,220,000	(b)
Estimated Overlapping Debt	$	69,180,092	
Total Direct and Estimated Overlapping Debt	$	120,400,092	
Direct Debt Ratio : as a percentage of 2026 Assessed Valuation		6.13 %	
Direct and Overlapping Debt Ratio : as a percentage of 2026 Assessed Valuation		14.41 %	
Debt Service Fund Balance as of October 21, 2026	$	4,121,578	(c)
General Fund Balance as of October 21, 2026	$	7,874,377	
2026 Tax Rate per $100 of Assessed Valuation			
Debt Service Tax	$	0.50	
Maintenance Tax		0.06	
Total	$	0.56	(d)
Average Percentage of Total Tax Collections (2015-2024) as of September 30, 2026		99.96 %	
Percentage of Tax Collections of 2025 Levy as of September 30, 2026 (In process of collection)		99.56 %	
Average Annual Debt Service Requirements on the Bonds and the Outstanding Bonds (2027-2040)	$	4,335,809	
Maximum Annual Debt Service Requirements on the Bonds and the Outstanding Bonds (2040)	$	4,369,763	
Tax Rate per $100 of Assessed Valuation Required to Pay Average Annual Debt Service Requirements on the Bonds and the Outstanding Bonds (2027-2040) at 95% Tax Collections			
Based Upon 2026 Assessed Valuation	$	0.55	(d)
Tax Rate per $100 of Assessed Valuation Required to Pay Maximum Annual Debt Service Requirements on the Bonds and the Outstanding Bonds (2040) at 95% Tax Collections			
Based Upon 2026 Assessed Valuation	$	0.56	(d)
Number of Single Family Homes		2,567	

Completed Commercial Improvements - Approximately 149,194 Total Square Feet of Building Area
Four Retail Shopping Centers Totaling Approximately 101,973 Square Feet of Building Area
Chili's Restaurant - Approximately 4,775 Square Feet of Building Area
Third Coast Bank - Approximately 5,483 Square Feet of Building Area
Home Town Bank - Approximately 7,962 Square Feet of Building Area
Brown Interiors Furniture Store - Approximately 8,641 Square Feet of Building Area
Day Care Facility - Approximately 10,360 Square Feet of Building Area
Senior Living Facility - Approximately 10,000 Square Feet of Building Area

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(a) As of January 1, 2026, and comprises the District's 2026 tax roll. All property located in the District is valued on the tax rolls by the Brazoria County Appraisal District and the Harris Central Appraisal District (together, the "Appraisal Districts") at 100% of assessed value as of January 1 of each year. The District's tax roll is certified by the Brazoria County Appraisal Review Board and the Harris County Appraisal Review Board (together, the "Appraisal Review Boards"). Such sum includes certain values which have not been certified by the Appraisal Review Boards, including the value of certain properties which has been proposed by the Appraisal Districts but protested by the owners thereof to the Appraisal Districts and the value of certain properties not under protest but not yet certified, in the amount of $3,250,222. The District is unable to predict the amount of the District's final 2026 Assessed Valuation. Such final 2026 Assessed Valuation will not be determined until the valuation of all taxable property located within the District is certified by the Appraisal Review Boards for 2026. See "INVESTMENT CONSIDERATIONS - Factors Affecting Taxable Values and Tax Payments" and "TAXING PROCEDURES."

(b) See "DISTRICT DEBT." In addition to the water distribution, wastewater collection, storm drainage facilities and Impact Fees that the District has financed with the proceeds of the sale of the Prior Bonds, and is financing with portions of the proceeds of the sale of the Bonds (see "THE BONDS - Use and Distribution of Bond Proceeds" and "THE SYSTEM"), the District expects to finance the acquisition or construction of additional water distribution, wastewater collection, storm drainage/detention facilities and Impact Fees with portions of the proceeds of the sale of bonds, if any, in the future. See "THE BONDS - Issuance of Additional Debt," "FUTURE DEVELOPMENT," "THE SYSTEM" and "INVESTMENT CONSIDERATIONS - Future Debt."

(c) Neither Texas law nor the Bond Resolution requires the District to maintain any particular sum in the Debt Service Fund. Such fund balance reflects the timely payment by the District of the entirety of debt service requirements on the Outstanding Bonds that were due in 2026. The District's initial debt service payment on the Bonds is due on March 1, 2027, and consists of an interest payment thereon.

(d) The District levied a debt service tax in 2026 in the amount of $0.50 per $100 of Assessed Valuation. In addition, the District levied a maintenance tax of $0.06 per $100 of Assessed Valuation for 2026. As is enumerated in this Official Statement under the caption "TAX DATA - Estimated Overlapping Taxes," the aggregate of the 2026 tax levies of all overlapping taxing units which levy taxes upon property located in the District, plus the District, is $2.740926 as to that portion of the District which lies within Brazoria County, and $3.008293 as to that portion of which lies within Harris County. Such aggregate levies are higher than the aggregate tax levies of many municipal utility districts in the Houston metropolitan area, including the area of the District, but are within the range of the aggregate levies of many municipal utility districts in the Houston metropolitan area and the area of the District which are in stages of development comparable with the District. See "TAXING PROCEDURES" and "INVESTMENT CONSIDERATIONS - Factors Affecting Taxable Values and Tax Payments."

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 28
UNLIMITED TAX BONDS
SERIES 2026

INTRODUCTION

This Official Statement provides certain information with respect to the issuance by Brazoria County Municipal Utility District No. 28 (the "District") of its $5,000,000 Unlimited Tax Bonds, Series 2026 (the "Bonds").

There follow in this Official Statement descriptions of the Bonds, and certain information about the District and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from the District upon request and payment of the costs of duplication thereof.

THE BONDS

General

The following is a description of some of the terms and conditions of the Bonds, which description is qualified in its entirety by reference to the resolution (the "Bond Resolution") of the Board of Directors of the District (the "Board") authorizing the issuance of the Bonds. A copy of the Bond Resolution may be obtained from the District upon written request made to the District's Financial Advisor, Rathmann & Associates, L.P., 8584 Katy Freeway, Suite 250, Houston, Texas 77024.

The Bonds are dated December 1, 2026. Interest accrues from the date of initial delivery (the "Date of Delivery"), at the rates shown on the inside cover page hereof, and is payable on March 1, 2027, and on each September 1 and March 1 thereafter until the earlier of stated maturity or redemption. The Bonds are fully registered bonds maturing on September 1 in each of the years and in the amounts shown under "MATURITY SCHEDULE" on the inside cover page of this Official Statement. Principal of the Bonds will be payable by the paying agent/registrar, initially, The Bank of New York Mellon Trust Company, N.A., in Houston, Texas, or any successor paying agent/registrar (the "Paying Agent," "Registrar" or "Paying Agent/Registrar").

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

Book-Entry-Only System

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

The District cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

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

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

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

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

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

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

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

Record Date

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

Assignments, Transfers and Exchanges

In the event the Book-Entry-Only System is discontinued, the Bonds may be transferred, registered and assigned only on the registration books of the Registrar, and such registration and transfer shall be without expense or service charge to the Registered Owner, except for any tax or other governmental charges required to be paid with respect to such registration and transfer. A Bond may be assigned by the execution of an assignment form on the Bonds or by other instrument of transfer and assignment acceptable to the Registrar. Any Bond may be transferred or exchanged upon its presentment and surrender at the office of the Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the Registered Owner or assignee of the owner in not more than three business days after the receipt of the request in proper form to transfer or exchange the Bonds. New Bonds registered and delivered in an exchange or transfer shall be in denominations of $5,000 or any integral multiple thereof for any one maturity and for a like aggregate principal amount or maturity amount as the Bond or Bonds surrendered for exchange or transfer. Neither the District nor the Registrar is required (1) to transfer or exchange any Bond during a period beginning at the opening of business on a Record Date and ending at the close of business on the next succeeding interest payment date, or (2) to transfer or exchange any Bond selected for redemption in whole or in part within thirty (30) calendar days of the redemption date. 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 to keep them harmless. The District will require payment of taxes, governmental charges and other expenses in connection with any such replacement.

Redemption Provisions

The Bonds shall be subject to redemption and payment at the option of the District, in whole or from time to time in part, on September 1, 2031, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest to the date fixed for redemption. Notice of the exercise of the reserved right of redemption will be given at least thirty (30) days prior to the redemption date by sending such notice by first class mail to the Registered Owner of each Bond to be redeemed in whole or in part at the address shown on the bond register. If fewer than all of the Bonds are redeemed at any time, the particular maturity or maturities and amounts to be redeemed shall be selected by the District. If fewer than all of the Bonds within a maturity are to be redeemed, the Registrar shall designate by method of random selection the Bonds within such maturity to be redeemed (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form). The

Registered Owner of any Bond, all or a portion of which has been called for redemption, shall be required to present same to the Registrar for payment of the redemption price on the portion of the Bonds so called for redemption and issuance of a new Bond in the principal amount equal to the portion of such Bond not redeemed.

Replacement of Registrar

Provision is made in the Bond Resolution for replacement of the Registrar. If the Registrar is replaced by the District, the new paying agent/registrar shall act in the same capacity as the previous Registrar. In order to act as Registrar for the Bonds, any paying agent/registrar selected by the District shall be a national or state banking institution, organized and doing business under the laws of the United States of America or of any State, authorized under such laws to exercise trust powers, and subject to supervision or examination by federal or state authority.

Authority for Issuance

At an election held within the District on May 15, 2004, the District authorized a total of $89,155,000 in unlimited tax bonds for the purpose of acquiring or constructing water, sanitary sewer and drainage facilities (the "System") and $57,850,000 in unlimited tax bonds for refunding purposes. The Bonds constitute the ninth issuance of bonds from such authorization for construction of the System. After issuance of the Bonds, a total of $14,410,000 principal amount of unlimited tax bonds for facilities and $57,115,000 principal amount of unlimited tax bonds for refunding purposes will remain authorized but unissued. The Bonds are issued by the District pursuant to the terms and provisions of the Bond Resolution; Article XVI, Section 59 of the Texas Constitution; Chapters 49 and 54 of the Texas Water Code, as amended; and an order of the Texas Commission on Environmental Quality (the "TCEQ").

Payment Record

The Bonds are the ninth series of unlimited tax bonds issued by the District for the purpose of financing the acquisition or construction of components of the System and to finance Impact Fees. The District has previously issued Unlimited Tax Bonds, Series 2006 (the "Series 2006 Bonds"), Unlimited Tax Bonds, Series 2007 (the "Series 2007 Bonds"), Unlimited Tax Bonds, Series 2010 (the "Series 2010 Bonds"), Unlimited Tax Bonds, Series 2013 (the "Series 2013 Bonds"), Unlimited Tax Bonds, Series 2014 (the "Series 2014 Bonds"), Unlimited Tax Bonds, Series 2016 (the "Series 2016 Bonds"), Unlimited Tax Bonds, Series 2017 (the "Series 2017 Bonds") and Unlimited Tax Bonds, Series 2021A (the "Series 2021A Bonds"). The District also has issued Unlimited Tax Refunding Bonds, Series 2013 (the "Series 2013 Refunding Bonds"), Unlimited Tax Refunding Bonds, Series 2014 (the "Series 2014 Refunding Bonds") and Unlimited Tax Refunding Bonds, Series 2021 (the "Series 2021 Refunding Bonds") to refund bonds issued by the District. Collective reference is made in this Official Statement to all of such bonds previously issued by the District as the "Prior Bonds." As of the date hereof, the principal amount of the Prior Bonds that has not been previously retired by the District is $46,220,000 (the "Outstanding Bonds"). After issuance of the Bonds, the aggregate principal amount of the District's bonded indebtedness, including the Bonds, will be $51,220,000. The District has timely made all payments of principal of and interest on the Prior Bonds when due.

Source of Payment

The Bonds, the Outstanding Bonds and any additional bonds payable in whole or in part from taxes, are payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District. 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 collection, and Paying Agent/Registrar fees. Such proceeds, after deduction for collection costs, will be placed in the Debt Service Fund and used solely to pay principal of and interest on the Bonds, and on additional bonds payable from taxes which may hereafter be issued, and Paying Agent/Registrar fees.

The Bonds are obligations of the District and are not the obligations of the State of Texas, Brazoria County, Harris County, the City of Pearland, or any entity other than the District.

Issuance of Additional Debt

The District may issue additional bonds with the approval of the TCEQ, necessary to provide improvements and facilities consistent with the purposes for which the District was created. The District's voters have authorized the issuance of $89,155,000 unlimited tax bonds for construction of the System, and could authorize additional amounts. Following the issuance of the Bonds, $14,410,000 unlimited tax bonds will remain authorized but unissued for construction of the System. The District's voters also have authorized $57,850,000 unlimited tax bonds for refunding purposes, $57,115,000 of which remain unissued. The Bond Resolution imposes no limitation on the amount of additional parity bonds which may be issued by the District if authorized by the District's voters and approved by the Board and the TCEQ, where TCEQ approval is required. In addition to the water distribution, wastewater collection, storm drainage facilities and Impact Fees that the District has financed with the proceeds of the sale of the Prior Bonds, and is financing with portions of the proceeds of the sale of the Bonds (see "THE BONDS - Use and Distribution of Bond Proceeds" and "THE SYSTEM"), the District expects to finance the acquisition or construction of additional water distribution, wastewater collection, storm drainage/detention facilities and/or Impact Fees with portions of the proceeds of the sale of bonds, if any, in the future. See "INVESTMENT CONSIDERATIONS - Future Debt," and "THE SYSTEM."

Based on present engineering cost estimates and on development plans supplied by the Developers, in the opinion of the District's consulting engineer, LJA Engineering, Inc. (the "Engineer"), the $14,410,000 authorized but unissued bonds will be adequate to finance the extension of water, wastewater and storm drainage/detention facilities and to pay Impact Fees to the City of Pearland related to the provision of water supply and wastewater treatment capacity by the City to the District to serve all of the remaining undeveloped portions of the District. See "DEVELOPMENT AND HOME CONSTRUCTION," "FUTURE DEVELOPMENT," and "THE SYSTEM."

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

No Arbitrage

The District certifies that based upon all facts and estimates now 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 that it shall make such use of the proceeds of the Bonds, regulate investment of proceeds of the Bonds and take such other and further actions and follow such procedures, including, without limitation, calculating the yield on the Bonds, as may be required so that the Bonds shall not become "arbitrage bonds" under the Code and the regulations prescribed from time to time thereunder.

Dissolution

Under existing Texas law, since the District lies entirely within the corporate limits of the City of Pearland, the District must conform to a City of Pearland ordinance consenting to the creation of the District. In addition, the District may be dissolved by the City of Pearland without the District's consent. In such event the City of Pearland will assume the District's assets and obligations (including the Bonds). Dissolution of the District by the City of Pearland is a policy- making matter

within the discretion of the Mayor and City Council of the City of Pearland, and therefore, the District makes no representation that the City of Pearland will ever dissolve the District and assume its debt, nor does the District make any representation concerning the ability of the City of Pearland to pay debt service on the District's bonds if dissolution 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 any 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.

Registered Owners' Remedies

Pursuant to Texas law, the Bond Resolution provides that, in the event the District defaults in the payment of the principal of or interest on any of the Bonds when due, fails to make payments required by the Bond Resolution into the Debt Service Fund, or defaults in the observance or performance of any of the other covenants, conditions or obligations set forth in the Bond Resolution, any Registered Owner shall be entitled to seek a writ of mandamus from a court of competent jurisdiction compelling and requiring the District to make such payments or to observe and perform such covenants, obligations or conditions. Such right is in addition to other rights the Registered Owners may be provided by the laws of the State of Texas.

Except for the remedy of mandamus, the Bond Resolution does not specifically provide for remedies to a Registered Owner in the event of a District default, nor does it provide for the appointment of a trustee to protect and enforce the interests of the Registered Owners. In addition, any legal action taken to seek any such remedies may be limited by the doctrine of sovereign immunity. 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. Even if the Registered Owners could obtain a judgment against the District, such judgment cannot be enforced by direct levy and execution against the District's property. Further, the Registered Owners cannot themselves foreclose on the property of the District or sell property within the District in order to pay the principal of or interest on the Bonds. The enforceability of the rights and remedies of the Registered Owners may be further limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. For example, a Chapter 9 bankruptcy proceeding by the District could delay or eliminate payment of principal or interest to the Registered Owners. See "Bankruptcy Limitation to Registered Owners' Rights" below and "INVESTMENT CONSIDERATIONS - Registered Owners' Remedies and Bankruptcy."

Bankruptcy Limitation to Registered Owners' Rights

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

If the District decides in the future to proceed voluntarily under the Federal Bankruptcy Code, the District would develop and file a plan for the adjustment of its debts and the Bankruptcy Court would confirm the District's plan if: (1) the plan complies with the applicable provisions of the Federal Bankruptcy Code; (2) all payments to be made in connection with the plan are fully disclosed and reasonable; (3) the District is not prohibited by law from taking any action necessary to carry out the plan; (4) administrative expenses are paid in full; and (5) the plan is in the best interests of creditors and is

feasible. If such a plan were confirmed by the bankruptcy court, it could, among other things, affect a Registered Owner by reducing or eliminating the amount of indebtedness, deferring or rearranging the debt service schedule, reducing or eliminating the interest rate, modifying or abrogating collateral or security arrangements, substituting (in whole or in part) other securities, and otherwise compromising and modifying the rights and remedies of such Registered Owner's claim against the District.

The District may not be placed into bankruptcy involuntarily.

Legal Investment and Eligibility to Secure Public Funds in Texas

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

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

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

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

No representation is made that the Bonds will be suitable for or acceptable to financial or public entities for investment or collateral purposes. No representation is made concerning other laws, rules, regulations or investment criteria which apply to or which might be utilized by any of such persons or entities to limit the acceptability or suitability of the Bonds for any of the foregoing purposes. Prospective purchasers are urged to carefully evaluate the investment quality of the Bonds as to the suitability or acceptability of the Bonds for investment or collateral purposes.

Defeasance

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

Upon such deposit as described above, such Bonds shall no longer be regarded as outstanding or unpaid and thereafter the District will have no further responsibility with respect to amounts available to such paying agent (or other financial institution permitted by applicable law) for the payment of such defeased bonds, including any insufficiency therein caused by the failure of such paying agent (or other financial institution permitted by applicable law) to receive payment when due on the defeasance securities. After firm banking and financial arrangements for the discharge and final payment or redemption of the Bonds have been made as described above, all rights of the District to initiate proceedings to call the Bonds for redemption or take any other action amending the terms of the Bonds are extinguished; provided, however, that the right to call the Bonds for redemption is not extinguished if the District: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption; (ii) gives notice of the reservation of that right to the owners of the Bonds immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

There is no assurance that the current law will not be changed in the future in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds. Because the Bond Resolution does not contractually limit such investments, Registered Owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality of those currently permitted under Texas law.

Use and Distribution of Bond Proceeds

Proceeds of the sale of the Bonds will be used by the District to (i) finance the District's cost of acquisition or construction of underground water distribution, wastewater collection and storm drainage facilities (the "System") that serve the subdivisions platted as Creekside at Highland Glen, Sections 1 and 2, and Residences on the Parkway, including engineering, surveying and geotechnical fees, and stormwater pollution prevention plans for such items; (ii) finance the District's cost of clearing and grubbing and stormwater detention capacity fees for Residences on the Parkway; and land acquisition costs and a drainage impact analysis for Creekside at Highland Glen; (iii) finance impact fees (the "Impact Fees") paid to the City of Pearland (the "City") for Creekside at Highland Glen, Sections 1 and 2, and Residences on the Parkway associated with the City's provision of water supply and wastewater treatment to the District; (iv) engineering and materials testing fees associated with the foregoing projects, and Storm Water Pollution Prevention; (v) pay interest on advances that have been made on behalf of the District; and (vi) pay for issuance costs, legal fees, fiscal agent's fees, fees to the Attorney General of Texas and Texas Commission on Environmental Quality (the "TCEQ"), and certain financing costs related to the issuance of the Bonds.

I. Construction Costs	**District's Share**
A. Developer Contribution Items [(a)]	
1. Creekside at Highland Glen, Section 1 Water, Wastewater and Drainage	$1,110,296
2. Creekside at Highland Glen, Section 2 Water, Wastewater and Drainage	1,438,173
3. Residences on the Parkway Water, Wastewater and Drainage	434,725
4. Residences on the Parkway Clearing and Grubbing	29,528
5. Drainage Impact Analysis Engineering	95,511
6. Storm Water Detention Capacity Fee	222,500
7. Engineering and Material Testing	510,386
8. Storm Water Pollution Prevention	51,071
Total Developer Contribution Items	$3,892,190

B. District Items

1.	City of Pearland Water & Wastewater Impact Fees	$858,687
2.	Land Acquisition – Creekside at Highland Glen Detention Reserves	1,238,001
	Total District Items	$2,096,688
	Less Surplus Funds Applied	(2,240,000)
	TOTAL NET CONSTRUCTION COSTS	$3,748,878

II. Non-Construction Costs

1.	Legal Fees	$140,000
2.	Fiscal Agent Fees	100,000
3.	Developer Interest [(b)]	715,034
4.	Bond Discount	150,000
5.	Bond Issuance Expenses	53,588
6.	Bond Application Report Costs	75,000
7.	Attorney General Fee	5,000
8.	TCEQ Bond Issuance Fee	12,500
9.	Contingencies [(c)]	0
	TOTAL NON-CONSTRUCTION COSTS	$1,251,122
	TOTAL BOND ISSUE REQUIREMENT	**$5,000,000**

(a) The rules of the TCEQ require in certain instances that developers within a district subject to the jurisdiction of the TCEQ contribute to the construction program of such district an amount of money equal to thirty percent (30%) of the construction costs of certain water, sewer and drainage facilities in that district. The District requested an exemption from such developer participation requirement with respect to certain facilities being financed with portions of the proceeds of the sale of the Bonds on the basis of one of the criteria under TCEQ rules for such exemption. The TCEQ granted the request for such exemption in its order authorizing the District to issue the Bonds.

(b) Represents interest owed to the Developers on advances they have made on the District's behalf. The actual amount of interest owed will be calculated at the lesser of (i) the net effective interest rate borne by the Bonds or (ii) the interest rate at which the Developers have borrowed funds.

(c) The TCEQ directed that any surplus funds resulting from the sale of bonds at a lower interest rate than proposed shall be shown as a contingency line item. The use of these funds is subject to approval by the TCEQ.

In the instance that approved estimated amounts exceed actual costs, the difference comprises a surplus which may be expended for uses approved by the TCEQ. In the instance that actual costs exceed previously approved estimated amounts and contingencies, additional TCEQ approval and the issuance of additional bonds may be required. The Engineer has advised the District that the proceeds of the sale of the Bonds should be sufficient to reimburse the developers for the costs of the above-described facilities. However, the District cannot and does not guarantee the sufficiency of such funds for such purposes.

THE DISTRICT

General

The District is a municipal utility district created by an order of the TCEQ, dated February 27, 2003, under Article XVI, Section 59 of the Texas Constitution, and operates under the provisions of Chapter 49 and Chapter 54 of the Texas Water Code, as amended, and other general statutes of Texas applicable to municipal utility districts. The District, which lies wholly within the corporate limits of the City of Pearland, is subject to the continuing supervisory jurisdiction of the TCEQ.

The District is empowered, among other things, to finance, purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply and distribution of water; the collection, transportation and treatment of wastewater; and the control and diversion of storm water. The District may issue bonds and other forms of indebtedness to purchase or construct such facilities. The District may also provide solid waste disposal and collection services. The District is also empowered to establish, operate and maintain fire-fighting facilities, independently or with one or more conservation and reclamation districts, after approval by the TCEQ and the voters of the District.

The District is required to observe certain requirements of the City of Pearland (the "City"), which limit the purposes for which the District may sell bonds for the acquisition, construction, and improvement of waterworks, wastewater, and drainage facilities and the refunding of outstanding debt obligations; limit the net effective interest rate on such bonds and other terms of such bonds; require approval by the City of District construction plans; and permit connections only to lots and reserves described in a plat that has been approved by the City, and filed in the real property records of Brazoria County. Construction and operation of the District's drainage system is subject to the regulatory jurisdiction of additional State of Texas and local agencies. See "THE SYSTEM."

Utility Agreement

The District is located wholly within the corporate limits of the City and obtains water, sewer and drainage service from the City. Sowell Property Partners - Parkside, L.P. and RH of Texas Limited Partnership on behalf of the District, and the City entered into a Utility Agreement dated February 25, 2002, which was assumed by the District on September 3, 2003, (the "Original Agreement"), and amended on June 26, 2017 (the "First Amendment to Utility Agreement') (the Original Agreement and the First Amendment to Utility Agreement are collectively referred to as the "Utility Agreement"), to provide a water distribution system, sanitary sewer collection system and a drainage system (the "System") to serve the District. In consideration of the District's acquiring and constructing the System on behalf of the City, the City agreed, pursuant to the terms and conditions of the Utility Agreement, to own and operate the System. In addition, the City has agreed to pay to the District a portion of the ad valorem taxes imposed and collected by the City (i) on land and improvements located within approximately 955.3230 acres of the District, equal to $0.15 per $100 of Assessed Valuation, (ii) on land and improvements located within approximately 28.7092 acres of land, which were subsequently annexed into the District, equal to $0.10 per $100 of Assessed Valuation (the "City Tax Rebate") and to pay the District a sum equal to $5.00 per month per equivalent single-family connection located within the District (the "City Utility Rebate"). Pursuant to the Utility Agreement, the City provides water supply and wastewater treatment to the District in consideration of the payment by the District of Impact Fees. Pursuant to the Utility Agreement, the City Tax Rebate has permanently ceased as the District has reduced its combined debt service and operation and maintenance tax rate (the "Combined District Tax Rate") below $0.67 per $100 of Assessed Valuation.

As construction of each phase of the System is certified to be complete in accordance with the final plans and specifications approved by the City, the District is to transfer such portion of the System with construction drawings thereof to the City reserving a security interest therein until the bonds issued to acquire and construct the System have been retired. Upon transfer, the City has agreed to operate and maintain the System at its expense. Under the Utility Agreement, the City has agreed to charge customers of the System the same rates charged other similar users within the City, plus the $5.00 per month per equivalent single-family connection charge (the City Utility Rebate) mentioned above. Except for the City Utility Rebate, all revenue from the System, including any charges which the City may impose for connection to the System, belongs exclusively to the City.

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

Description

The District is a political subdivision of the State of Texas, created by Order of the TCEQ on February 27, 2003. The District contains approximately 984 acres of land. The District is located within Brazoria and Harris Counties, Texas, and entirely within the corporate boundaries of the City. The District, which is comprised of eighteen non-contiguous tracts of land, is located mainly in the northeastern quadrant of Brazoria County, with Tract 7 (consisting of approximately 5.7 acres) and a portion of Tract One, east of Clear Creek, located in Harris County. Tract One (approximately 312.17 acres) is located south of Beltway 8 and east of Old Alvin Road. Tract Two (approximately 210.38 acres) is located west of Pearland Sites Road and south of Magnolia Road. Tract Three (approximately 40.83 acres) is located south of Beltway 8 and east of O' Day Road. Tract Four (approximately 65.43 acres) is located east of Veterans Road. Tracts Five, Six and Seven (approximately 47.63 acres total) are located north of East Broadway Street and west of Country Club Drive. Tract Eight (approximately 10.47 acres) is located north of Walnut Street and east of O'Day Road. Tract Nine (approximately 33.29 acres) is located east of County Road 93 and west of Hooks 2 Road. Tract Ten (approximately 20.34 acres) is located north of Fites Road. Tract Eleven (approximately 15.51 acres) is located north of Fites Road. Tract Twelve (approximately 81.58 acres) is located along Old Alvin Road and north of McHard Road. Tract Thirteen (approximately 9.64 acres) is located west of Hillhouse Road and north of Hughes Ranch Road. Tract Fourteen (approximately 64.51 acres) and (approximately 9.779 acres) is located entirely in Harris County and is south of Tract One. Tract Fifteen (approximately 19.445 acres) is located south of Tract Twelve along Old Alvin Road, but south of McHard Road. Tract Sixteen (approximately 14.32 acres) is located along Dixie Farm Road and east of Highway 35. Tract Seventeen (approximately 12.40 acres) is located east of Tract Ten and west of Tract Eleven along Fite Road. Tract Eighteen (approximately 16.31 acres) is located along Harkey Road, south of Magnolia Road. The District lies partially within the Pearland Independent School District and partially within the Pasadena Independent School District. See "APPENDIX A - LOCATION MAP."

Management of the District

The District is governed by the Board of Directors, consisting of five directors. The Board of Directors has control over and management supervision of all affairs of the District. Directors serve four-year staggered terms, and elections are held within the District in May in even numbered years. The current members and officers of the Board, along with their respective terms of office, are listed below. All of the directors currently reside within the District.

Name	Position	Term Expires in May
Nigel Brooks	President	2030
Richard "Rick" J. Escamilla	Vice President	2030
Christine Leveille	Assistant Vice President	2028
Kimi L. Van Wie	Secretary	2028
Benjamin "Chuck" C. Kays	Assistant Secretary	2030

The District does not have a general manager or any other employee, but has contracted for services, as follows.

Tax Assessor/Collector - The District has engaged Assessments of the Southwest, Inc., Friendswood, Texas, as the District's Tax Assessor/Collector. The Tax Assessor/Collector applies the District's tax levy to tax rolls prepared by the Brazoria County Appraisal District and bills and collects such levy.

Consulting Engineers - The District has employed the firm of LJA Engineering, Inc., Houston, Texas, as Consulting Engineer in connection with the design and construction of the System. In addition, various other engineers are engaged by certain Developers in connection with the design and construction of water, sewer and drainage facilities that serve portions of the System.

Bookkeeper - The District has engaged Myrtle Cruz, Inc. as the District's Bookkeeper.

Auditor - As required by the Texas Water Code, the District retains an independent auditor to audit the District's financial 6statements annually, which annual audit is filed with the TCEQ. The District's auditor for the District's 2020 fiscal year is McCall Gibson Swedlund Barfoot Ellis PLLC, Houston, Texas. A copy of the District's audit for the twelve-month period ended July 31, 2025, is included as "APPENDIX B" to this Official Statement.

Bond Counsel and General Counsel - Allen Boone Humphries Robinson LLP, Houston, Texas ("Bond Counsel") serves as Bond Counsel to the District. The fee to be paid Bond Counsel for services rendered in connection with the issuance of the Bonds is contingent upon the sale and delivery of the Bonds. In addition, Allen Boone Humphries Robinson LLP serves as general counsel to the District on matters other than the issuance of bonds.

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

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

DEVELOPMENT AND HOME CONSTRUCTION

As of October 1, 2026, development and home construction accomplished in the District to date include the completion of the development of 2,567 single-family residential lots, on all of such lots homes have been constructed and conveyed to home purchasers. In addition, there are approximately 149,194 total square feet of commercial improvements, including four retail shopping centers totaling approximately 101,973 square feet of building area, a Chili's restaurant containing approximately 4,775 square feet of building area, an approximately 5,483 square foot Third Coast Bank, an approximately 7,962 square foot Home Town Bank, an approximately 8,641 square foot Brown Interiors furniture store, an approximately 10,360 square foot daycare facility, and an approximately 10,000 square foot senior living facility that have been constructed in the District. According to the District's Engineer, underground water distribution, wastewater collection, and storm drainage/detention facilities and street paving have been completed to serve 2,567 single family residential lots in the District located in the fully developed subdivisions that have been platted as Creekside, Sections 1 and 2, Canterbury Park, Sections 1 through 6, Twin Lakes, Section 1, Stonebridge, Sections 1 and 2, Covington Estates, Spring Meadow, Emerald Stone, Pearland Estates, Preserve at Highland Glen, Sections 1 through 3, Pearland Lakes, Sections 1 and 2, Highland Crossing, Sections 1 through 5, Enclave at Highland Glen, Sections 1 through 5, Province Village, Tracts A through C, Highland Park, Oakshire, Tranquility Lake Estates, Section 4, Cypress Village, Section 3, Mirror Lake, Section 1, Creekside at Highland Glen, Sections 1 and 2, and Residences on the Parkway (a total of approximately 912.11 acres) as is delineated in the chart that appears below.

The development of approximately 9.92 additional acres of land located within the District that are being utilized for commercial development has been completed. The aforementioned Chili's restaurant that contains approximately 4,775 square feet of building area, Brown Interiors furniture store that contains approximately 8,641 square feet of building area, and a retail shopping center that contains approximately 25,976 square feet of building area have been constructed on such approximately 9.92 acre tract.

Musgrave Grohman Ventures, Ltd., a Texas limited partnership ("MGV"), has developed a total of approximately 11.99 additional acres in four tracts for future commercial and office usage, some of which tracts (aggregating approximately 6.10 acres) MGV has sold. A retail shopping center that contains approximately 37,955 square feet of building area has been constructed and a retail shopping center that contains approximately 23,050 square feet of building area has been constructed on two of the tracts that MGV has sold, and the aforementioned approximately 5,483 square foot Third Coast Bank has been constructed on another of such tracts.

Approximately 4.52 additional acres of currently undeveloped land located within the District are owned by multiple other parties, none of which has reported a definitive development plan to the District covering any of such undeveloped land. Since no party is under any obligation to the District to undertake the development of any currently undeveloped portion of the District, the District can make no representation as to when, or whether, the undeveloped portions of the District might be developed. The balance of the undeveloped land located within the District is contained within drainage easements and rights-of-way, lakes and stormwater detention ponds, or is otherwise not available for development. See "DEVELOPERS AND OTHER PRINCIPAL LAND OWNERS," "FUTURE DEVELOPMENT," "TAX DATA - Principal 2026 Taxpayers" and "INVESTMENT CONSIDERATIONS - Factors Affecting Taxable Values and Tax Payments."

The District financed its costs of the construction or acquisition of certain of the water distribution, wastewater collection, and storm drainage facilities to serve the lots located within Creekside, Sections 1 and 2, Canterbury Park, Sections 1 through 6, Twin Lakes, Section 1, Stone Bridge, Sections 1 and 2, Spring Meadow, Emerald Stone, Preserve at Highland Glen, Sections 1 through 3, Highland Crossing, Sections 1 through 5, Pearland Estates, Covington Estates, Province Village, Tracts A-C, Pearland Lakes, Sections 1 and 2, Enclave at Highland Glen, Sections 1 through 5, Highland Park, Oakshire, Province Village Drive, Mirror Lake, Section 1, Cypress Village, Section 3, and Tranquility Lake Estates, Section 4, and Impact Fees, and other facilities, with portions of the proceeds of the sale of the Prior Bonds and other funds of the District. The District will finance its portion of the costs of the construction or acquisition of components of the System to serve the lots platted as Creekside at Highland Glen, Sections 1 and 2, and Residences on the Parkway; Impact Fees and other facilities, and certain financing costs related to the costs of issuance with proceeds of the Bonds as is enumerated in this Official Statement under the caption "THE BONDS - Use and Distribution of Bond Proceeds." The District expects to finance the acquisition or construction of additional water distribution, wastewater collection, storm drainage/detention facilities and/or Impact Fees with portions of the proceeds of the sale of bonds, if any, in the future. See "THE BONDS - Issuance of Additional Debt," "THE SYSTEM" and "INVESTMENT CONSIDERATIONS - Future Debt."

As of October 1, 2026, the status of land development and home construction within the District was as follows:

	LOTS				HOMES				
			Under		Under Construction		Completed		
Subdivision:	Developed	Acres	Development	Acres	Sold	Unsold	Sold	Unsold	Totals
Canterbury Park									
Section 1	174	92.68			0	0	174	0	174
Section 2	51	13.21			0	0	51	0	51
Section 3	41	12.63			0	0	41	0	41
Section 4	64	17.08			0	0	64	0	64
Section 5	56	14.01			0	0	56	0	56
Section 6	74	19.43			0	0	74	0	74
Covington Estates	20	9.64			0	0	20	0	20
Creekside									
Section 1	91	29.40			0	0	91	0	91
Section 2	107	26.75			0	0	107	0	107
Emerald Stone	28	10.47			0	0	28	0	28
Enclave at Highland Glen									
Section 1	20	8.21			0	0	20	0	20
Section 2	23	13.24			0	0	23	0	23
Section 3	50	12.44			0	0	50	0	50
Section 4	37	25.87			0	0	37	0	37
Section 5	56	12.89			0	0	56	0	56
Highland Crossing									
Section 1	59	28.05			0	0	59	0	59
Section 2	46	14.94			0	0	46	0	46
Section 3	50	12.82			0	0	50	0	50
Section 4	34	14.77			0	0	34	0	34
Section 5	38	11.11			0	0	38	0	38
Highland Park	56	19.45			0	0	56	0	56
Oakshire	40	14.32			0	0	40	0	40
Pearland Estates	56	20.34			0	0	56	0	56
Pearland Lakes									
Section 1	42	20.96			0	0	42	0	42
Section 2	37	12.35			0	0	37	0	37
Preserve at Highland Glen									
Section 1	121	68.12			0	0	121	0	121
Section 2	143	36.50			0	0	143	0	143
Section 3	14	25.38			0	0	14	0	14
Province Village						0			
Tract A	17	5.13			0	0	17	0	17
Tract B	54	13.45			0	0	54	0	54
Tract C	21	7.11			0	0	21	0	21
Spring Meadow	137	41.95			0	0	137	0	137
Stonebridge									
Section 1	93	44.79			0	0	93	0	93
Section 2	140	39.04			0	0	140	0	140
Twin Lakes, Section 1	130	64.81			0	0	130	0	130
Tranquility Lake Estates									
Section 4	23	10.28			0	0	23	0	23
Cypress Village, Section 3	69	15.78			0	0	69	0	69
Mirror Lake, Section 1	88	10.80			0	0	88	0	88
Creekside at Highland Glen									
Section 1	21	9.19			0	0	21	0	21
Section 2	36	22.12			0	0	36	0	36
Residences on the Parkway	110	10.60			0	0	110	0	110
Totals	2,567	912.11	0	0	0	0	2,567	0	2,567

DEVELOPERS AND OTHER PRINCIPAL LAND OWNERS

General

In general, the activities of a developer in a municipal utility district such as the District include purchasing the land within the District, designing the subdivision, designing the utilities and streets to be emplaced in the subdivision, designing any community facilities to be built, defining a marketing program and building schedule, securing necessary governmental approvals and permits for development, arranging for the construction of roads and the installation of utilities (including, in some cases, water, sewer, and drainage facilities pursuant to the rules of the TCEQ, as well as gas, telephone, and electric service) and selling improved lots and commercial reserves to builders, developers, or other third parties. In some instances, the developer will be required to pay up to thirty percent (30%) of the cost of emplacing certain of the water, wastewater and drainage facilities in the utility district pursuant to the rules of the TCEQ. The District requested an exemption from such developer participation requirement with respect to the Bonds on the basis of one of the criteria under TCEQ rules for such exemption. The TCEQ granted the request for such exemption in its Order authorizing the District to issue the Bonds. The relative success or failure of a developer to perform such activities in development of the property within a utility district may have a profound effect on the security of the unlimited tax bonds issued by a district. A developer is generally under no obligation to a district to develop the property which it owns in a district. Furthermore, there is no restriction on the developer's right to sell any or all of the land which the developer owns within a district. See "FUTURE DEVELOPMENT" below.

Description of the Developers

The developer of the 57 single-family residential lots located within the District that have been subdivided as Creekside at Highland Glen, Sections 1 and 2 is Beazer Homes Texas, L.P., which owns no additional land located within the District..

The developer of the 110 single-family residential lots located within the District that have been subdivided as Residences on the Parkway is Residences on the Parkway, LLC/Fite Interests, which owns no additional land located within the District.

A total of approximately 4.52 additional acres of undeveloped land located within the District is owned by multiple parties, none of which has reported any definitive development plan to the District covering any of such currently undeveloped acres. Since no party is under any obligation to the District to undertake the development of any currently undeveloped portion of the District, the District can make no representation as to when, or whether, the undeveloped portions of the District might be developed. The balance of the undeveloped land located within the District is contained within drainage easements and rights-of-way, lakes and stormwater detention ponds, or is otherwise not available for development. See "FUTURE DEVELOPMENT," "TAX DATA - Principal 2026 Taxpayers" and "INVESTMENT CONSIDERATIONS - Factors Affecting Taxable Values and Tax Payments."

Collective reference is made in this Official Statement to Beazer Homes and Residences on the Parkway, LLC/Fite Interests as the "Developers."

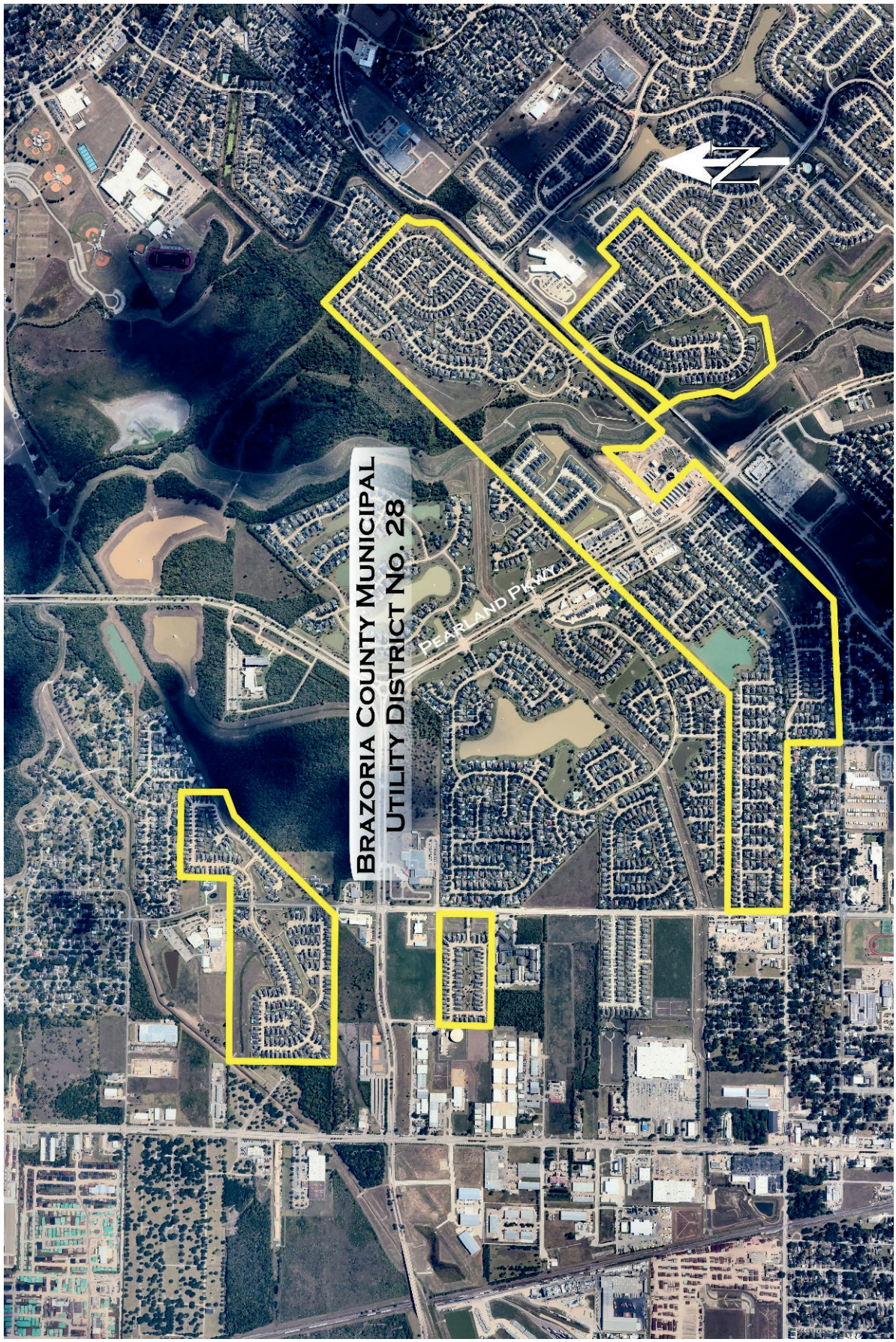
FUTURE DEVELOPMENT

As is described above under the caption "DEVELOPMENT AND HOME CONSTRUCTION," approximately 912.11 acres of the total of approximately 984 acres of land located within the District have been developed into 2,567 single-family residential lots. Approximately 4.52 additional acres of currently undeveloped land located within the District are owned by multiple parties, none of which has reported any definitive development plan to the District covering any of such land. See "DEVELOPERS AND OTHER PRINCIPAL LAND OWNERS," "INVESTMENT CONSIDERATIONS - Factors Affecting Taxable Values and Tax Payments" and "TAX DATA - Principal 2026 Taxpayers." Since no party is under any obligation to the District to undertake the development of any currently undeveloped portion of the District, the District can make no representation as to when, or whether, the undeveloped portions of the District might be developed. The balance of the undeveloped land located within the District is contained within various drainage easements and rights-of-way, lakes and stormwater detention ponds, or is otherwise not available for development. If any undeveloped portion of the District is eventually developed, additions to the water, wastewater and drainage systems required to provide service to such undeveloped acreage and the payment of Impact Fees to the City of Pearland related to the provision of water

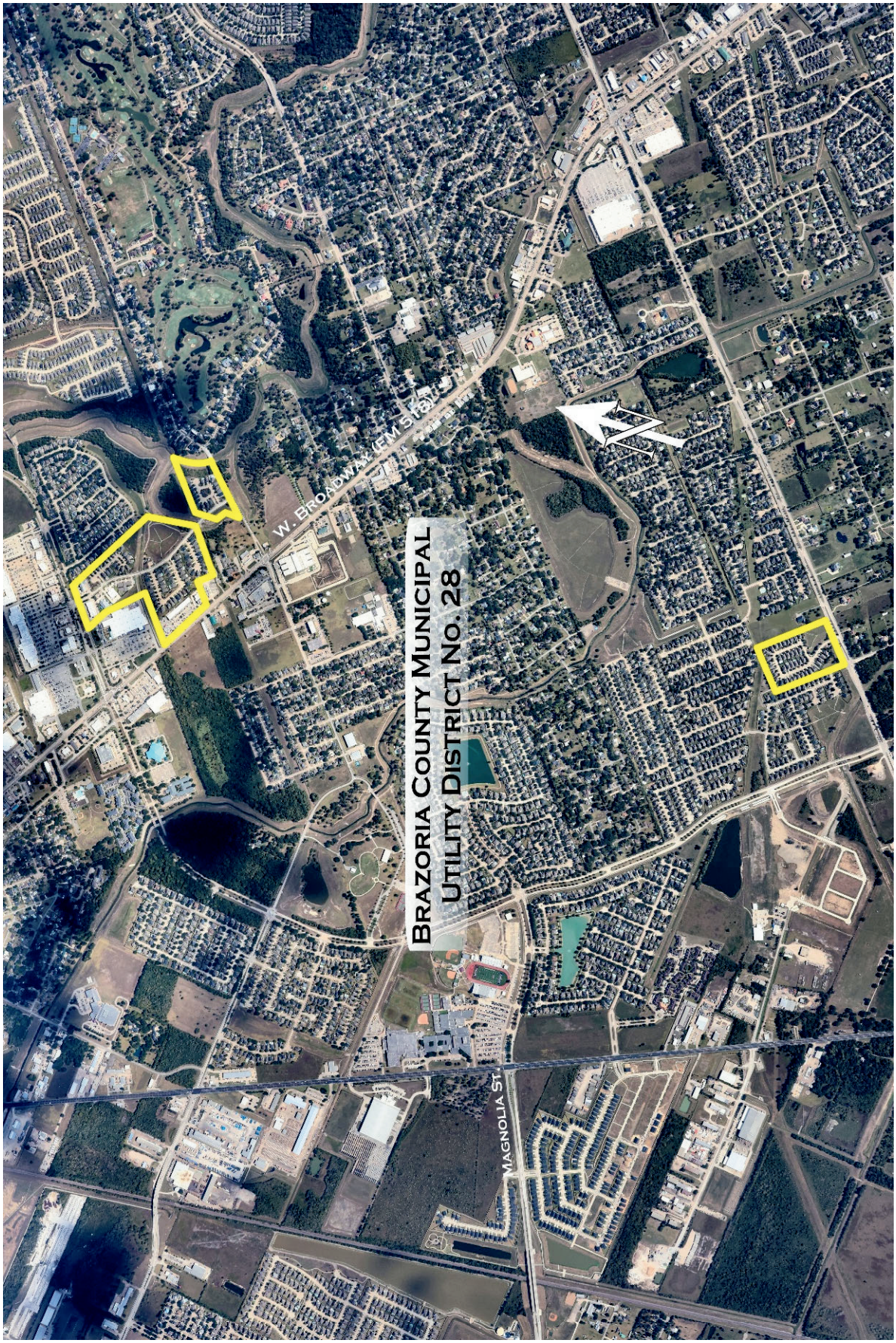
supply and wastewater treatment by the City to the District may be financed by future issues of the District's bonds. In addition to the components of the System and Impact Fees that the District has financed with portions of the proceeds of the sale of the Prior Bonds, and is financing with portions of the proceeds of the Bonds (see "THE BONDS - Use and Distribution of Bond Proceeds" and "THE SYSTEM"), the District expects to finance the acquisition or construction of additional water distribution, wastewater collection, storm drainage/detention facilities and/or Impact Fees with portions of the proceeds of the sale of bonds, if any, in the future. See "THE BONDS - Issuance of Additional Debt," "THE SYSTEM" and "INVESTMENT CONSIDERATIONS - Future Debt."

The District's Engineer currently estimates that the $14,410,000 authorized bonds which are currently unissued are adequate to finance the construction of such facilities to provide service to all of the undeveloped portions of the District and to pay Impact Fees as described below under the caption "THE SYSTEM." See "INVESTMENT CONSIDERATIONS - Future Debt."

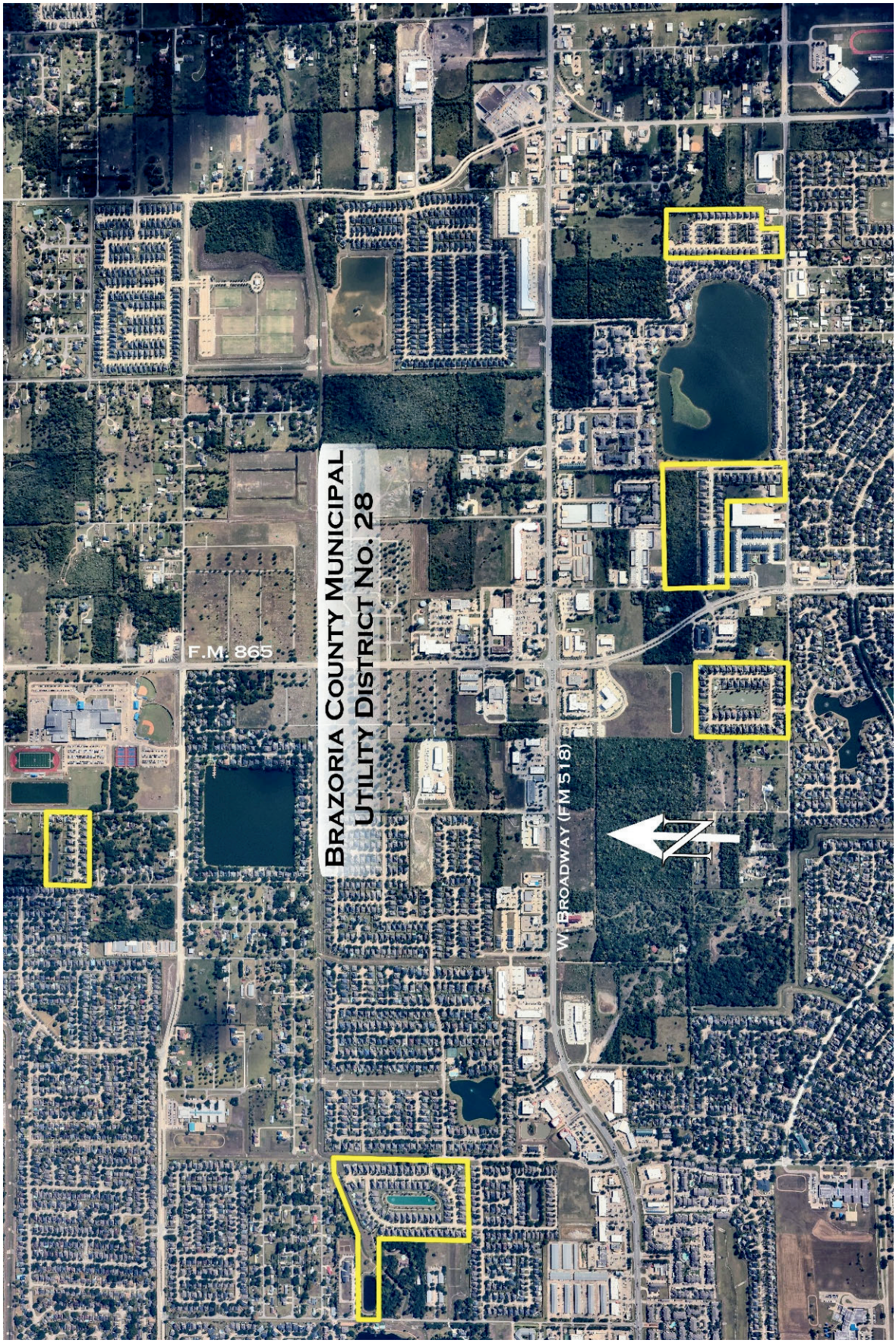
AERIAL PHOTOGRAPH OF A PORTION OF THE DISTRICT
(taken October 2026)



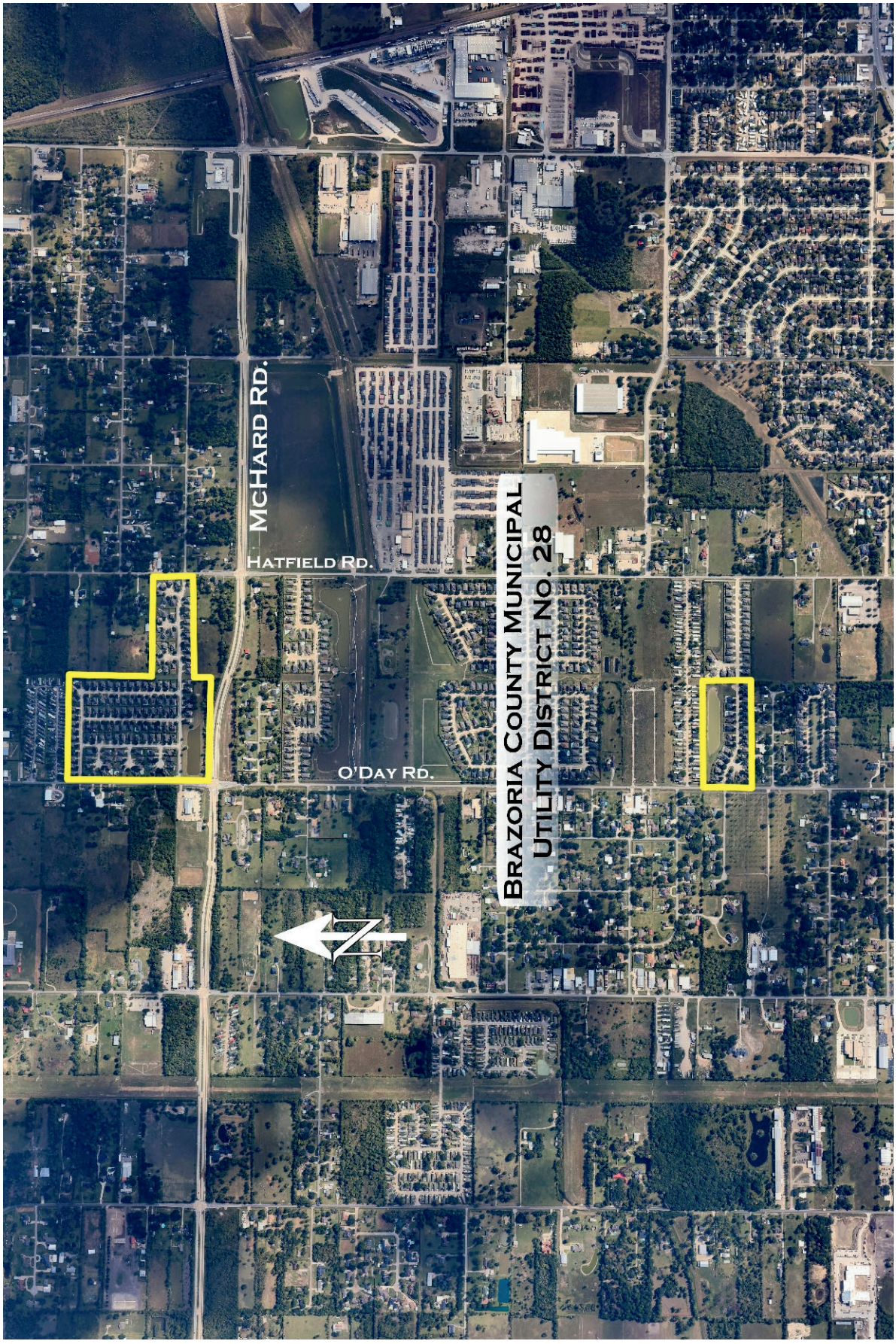
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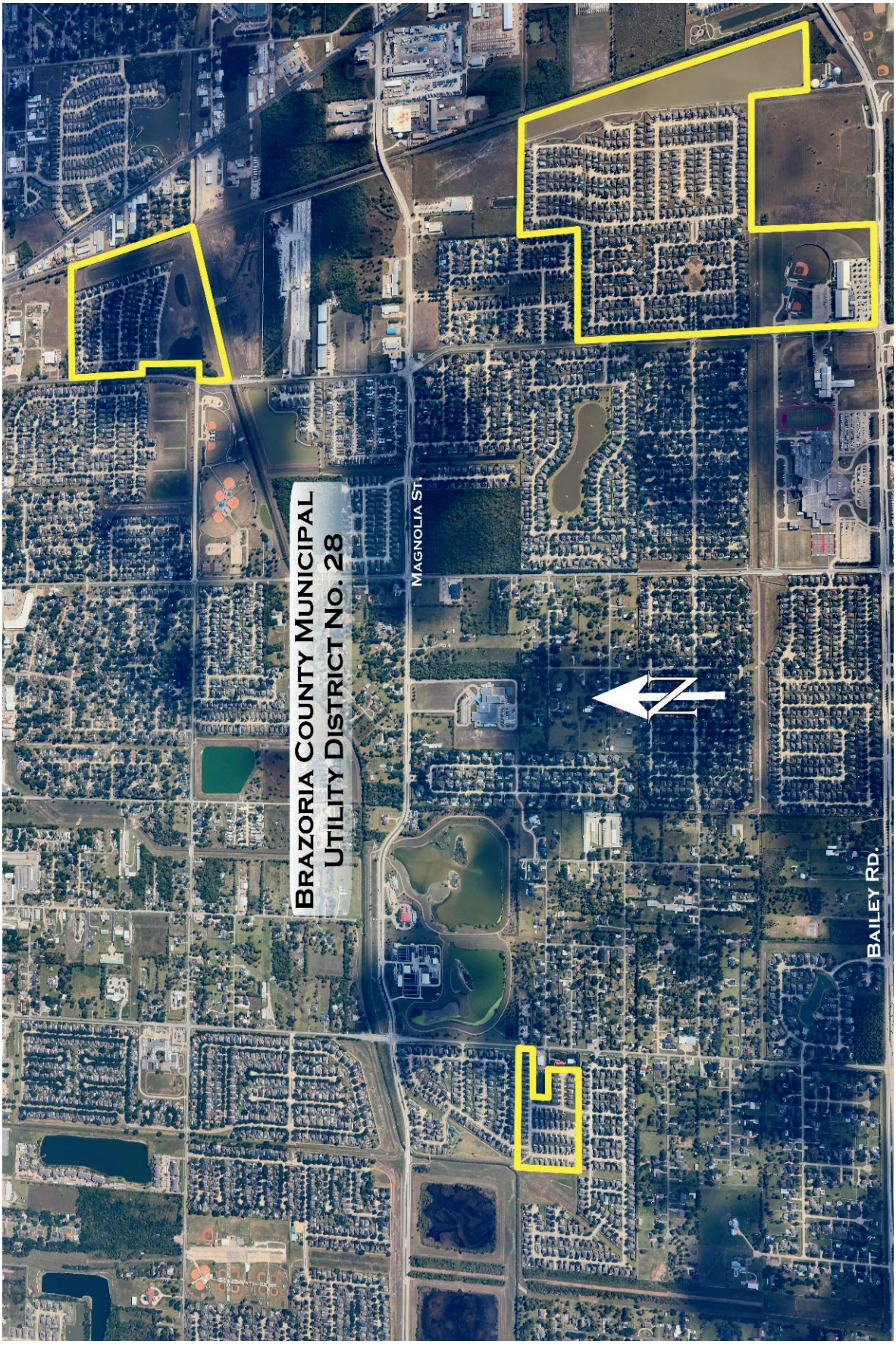
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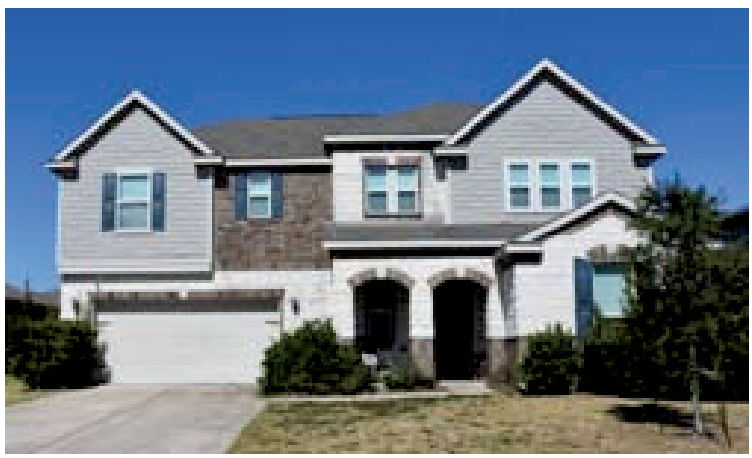


PHOTOGRAPHS TAKEN WITHIN THE DISTRICT
(taken October 2026)





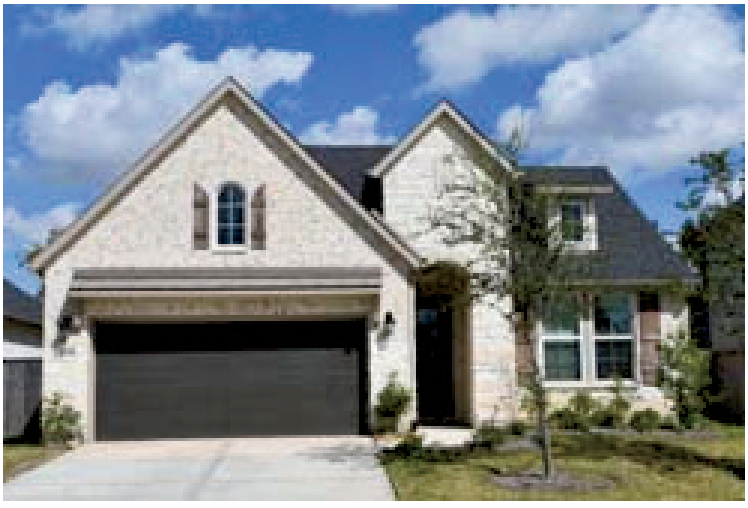








PHOTOGRAPHS TAKEN WITHIN THE DISTRICT
(taken October 2026)

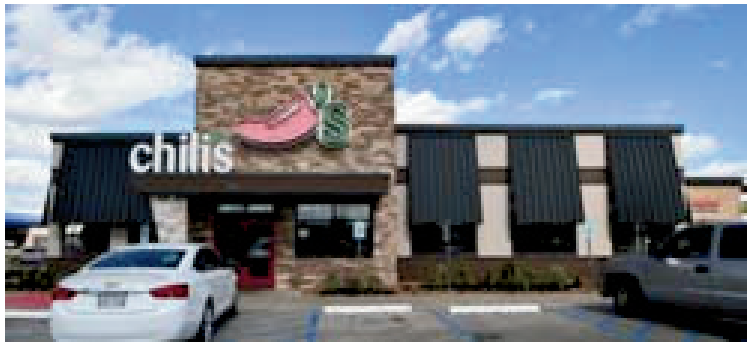












DISTRICT DEBT

Debt Service Requirement Schedule

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

Year Ending December 31	Current Total Debt Service	Plus: The Bonds		New Total Debt Service
		Principal	Interest*	
2026	$4,013,938			$4,013,938
2027	4,025,082		$196,875	4,221,957
2028	4,036,119		262,500	4,298,619
2029	4,043,825		262,500	4,306,325
2030	4,053,612		262,500	4,316,112
2031	4,065,462		262,500	4,327,962
2032	4,078,062		262,500	4,340,562
2033	4,081,237		262,500	4,343,737
2034	4,090,244		262,500	4,352,744
2035	4,095,819		262,500	4,358,319
2036	4,103,994		262,500	4,366,494
2037	4,102,362		262,500	4,364,862
2038	4,105,519		262,500	4,368,019
2039	4,103,344		262,500	4,365,844
2040	4,107,263		262,500	4,369,763
2041		$230,000	262,500	492,500
2042		240,000	250,425	490,425
2043		250,000	237,825	487,825
2044		265,000	224,700	489,700
2045		280,000	210,788	490,788
2046		295,000	196,088	491,088
2047		310,000	180,600	490,600
2048		325,000	164,325	489,325
2049		340,000	147,263	487,263
2050		360,000	129,413	489,413
2051		380,000	110,513	490,513
2052		400,000	90,563	490,563
2053		420,000	69,563	489,563
2054		440,000	47,513	487,513
2055		465,000	24,413	489,413
	$61,105,882	$5,000,000	$5,955,867	$72,061,749

Average Annual Requirements: (2027-2040)..... $4,335,809
Maximum Annual Requirement: (2040)..... $4,369,763

* Interest is estimated at 5.25% per annum for purposes of illustration.

Bonded Indebtedness

2026 Assessed Valuation (As of January 1, 2026) See "TAX DATA" and "TAXING PROCEDURES"	$	835,252,159	(a)
Direct Debt:			
Outstanding Bonds	$	46,220,000	
The Bonds		5,000,000	
Total	$	51,220,000	(c)
Estimated Overlapping Debt	$	69,180,092	
Total Direct and Estimated Overlapping Debt	$	120,400,092	
Direct Debt Ratio : as a percentage of 2026 Assessed Valuation		6.13 %	
Direct and Overlapping Debt Ratio : as a percentage of 2026 Assessed Valuation		14.41 %	
Debt Service Fund Balance as of October 21, 2026	$	4,121,578	(d)
General Fund Balance as of October 21, 2026	$	7,874,377	
2026 Tax Rate per $100 of Assessed Valuation			
Debt Service Tax	$	0.50	
Maintenance Tax		0.06	
Total	$	0.56	(e)
Average Percentage of Total Tax Collections (2015-2024) as of September 30, 2026		99.96 %	
Percentage of Tax Collections of 2025 Levy as of September 30, 2026 (In process of collection)		99.56 %	

(a) As of January 1, 2026, and comprises the District's 2026 tax roll. All property located in the District is valued on the tax rolls by the Brazoria County Appraisal District and the Harris Central Appraisal District (together, the "Appraisal Districts") at 100% of assessed value as of January 1 of each year. The District's tax roll is certified by the Brazoria County Appraisal Review Board and the Harris County Appraisal Review Board (together, the "Appraisal Review Boards"). Such sum includes certain values which have not been certified by the Appraisal Review Boards, including the value of certain properties which has been proposed by the Appraisal Districts but protested by the owners thereof to the Appraisal Districts and the value of certain properties not under protest but not yet certified, in the amount of $3,250,222. The District is unable to predict the amount of the District's final 2026 Assessed Valuation. Such final 2026 Assessed Valuation will not be determined until the valuation of all taxable property located within the District is certified by the Appraisal Review Boards for 2026. See "INVESTMENT CONSIDERATIONS - Factors Affecting Taxable Values and Tax Payments" and "TAXING PROCEDURES."

(b) In addition to the water distribution, wastewater collection, storm drainage facilities and Impact Fees that the District has financed with the proceeds of the sale of the Prior Bonds, and is financing with portions of the proceeds of the sale of the Bonds (see "THE BONDS - Use and Distribution of Bond Proceeds" and "THE SYSTEM"), the District expects to finance the acquisition or construction of additional water distribution, wastewater collection, storm drainage/detention facilities and Impact Fees with portions of the proceeds of the sale of bonds, if any, in the future. See "THE BONDS - Issuance of Additional Debt," "FUTURE DEVELOPMENT," "THE SYSTEM" and "INVESTMENT CONSIDERATIONS - Future Debt."

(c) Neither Texas law nor the Bond Resolution requires the District to maintain any particular sum in the Debt Service Fund. Such fund balance reflects the timely payment by the District of the entirety of debt service requirements on the Outstanding Bonds that were due in 2026. The District's initial debt service payment on the Bonds is due on March 1, 2027, and consists of an interest payment thereon.

(d) The District levied a debt service tax in 2026 in the amount of $0.50 per $100 of Assessed Valuation. In addition, the District levied a maintenance tax of $0.06 per $100 of Assessed Valuation for 2026. As is enumerated in this Official Statement under the caption "TAX DATA - Estimated Overlapping Taxes," the aggregate of the 2026 tax levies of all overlapping taxing units which levy taxes upon property located in the District, plus the District, is $2.740926 as to that portion of the District which lies within Brazoria County, and $3.008293 as to that portion of which lies within Harris County. Such aggregate levies are higher than the aggregate tax levies of many municipal utility districts in the Houston metropolitan area, including the area of the District, but are within the range of the aggregate levies of many municipal utility districts in the Houston metropolitan area and the area of the District which are in stages of development comparable with the District. See "TAXING PROCEDURES" and "INVESTMENT CONSIDERATIONS - Factors Affecting Taxable Values and Tax Payments."

Estimated Direct and Overlapping Debt Statement

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

Taxing Jurisdiction	Debt as of October 1, 2026	Estimated Overlapping Percent	Estimated Overlapping Amount
Brazoria County	$228,443,313	1.0223%	$2,335,322
City of Pearland	719,885,000	4.8853%	35,168,554
Pearland Independent School District	340,435,000	6.5754%	22,385,095
Harris County	2,952,415,112	0.0228%	673,215
Harris County Department of Education	28,960,000	0.0228%	6,604
Harris County Flood Control District	1,001,580,000	0.0228%	228,382
Harris County Hospital District	1,644,825,000	0.0228%	375,056
Port of Houston Authority	386,074,397	0.0228%	88,033
San Jacinto Community College District	476,530,000	0.1820%	867,226
Pasadena Independent School District	834,915,000	0.8447%	7,052,604
Total Estimated Overlapping Debt			$69,180,092
Total Direct Debt (the Bonds and the Outstanding Bonds)			51,220,000
Total Direct and Estimated Overlapping Debt			$120,400,092

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

Debt Ratios

	% of 2026 Assessed Valuation
Direct Debt.....	6.13%
Direct and Estimated Overlapping Debt	14.41%

Under Texas law, ad valorem taxes levied by each taxing authority other than the District create a lien that is on a parity with the lien in favor of the District on all taxable property within the District. In addition to the ad valorem taxes required to retire the foregoing direct and overlapping debt, the various taxing authorities mentioned above are also authorized by Texas law to assess, levy, and collect ad valorem taxes for operation, maintenance, administration, and/or general revenue purposes. Certain of the jurisdictions have in the past levied such taxes. The District has the power to assess, levy, and collect ad valorem taxes for operations and maintenance purposes, and such taxes have been authorized by the duly qualified voters of the District. The District has levied a maintenance tax of $0.06 per $100 of Assessed Valuation in 2026. See "TAX DATA - Maintenance Tax."

TAX DATA

Debt Service Tax

All taxable property within the District is subject to the assessment, levy and collection by the District of an annual ad valorem tax, without legal limitation as to rate or amount, sufficient to pay principal of and interest on the Outstanding Bonds and the Bonds (see "TAXING PROCEDURES"). The Board of Directors of the District has in its Bond Resolution covenanted to assess and levy for each year that all or any part of the Bonds remain outstanding and unpaid a tax ample and sufficient to produce funds to pay the principal of and interest on the Bonds (see "THE BONDS" and "INVESTMENT CONSIDERATIONS"). The District has levied a debt service tax for 2026 at a rate of $0.50 per $100 of Assessed Valuation. See "Tax Rate Distribution" below.

Maintenance Tax

The Board of Directors of the District has the statutory authority to levy and collect an annual ad valorem tax for maintenance of the District's improvements, if such maintenance tax is authorized by a vote of the District's electorate. On May 3, 2003, the District voters authorized the levy of such a maintenance tax in an amount not to exceed $1.00 per $100 of Assessed Valuation. Such tax is levied in addition to taxes which the District is authorized to levy for paying principal of and interest on the Remaining Outstanding Bonds, the Bonds and any parity bonds which may be issued in the future. The District levied a maintenance tax of $0.06 per $100 of Assessed Valuation for 2026.

Tax Rate Limitation

Debt Service:	Unlimited (no legal limit as to rate or amount).
Maintenance:	$1.00 per $100 Assessed Valuation.

Historical Values and Tax Collection History

Tax Year	Assessed Valuation	Tax Rate[a]	Total Levy	% Collections Current & Prior Years[b]	% Collections Year Ended 09/30
2015	443,975,504	0.82	3,640,999	99.99	2016
2016	444,024,368	0.82	3,641,000	99.99	2017
2017	550,137,677	0.82	4,511,129	99.98	2018
2018	579,130,150	0.82	4,748,867	99.99	2019
2019	508,227,564	0.82	4,167,466	99.99	2020
2020	556,703,719	0.82	4,564,971	99.98	2021
2021	585,282,819	0.82	4,799,319	99.99	2022
2022	655,144,955	0.82	4,979,102	99.98	2023
2023	732,091,724	0.76	4,246,132	99.87	2024
2024	735,302,811	0.58	4,397,696	99.87	2025
2025	812,267,652	0.56	4,548,699	99.56[c]	2026
2026	835,252,159(d)	0.56(e)	4,658,999(e)	(e)	2027

(a) Per $100 of Assessed Valuation.

(b) Such percentages reflect cumulative total collections for each year from the time each respective annual tax was levied through September 30, 2026.

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

(d) Such sum includes certain values which have not been certified by the Appraisal Review Boards, including the value of certain properties which has been proposed by the Appraisal Districts but protested by the owners thereof to the Appraisal Districts and the value of certain properties not under protest but not yet certified, in the amount of $3,250,222. The District is unable to predict the amount of the District's final 2026 Assessed Valuation. Such final 2026 Assessed Valuation will not be determined until the valuation of all taxable property located within the District is certified by the Appraisal Review Boards for 2026.

(e) The District has levied a total tax of $0.56 per $100 of Assessed Valuation for 2026, consisting of a debt service tax of $0.50 per $100 of Assessed Valuation and a maintenance tax of $0.06 per $100 of Assessed Valuation. Due February 1, 2027. In process of collection.

Tax Exemption

The District granted a 20% general residential homestead exemption and a $25,000 exemption for persons 65 years of age or older or disabled for 2026. See "TAXING PROCEDURES - Property Subject to Taxation by the District."

Tax Rate Distribution

	2026	2025	2024	2023	2022
Debt Service	$0.50	$0.46	$0.45	$0.52	$0.51
Maintenance	0.06	0.10	0.11	0.06	0.25
Total	$0.56	$0.56	$0.56	$0.58	$0.76

Analysis of Tax Base

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

Type of Property	2026 Assessed Valuation	%	2025 Assessed Valuation	%	2024 Assessed Valuation	%
Land	$131,559,358	15.75%	$131,065,313	16.14%	$127,919,182	16.30%
Improvements	949,337,623	113.66%	930,234,267	114.56%	925,577,612	117.92%
Personal Property	15,273,360	1.83%	14,910,245	1.84%	12,516,903	1.59%
Uncertified	3,250,222	0.39%	0	0.00%	0	0.00%
Exemptions	-264,168,404	-31.63%	-264,179,866	-32.53%	-281,107,752	-35.81%
TOTAL	$835,252,159*	100.00%	$812,029,959	100.00%	$784,905,045	100.00%

Type of Property	2023 Assessed Valuation	%	2022 Assessed Valuation	%
Land	$123,403,215	16.86%	$108,585,188	16.58%
Improvements	905,369,388	123.72%	784,894,940	119.83%
Personal Property	13,216,343	1.81%	11,699,105	1.79%
Exemptions	-310,192,022	-42.39%	-250,195,954	-38.20%
TOTAL	$731,796,924	100.00%	$654,983,279	100.00%

* Such sum includes certain values which have not been certified by the Appraisal Review Boards, including the value of certain properties which has been proposed by the Appraisal Districts but protested by the owners thereof to the Appraisal Districts and the value of certain properties not under protest but not yet certified, in the amount of $3,250,222. The District is unable to predict the amount of the District's final 2026 Assessed Valuation. Such final 2026 Assessed Valuation will not be determined until the valuation of all taxable property located within the District is certified by the Appraisal Review Boards for 2026.

Principal 2026 Taxpayers

Based upon information supplied by the District's Tax Assessor/Collector, the following table lists principal District taxpayers, type of property owned by such taxpayers, and the Assessed Valuation of such property as of January 1, 2026. The information reflects the composition of the Appraisal District's record of property ownership as of January 1, 2026.

Taxpayer	Type of Property	Assessed Valuation 2026 Tax Roll	% of 2026 Tax Roll
Wan Bridge Fund 2B DE LLC	Land and Improvements	$11,994,125	1.44%
Old Chocolate Bayou SFR Owner LLC	Land and Improvements	8,863,093	1.06%
Grace Business Center LLC	Land and Improvements	7,764,030	0.93%
Pearland Parkway Plaza	Land and Improvements	6,295,000	0.75%
Star Pearland LLC	Land and Improvements	4,150,000	0.50%
Pearland Senior Living Ltd,	Land and Improvements	3,800,000	0.45%
Allon Property Management I LLC	Land and Improvements	3,600,000	0.43%
2025 GSP2 RE LLC	Land and Improvements	3,475,690	0.42%
2701 Partner	Land and Improvements	3,149,410	0.38%
Pearland Car Wash Services LLC	Land and Improvements	2,530,000	0.30%
		$55,621,348	6.66%

Tax Rate Calculations

The tax rate calculations set forth below are presented to indicate the tax rates per $100 of Assessed Valuation which would be required to meet certain debt service requirements if no growth in the District occurs beyond its 2026 Assessed Valuation. The calculations also assume collection of 95% of taxes levied, no use of District funds on hand, the issuance of no bonds by the District in addition to the Prior Bonds and the Bonds, and the sale of no additional bonds by the District.

Average Annual Debt Service Requirements (2027-2040)	$4,335,809
Tax Rate of $0.55 on the 2026 Assessed Valuation ($835,252,159) produces	$4,364,193
Maximum Annual Debt Service Requirement (2040)	$4,369,763
Tax Rate of $0.56 on the 2026 Assessed Valuation ($835,252,159) produces	$4,443,541

The District levied a debt service tax of $0.50 per $100 of Assessed Valuation for 2026, plus a maintenance tax of $0.06 per $100 of Assessed Valuation. As the above table indicates, the 2026 debt service rate will not be sufficient to pay the Average Annual Debt Service Requirements on the Bonds and the Outstanding Bonds and the Maximum Annual Debt Service Requirement on the Bonds and the Outstanding Bonds given taxable values in the District at the level of the 2026 Assessed Valuation, assuming a tax collection rate of 95%, no use of funds on hand, and the issuance of no additional bonds by the District. However, as is illustrated in this Official Statement under the caption "TAX DATA - Historical Values and Tax Collection History," the District has collected an average of 99.96% of its 2015 through 2024 tax levies as of September 30, 2026, and its 2025 levy, which is in the process of collection, was 99.56% collected as of such date. Moreover, the District's Debt Service Fund balance was $4,121,578 as of October 21, 2026. Although neither Texas law nor the Bond Resolution requires that any specific amount be retained in the Debt Service Fund at any time, the District has in the past applied earnings from the investment of monies held in the Debt Service Fund to meet the debt service requirements of the Prior Bonds (see "APPENDIX B - ANNUAL FINANCIAL REPORT"). The District levied its debt service tax rate in 2026 of $0.50 per $100 of Assessed Valuation so as to avoid the creation of excessive Debt Service Fund balances. The Board of Directors of the District will determine the increase(s) to the debt service tax that might be necessary in 2027 and future years which, with due consideration given to tax collections and investment earnings from the investment of monies held in the Debt Service Fund, will provide sufficient funds to cover debt service on the Outstanding Bonds and the Bonds and maintain adequate balances in the Debt Service Fund. In so doing, the Board of Directors expects to reduce the maintenance tax rate commensurately. Therefore, the District expects to be able to pay debt service on the Outstanding Bonds and the Bonds without increasing the total of its debt service tax plus its maintenance tax in 2026 above the total $0.56 per $100 of Assessed Valuation. See "THE BONDS - Source of Payment" and "TAXING PROCEDURES." However, the District can make no representation that the taxable property values in the District will increase in the future or will maintain a value sufficient to support the aforementioned tax rate or to justify continued payment of taxes by property owners. See "TAXING PROCEDURES" and "INVESTMENT CONSIDERATIONS - Factors Affecting Taxable Values and Tax Payments."

Estimated Overlapping Taxes

Property located within the District is subject to taxation by several taxing authorities in addition to the District. Set forth below is a compilation of all 2026 taxes levied upon property located within the District and the District's 2026 tax rate. Under Texas law, ad valorem taxes levied by each taxing authority other than the District entitled to levy taxes against property located within the District create a lien which is on a parity with the tax lien of the District. In addition to the ad valorem taxes required to make the debt service payments on bonded indebtedness of the District and of such other jurisdictions (see "DISTRICT DEBT - Estimated Direct and Overlapping Debt Statement"), certain taxing jurisdictions are authorized by Texas law to assess, levy and collect ad valorem taxes for operation, maintenance, administrative and/or general revenue purposes.

Taxing Jurisdiction	Brazoria County 2026 Tax Rate/$100	Harris County 2026 Tax Rate/$100
City of Pearland	$0.627892	$0.627892
Brazoria County	0.304758	
Brazoria Drainage District No. 4	0.113276	
Pearland Independent School District	1.135000	
Harris County		0.417500
Harris County Department of Education		0.004798
Harris County Flood Control District		0.052660
Harris County Hospital District		0.019528
Port of Houston Authority		0.005900
San Jacinto Community College District		0.154615
Pasadena Independent School District		1.165400
The District*	0.560000	0.560000
Total Tax Rate	$2.740926	$3.008293

* The District has levied a total tax of $0.56 per $100 of Assessed Valuation for 2026, consisting of a debt service tax of $0.50 per $100 of Assessed Valuation and a maintenance tax of $0.06 per $100 of Assessed Valuation.

TAXING PROCEDURES

Authority to Levy Taxes

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

Property Tax Code and County-wide Appraisal District

Title I of the Texas Tax Code (the "Property Tax Code") specifies the taxing procedures of all political subdivisions of the State of Texas, including the District. Provisions of the Property Tax Code are complex and are not fully summarized here.

The Property Tax Code requires, among other matters, county-wide appraisal and equalization of taxable property values and establishes in each county of the State of Texas an appraisal district with the responsibility for recording and appraising property for all taxing units within a county and an appraisal review board with the responsibility for reviewing and equalizing the values established by the appraisal district. The Brazoria County Appraisal District and Harris Central Appraisal District (together, the "Appraisal Districts") have the responsibility of appraising property for all taxing units within Brazoria County and Harris County, including the District. Such appraisal values will be subject to review and change by the Brazoria County Appraisal Review Board and Harris County Appraisal Review Board (together, the "Appraisal Review Boards").

The Property Tax Code provides that the governing body of a taxing unit located within an area declared to be a disaster area by the governor of the State of Texas may authorize reappraisal of all property damaged in the disaster at its market value immediately after the disaster. For reappraised property, the taxes are pro rated for the year in which the disaster occurred. The taxing unit assesses taxes prior to the date the disaster occurred based upon market value as of January 1 of that year. Beginning on the date of the disaster and for the remainder of the year, the taxing unit assesses taxes on the reappraised market value of the 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 certain disabled persons 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 twenty percent (20%) of the number of qualified voters who voted in the preceding election. The District is authorized by statute to disregard exemptions for the disabled and elderly if granting the exemption would impair the District's obligation to pay tax supported debt incurred prior to adoption of the exemption by the District. 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 between $5,000 and $12,000 of taxable valuation depending on the disability rating of the veteran. A veteran who receives a disability rating of 100%, and, under certain circumstances, the surviving spouse of such veteran, is entitled to the exemption for the full amount of the residential homestead. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if the residence homestead was donated by a charitable organization. Also, the surviving spouse of a member of the armed forces who was killed 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, 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 to be transferred to a subsequent residence homestead of the surviving spouse.

Residential Homestead Exemptions: The Property Tax Code authorizes the governing body of each political subdivision in the State of Texas to exempt up to twenty percent (20%) of the appraised market value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption may be considered each year, but must be adopted before July 1. The District has granted a 20% general residential homestead exemption for 2026. See "TAX DATA - Tax Exemption."

Freeport Goods Exemption: A "Freeport Exemption" applies to goods, wares, ores, and merchandise other than oil, gas, and petroleum products (defined as liquid and gaseous materials immediately derived from refining petroleum or natural gas), and to aircraft or repair parts used by a certified air carrier acquired in or imported into Texas which are destined to be forwarded outside of Texas and which are detained in Texas for assembling, storing, manufacturing, processing or fabricating for less than 175 days. Although certain taxing units may take official action to tax such property in transit and negate such exemption, the District does not have such an option. A "Goods-in- Transit" Exemption is applicable to the same categories of tangible personal property which are covered by the Freeport Exemption, if, for tax year 2011 and prior applicable years, such property is acquired in or imported into Texas for assembling, storing, manufacturing, processing, or fabricating purposes and is subsequently forwarded to another location inside or outside of Texas not later than 175 days after acquisition or importation, and the location where said property is detained during that period is not directly or indirectly owned or under the control of the property owner. For tax year 2012 and subsequent years, such Goods-in-Transit Exemption includes tangible personal property acquired in or imported into Texas for storage purposes only if such property is stored under a contract of bailment by a public warehouse operator at one or more public warehouse facilities in Texas that are not in any way owned or controlled by the owner of such property for the account of the person who acquired or imported such property. A property owner who receives the Goods-in-Transit Exemption is not eligible to receive the Freeport Exemption for the same property. Local taxing units such as the District may, by official action and after public hearing, tax goods-in-transit personal property. A taxing unit must exercise its option to tax goods-in-transit property before January 1 of the first tax year in which it proposes to tax the property at the time and in the manner prescribed by applicable law. The District has taken official action to allow taxation of all such goods-in-transit personal for all prior and subsequent years.

Tax Abatement

The City of Pearland and Brazoria County may designate all or part of the District as a reinvestment zone, and the District, Brazoria County, Harris County, and the City of Pearland may thereafter enter into tax abatement agreements with the owners of property within the zone. The tax abatement agreements may exempt from ad valorem tax, by the applicable taxing jurisdictions, and by the District, for a period of up to ten 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 a comprehensive plan. According to the District's Tax Assessor/Collector, to date, none of the area within the District has been designated as a reinvestment zone. Each taxing jurisdiction 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 Districts at market value as of January 1 of each year. Once an appraisal roll is prepared and finally approved by the Appraisal Review Boards, it is used by the District in establishing its tax rolls and tax rate. Assessments under the Property Tax Code are to be based on one hundred percent (100%) of market value, as such is defined in the Property Tax Code. In determining market value, either the replacement cost or the income or the market data method of valuation may be used, whichever is appropriate. Nevertheless, certain land may be appraised at less than market value under the Property Tax Code. Increases in the appraised value of residence homesteads are limited by the Texas Constitution to 10 percent annually regardless of the market value of the property.

The Property Tax Code permits land designated for agricultural use, open space or timberland to be appraised at its value based on the land's capacity to produce agricultural or timber products rather than at its market value. The Property Tax Code permits under certain circumstances that residential real property inventory held by a person in the trade or business be valued at the price all of such property would bring if sold as a unit to a purchaser who would continue the business. Provisions of the Property Tax Code are complex and are not fully summarized here. Landowners wishing to avail themselves of the agricultural use, open space or timberland designation or residential real property inventory designation must apply for the designation and the appraiser is required by the Property Tax Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by some political subdivisions while claiming it for another. If a claimant receives the agricultural use designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use, including taxes for the previous three (3) years for agricultural use, open space land and timberland.

The Property Tax Code requires the Appraisal Districts to implement a plan for periodic reappraisal of property to update appraisal values. The plan must provide for appraisal of all real property in the Appraisal Districts at least once every three years. It is not known what frequency of reappraisals will be utilized by the Appraisal Districts or whether reappraisals will be conducted on a zone or county-wide basis. The District, however, at its expense, has the right to obtain from the Appraisal Districts a current estimate of appraised values within the District or an estimate of any new property or improvements within the District. While such current estimate of appraised values may serve to indicate the rate and extent of growth of taxable values within the District, it cannot be used for establishing a tax rate within the District until such time as the applicable Appraisal District chooses to formally include such values on its appraisal roll. The Property Tax Code provides for a temporary exemption from ad valorem taxation of a portion of the appraised value of certain property that is at least 15% damaged by a disaster and located within an area declared to be a disaster area by the governor of the State of Texas. This temporary exemption is automatic if the disaster is declared prior to a taxing unit, such as the District, adopting its tax rate for the tax year. A taxing unit, such as the District, may authorize the exemption at its discretion if the disaster is declared after the taxing unit has adopted its tax rate for the tax year. The amount of the exemption is based on the percentage of damage and is prorated based on the date of the disaster. Upon receipt of an application submitted within the eligible timeframe by a person who qualifies for a temporary exemption under the Property Tax Code, the Appraisal District is required to complete a damage assessment and assign a damage assessment rating to determine the amount of the exemption. The temporary exemption amounts established in the Property Tax Code range from 15% for property less than 30% damaged to 100% for property that is a total loss. Any such temporary exemption granted for disaster-damaged property expires on January 1 of the first year in which the property is reappraised.

District and Taxpayer Remedies

Under certain circumstances, taxpayers and taxing units (such as the District) may appeal the orders of the Appraisal Review Boards by filing a timely petition for review in State district court. In such event, the value of the property in question will be determined by the court, or by a jury, if requested by any party. Additionally, taxing units may bring suit against the Appraisal Districts to compel compliance with the Property Tax Code. The Property Tax Code 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 six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent and incurs an additional penalty for collection costs of an amount established by the District and a delinquent tax attorney. A delinquent tax on personal property incurs an additional penalty, in an amount established by the District and a delinquent tax attorney, 60 days after the date the taxes become delinquent. The delinquent tax accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code makes provisions for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes under certain circumstances which, at the option of the District, which may be rejected by taxing units. The District's tax collector is required to enter into an installment payment agreement with any person who is delinquent on the payment of tax on a residence homestead for payment of tax, penalties and interest, if the person requests an installment agreement and has not entered into an installment agreement with the collector in the preceding 24 months. The installment agreement must provide for payments to be made in monthly installments and must extend for a period of at least 12 months and no more than 36 months. Additionally, the owner of a residential homestead property who is (i) sixty-five (65) years of age or older, (ii) disabled, or (iii) a disabled veteran, is entitled by law to pay current taxes on a residential homestead in installments without penalty or to defer the payment of taxes during the time of ownership. In the instance of tax deferral, a tax lien remains on the property and interest continue to accrue during the period of deferral.

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

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 than1.08 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 than1.035 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 will be made by the Board of Directors on an annual basis. The District cannot give any assurances as to what its classification will be at any point in time or whether the District's future tax rates will result in a total tax rate that will reclassify the District into a new classification and new election calculation. For the 2026 tax rate year, a determination has been made by the District’s Board of Directors that the District is a Developing District.

Additional Penalties

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

District's Rights in the Event of Tax Delinquencies

Taxes levied by the District are a personal obligation of the owner of the property as of January 1 of the year for which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties and interest ultimately imposed for the year on the property. The lien exists in favor of each local taxing unit, including the District, having the power to tax the property. The District's tax lien is on a parity with the tax liens of other such taxing units (see “TAX DATA - Estimated Overlapping Taxes”). A tax lien on real property takes priority over the claims of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before

the attachment of the tax lien; however, whether a lien of the United States is on a parity with or takes priority over a tax lien of the District is determined by applicable federal law. Personal property, under certain circumstances, is subject to seizure and sale for the payment of delinquent taxes, penalty and interest.

At any time after taxes on property become delinquent, the District may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the District must join other taxing units that have claims for delinquent taxes against all or part of the same property. Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, by taxpayer redemption rights (a taxpayer may redeem property within six (6) months for commercial property and two (2) years for residential and all other types of property after the purchaser's deed issued at the foreclosure sale is filed in the county records) or by bankruptcy proceedings which restrict the collection of taxpayer debts. The District's ability to foreclose its tax lien or collect penalties or interest on delinquent taxes may be limited on property owned by a financial institution which is under receivership by the Federal Deposit Insurance Corporation pursuant to the Federal Deposit Insurance Act, 12 U.S.C. 1825, as amended. See "INVESTMENT CONSIDERATIONS -Tax Collection Limitations."

THE SYSTEM

Regulation

According to the District's Engineer, the System has been designed in conformance with accepted engineering practices and the requirements of certain governmental agencies having regulatory or supervisory jurisdiction over the construction and operation of such facilities, including, among others, the TCEQ, the City of Pearland, Brazoria County, and Brazoria Drainage District No. 4.

The District is located totally within the corporate limits of the City of Pearland (the "City") and obtains water, sewer and drainage service from the City. Sowell Property Partners - Parkside, L.P. and RH of Texas Limited Partnership, on behalf of the District, entered into a Utility Agreement which was subsequently assumed by the District (see "THE DISTRICT - Utility Agreement") to provide a water distribution system, sanitary sewer collection system and a drainage system (the "System") to serve the District. In consideration of the District's acquiring and constructing the System on behalf of the City, the City agreed, pursuant to the terms and conditions of the Utility Agreement, to own and operate the System. The District retains ownership and responsibility for the maintenance of the stormwater detention system, except that a homeowners' association has accepted certain maintenance responsibilities for the portion of the detention system that serves Creekside, Spring Meadow and Emerald Stone.

As construction of each phase of the System is certified to be complete in accordance with the final plans and specifications approved by the City, the District is to transfer such portion of the System with construction drawings thereof to the City reserving a security interest therein until the bonds issued to acquire and construct the System have been retired. Upon transfer, the City has agreed to operate and maintain the System at its expense. Under the Utility Agreement, the City has agreed to charge customers of the System the same rates charged other similar users within the City, plus the $5.00 per month equivalent single-family connection charge (the "City Utility Rebate"). Except for the City Utility Rebate, all revenue from the System, including any charges which the City may impose for connection to the System, belongs exclusively to the City.

The City, as owner and operator of the System (other than detention facilities, which are owned and operated by the District), has agreed to supply the District with all of its requirements for potable water and wastewater treatment capacity in consideration of the payment of Impact Fees. The City's current Impact Fee for single-family residential connections is $9,265 per connection. The City charges an impact fee for commercial connections that varies in amount depending upon the amount of water usage of each commercial establishment.

Operation of the System is subject to regulation by, among others, the United States Environmental Protection Agency and the TCEQ. The total number of equivalent single-family connections ("ESFCs") estimated at this time for the District upon the full development of its approximately 984 acres is approximately 2,735 with a total estimated population of 9,025 people. The following descriptions are based upon information supplied by the District's Engineer.

Description

The System presently has facilities to serve the 2,567 fully developed single-family residential lots and other property located in the District that are enumerated in this Official Statement under the caption "DEVELOPMENT AND HOME CONSTRUCTION." The District financed its costs of the construction or acquisition of certain of the water distribution, wastewater collection, and storm drainage facilities to serve the lots located within Creekside, Sections 1 and 2, Canterbury Park, Sections 1 through 6, Twin Lakes, Section 1, Stone Bridge, Sections 1 and 2, Spring Meadow, Emerald Stone, Preserve at Highland Glen, Sections 1 through 3, Highland Crossing, Sections 1 through 5, Pearland Estates, Covington Estates, Province Village, Tracts A-C, Pearland Lakes, Sections 1 and 2, Enclave at Highland Glen, Sections 1 through 5, Highland Park, Oakshire, Province Village Drive, Mirror Lake, Section 1, Cypress Village, Section 3, and Tranquility Lake Estates, Section 4, and Impact Fees, and other facilities, with portions of the proceeds of the sale of the Prior Bonds and other funds of the District. The District will finance its portion of the costs of the construction or acquisition of components of the System to serve the lots platted as Creekside at Highland Glen, Sections 1 and 2, and Residences on the Parkway; Impact Fees and other facilities, and certain financing costs related to the costs of issuance with proceeds of the Bonds as is enumerated in this Official Statement under the caption "THE BONDS - Use and Distribution of Bond Proceeds." The District expects to finance the acquisition or construction of additional water distribution, wastewater collection, storm drainage/detention facilities and/or Impact Fees with portions of the proceeds of the sale of bonds, if any, in the future. See "THE BONDS - Issuance of Additional Debt" and "INVESTMENT CONSIDERATIONS - Future Debt." Based on present engineering cost estimates and on development plans supplied by the Developers, in the opinion of the District's consulting engineer, LJA Engineering, Inc. (the "Engineer"), the $14,410,000 authorized but unissued bonds will be adequate to finance the extension of water, wastewater and storm drainage/detention facilities and to pay Impact Fees to the City of Pearland related to the provision of water supply and wastewater treatment capacity by the City to the District to serve all of the remaining undeveloped portions of the District. See "DEVELOPMENT AND HOME CONSTRUCTION" and "FUTURE DEVELOPMENT."

Water Supply

The Utility Agreement requires the City to provide the District with potable water. According to the District's Engineer, the City's facilities provide adequate water supply capacity to provide service to all connections in the District developed with the proceeds of the sale of the Prior Bonds issued for the System, plus all connections in the District expected to be developed in the future to complete the development of the District, although the District must rely on the City's obligations to supply the District with water under the terms of the Utility Agreement.

Wastewater Treatment

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

Drainage Improvements

Storm drainage for the District is provided by an internal drainage network of underground storm drainage lines that outfall into detention ponds that drain into the Barry Rose Ditch, Mary's Creek, a Cowart Creek tributary and Clear Creek. Residences on the Parkway drains to the Tranquility Lake, which detention capacity fee is being financed with a portion of the proceeds of the sale of the Bonds.

100-Year Flood Plain

"Flood Insurance Rate Map" or "FIRM" means an official map of a community on which FEMA has delineated the appropriate areas of flood hazards. The 1% chance of probable inundation, also known as the 100-year flood plain, is depicted on these maps. The "100 year flood plain" (or 1% chance of probable inundation) as shown on the FIRM is the estimated geographical area that would be flooded by a rain storm of such intensity to statistically have a one percent chance of occurring in any given year. Generally speaking, homes must be built above the 100 year flood plain in order to meet local regulatory requirements and to be eligible for federal flood insurance. An engineering or regulatory determination that

an area is above the 100 year flood plain is not an assurance that homes built in such area will not be flooded, and a number of neighborhoods in the greater Houston area that are above the 100-year flood plain have flooded multiple times in the last several years. If substantial or frequent flooding of homes were to occur in the area of the District, the marketing of homes and the future growth of property values in the District could be adversely affected. See "INVESTMENT CONSIDERATIONS - Extreme Weather Events."

According to the District's Engineer, there is developed land located inside the District within the effective floodplain as shown on the Flood Insurance Rate Maps for Brazoria County, Texas, Nos. 48039C0030K, 48039C0035K, 48039C0040K, 48039C0041K, 48039C0042K and 48039C0065K, that became official December 30, 2020, and Harris County, Texas, Nos. 48201C1035L and 48201C1045L, that became official June 18, 2007. All of the portions of the District that were added to the effective floodplain when the maps became official have been removed via a Letter of Map Amendment, which was approved by the Federal Emergency Management Agency ("FEMA") on May 18, 2021. The following tracts of land within the District are either partially or entirely within Zone AE: portions of Tracts 1, 2, 3, 4, 5-7, 12 and 14, mostly in reserves, ponds and channels.

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

INVESTMENT CONSIDERATIONS

General

The Bonds, which are obligations solely of the District and not of the State of Texas, Brazoria County, Texas, Harris County, Texas, the City of Pearland, Texas, or any political subdivision or agency other than the District, are secured by the proceeds an annual ad valorem tax, levied without legal limit as to rate or amount, upon all taxable property within the District. The ultimate security for payment of the principal of and interest on the Bonds depends upon the District's ability to collect from the property owners within the District taxes levied against all taxable property located within the District, or, in the event taxes are not collected and foreclosure proceedings are instituted by the District, upon the value of the taxable property with respect to taxes levied by the District and by other taxing authorities. The District makes no representation that over the life of the Bonds the taxable property within the District will maintain a value sufficient to justify continued payment of taxes by property owners or that there will be a market for any property if the District forecloses on property to enforce its tax lien. The potential increase in taxable valuation of District property is directly related to the economics of the residential housing industry, not only due to general economic conditions, but also due to the particular factors discussed below. Further, the collection of delinquent taxes owed the District, and the enforcement by a Registered Owner of the District's obligation to collect sufficient taxes may be costly and lengthy processes. See "Tax Collection Limitations" and "Registered Owners' Remedies and Bankruptcy" below and "THE BONDS - Source of Payment" and - "Registered Owners' Remedies."

Factors Affecting Taxable Values and Tax Payments

Economic Factors: A substantial percentage of the assessed valuation of the property located within the District is attributable to the current market value of (i) single-family residences that have been constructed within the District, and (ii) commercial buildings that have been constructed within the District. The market value of such homes is related to general economic conditions affecting the demand for residences. Demand for single-family residences and the construction of commercial buildings can be significantly affected by factors such as interest rates, credit availability, construction costs, energy costs and availability and the prosperity and demographic characteristics of the urban area toward which the marketing of lots, homes and commercial enterprises is directed. Decreased levels of home construction activity and significant vacancy rates of commercial buildings located within the District would restrict the growth of property values in the District. Fluctuations in the price of oil could adversely affect job stability, wages and salaries, thereby negatively affecting the demand for housing and the values of existing homes (see "Potential Effects of Oil Price Volatility on the Houston Area" below). Were the District to experience a significant number of residential foreclosures, the value of all homes within the District could be adversely affected. Although development in the District has occurred as is described in this Official Statement under the captions "DEVELOPMENT AND HOME CONSTRUCTION," and

"DEVELOPERS AND OTHER PRINCIPAL LAND OWNERS," the District cannot predict the pace or magnitude of any future development or construction of future above-ground commercial improvements in the District other than that which has occurred to date.

National Economy: Although development in the District has occurred as is described in this Official Statement under the captions "DEVELOPMENT AND HOME CONSTRUCTION," and "DEVELOPERS AND THER PRINCIPAL LAND OWNERS," the District cannot predict the pace or magnitude of any future development or construction of future above-ground commercial improvements in the District other than that which has occurred to date. The District cannot predict what impact, if any, a downturn in the local housing markets or a downturn in the national housing and financial markets may have on the Houston market generally and the District specifically. See "TAXING PROCEDURES."

Credit Markets and Liquidity in the Financial Markets: Interest rates and the availability of mortgage and development funding have a direct impact on development and commercial construction, particularly short-term interest rates at which developers are able to obtain financing for development costs and landowners are able to finance construction of vertical commercial improvements. Interest rate levels may affect the ability of a developer with undeveloped property to undertake and complete development activities within the District. Because of the numerous and changing factors affecting the availability of funds, particularly liquidity in the national credit markets, the District is unable to assess the future availability of such funds for continued development and commercial construction within the District. In addition, since the District is located approximately 18 miles south of the central downtown business district of the City of Houston, the success of development within the District and growth of District taxable property values are, to a great extent, a function of the Houston metropolitan and regional economies and national credit and financial markets. A downturn in the economic conditions of Houston and decline in real estate and financial markets in the United States could adversely affect development and homebuilding plans or construction of future commercial buildings in the District, and the level of occupancy of commercial improvements within the District, and could restrain the growth of the District's property tax base.

Developer/Builder/Landowner Obligation to the District: The ability of the Developers (defined in this Official Statement under the caption "DEVELOPERS AND OTHER PRINCIPAL LAND OWNERS"), or any other principal taxpayer within the District to make full and timely payments of taxes levied against their property by the District and similar taxing authorities will directly affect the District's ability to meet its debt service obligations. There is no commitment by or legal requirement of the Developers or any other party to the District to proceed at any particular rate or according to any specified plan with the development of land in the District, or of any of the Builders or any other home building company to proceed at any particular pace with the construction of homes in the District, or of any party to construct above-ground commercial improvements in the District in addition to the above-ground commercial improvements that have been constructed therein to date, and there is no restriction on any land owner's right to sell its land. Therefore, the District can make no representation about the probability of future development, if any, or the rate of home construction activity or the construction of additional above-ground commercial improvements in the District. See "FUTURE DEVELOPMENT."

Maximum Impact on District Tax Rates

The value of the land and improvements currently located within the District will be a major determinant of the ability of the District to collect, and the willingness of District property owners to pay, ad valorem taxes levied by the District. The District's 2026 Assessed Valuation, of property located within the District supplied by the Appraisal Districts is $835,252,159. Assuming no increase to nor decrease from the 2026 Assessed Valuation, no use of funds on hand, and the issuance of no additional bonds by the District, tax rates of $0.56 and $0.55 per $100 of Assessed Valuation at a 95% tax collection rate would be necessary to pay the Maximum Annual Debt Service Requirement and the Average Annual Debt Service Requirements, respectively. See "TAX DATA - Tax Rate Calculations."

The District levied a debt service tax in 2026 in the amount of $0.50 per $100 of Assessed Valuation. In addition, the District levied a maintenance tax of $0.06 per $100 of Assessed Valuation for 2026. As the above paragraph indicates, the 2026 debt service rate will not be sufficient to pay the Average Annual Debt Service Requirements on the Bonds and the Outstanding Bonds and the Maximum Annual Debt Service Requirement on the Bonds and the Outstanding Bonds given taxable values in the District at the level of the 2026 Assessed Valuation, assuming a tax collection rate of 95%, no use of funds on hand, and the issuance of no additional bonds by the District. However, as is illustrated in this Official Statement under the caption "TAX DATA - Historical Values and Tax Collection History," the District has collected an average of 99.96% of its 2015 through 2024 tax levies as of September 30, 2026, and its 2025 levy was 99.56% collected as of such

date. Moreover, the District's Debt Service Fund balance was $4,121,578 as of October 21, 2026. Although neither Texas law nor the Bond Resolution requires that any specific amount be retained in the Debt Service Fund at any time, the District has in the past applied earnings from the investment of monies held in the Debt Service Fund to meet the debt service requirements of the Prior Bonds (see "APPENDIX B - ANNUAL FINANCIAL REPORT"). The District levied its debt service tax rate in 2026 of $0.50 per $100 of Assessed Valuation in 2026 so as to avoid the creation of excessive Debt Service Fund balances. The Board of Directors of the District will determine the increase(s) to the debt service tax that might be necessary in 2027 and future years which, with due consideration given to tax collections and investment earnings from the investment of monies held in the Debt Service Fund, will provide sufficient funds to cover debt service on the Outstanding Bonds and the Bonds and maintain adequate balances in the Debt Service Fund. In so doing, the Board of Directors expects to reduce the maintenance tax rate commensurately. Therefore, the District expects to be able to pay debt service on the Outstanding Bonds and the Bonds without increasing the total of its debt service tax plus its maintenance tax in 2026 above the total $0.56 per $100 of Assessed Valuation. However, the District can make no representation that the taxable property values in the District will maintain a value sufficient to support the aforementioned tax rate or to justify continued payment of taxes by property owners. See "TAXING PROCEDURES." Increases in the District's tax rate to higher levels than the total $0.56 per $100 of Assessed Valuation rate which the District levied for 2026 may have an adverse impact upon future development of the District, the ability of the District to collect, and the willingness of owners of property located within the District to pay, ad valorem taxes levied by the District.

As is enumerated in this Official Statement under the caption "TAX DATA - Estimated Overlapping Taxes," the aggregate of the 2026 tax levies of all overlapping taxing units which levy taxes upon property located in the District, plus the District, is $2.740926 as to that portion of the District which lies within Brazoria County, and $3.008293 as to that portion of which lies within Harris County. Such aggregate rates are higher than the aggregate tax levies of many municipal utility districts in the Houston metropolitan area, including the area of the District, but are within the range of the aggregate levies of many municipal utility districts in the Houston metropolitan area and the area of the District which are in stages of development comparable with the District.

Tax Collection Limitations

The District's ability to make debt service payments may be adversely affected by its inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on a parity with the liens of all other taxing authorities on the property against which taxes are levied, and such lien may be enforced by judicial foreclosure. The District's ability to collect ad valorem taxes through such foreclosure may be impaired by (a) cumbersome, time consuming and expensive collection procedures, (b) a bankruptcy court's stay of tax collection procedures against a taxpayer, (c) market conditions affecting the marketability of taxable property within the District and limitation of the proceeds from a foreclosure sale of such property, (d) adverse effects on the proceeds of a foreclosure sale resulting from a taxpayer's limited right to redeem its foreclosed property as set forth below, or (e) insufficient foreclosure bids to satisfy the tax liens of all local taxing authorities which have parity liens on the property. While the District has a lien on taxable property within the District for taxes levied against such property, such lien can be foreclosed only in a judicial proceeding. Moreover, the value of the property to be sold for delinquent taxes and thereby the potential sales proceeds available to pay debt service on the Bonds, may be limited by among other factors, the existence of other tax liens on the property, by the current aggregate tax rate being levied against the property, or by the taxpayers' right to redeem residential or agricultural use property within two (2) years of foreclosure and all other property within six (6) months of foreclosure. See "TAXING PROCEDURES."

Registered Owners' Remedies and Bankruptcy

In the event of default in the payment of principal of or interest on the Bonds, the Registered Owners have a right to seek a writ of mandamus requiring the District to levy adequate taxes each year to make such payments. Except for mandamus, the Bond Resolution does not provide for remedies to protect and enforce the interests of the Registered Owners. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Statutory language authorizing local governments such as the District to sue and be sued does not waive the local government's sovereign immunity from suits for money damages, so that in the absence of other waivers of such immunity by the Texas legislature, a default by the District in its covenants in the bond Resolution may not be reduced to a judgement for money damages. Even if Registered Owners could obtain a judgment against the District, such a judgment could not be enforced by a direct levy and execution against the District's property. Further, the Registered Owners cannot themselves foreclose on property within the District or sell property within the District in order to pay the

principal of and interest on the Bonds. Since there is no trust indenture or trustee, the Registered Owners would have to initiate and finance the legal process to enforce their remedies.

The enforceability of the rights and remedies of the Registered Owners may be further limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. In this regard, should the District file a petition for protection from creditors under federal bankruptcy laws, a suit seeking the remedy of mandamus would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See "THE BONDS - Registered Owners' Remedies."

The District may not be placed into bankruptcy involuntarily.

Marketability

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

Future Debt

The District reserved in the Bond Resolution the right to issue the remaining $14,410,000 unlimited tax bonds authorized but unissued for construction of the System, the $57,115,000 for refunding purposes, and such additional bonds as may hereafter be approved by the voters of the District. All of the remaining bonds described above for waterworks, wastewater and drainage facilities, which have heretofore been authorized by the voters of the District, may be issued by the District from time to time as needed. The issuance of such $14,410,000 bonds for waterworks, wastewater and drainage facilities is also subject to TCEQ authorization. In addition to the water distribution, wastewater collection, storm drainage facilities and Impact Fees that the District has financed with the proceeds of the sale of the Prior Bonds, and is financing with portions of the proceeds of the sale of the Bonds (see "THE BONDS - Use and Distribution of Bond Proceeds"), the District expects to finance the acquisition or construction of additional water distribution, wastewater collection, storm drainage/detention facilities and Impact Fees with portions of the proceeds of the sale of bonds, if any, in the future. See "THE BONDS - Issuance of Additional Debt" and "THE SYSTEM."

The District's Engineer currently estimates that the aforementioned $14,410,000 authorized bonds which remain unissued will be adequate to finance the construction of all waterworks, wastewater, and drainage facilities and to pay Impact Fees to the City of Pearland related to the provision of water supply and wastewater treatment to the District by the City to provide service to all of the currently undeveloped portions of the District. See "Maximum Impact on District Tax Rates" above, "THE BONDS," "DEVELOPMENT AND HOME CONSTRUCTION," "FUTURE DEVELOPMENT," and "THE SYSTEM." If additional bonds are issued in the future and property values have not increased proportionately, such issuance might increase gross debt/property valuation ratios and thereby adversely affect the investment quality or security of the Bonds. See "THE BONDS - Issuance of Additional Debt."

Competitive Nature of Houston Residential Housing Market

The housing and commercial development industries in the Houston metropolitan area, including the City of Pearland, are very competitive, and the District can give no assurance that the development or building programs which are planned by any future developer(s) or home builder(s) will be continued or completed or that any commercial development or construction of commercial improvements will be undertaken or completed. The respective competitive positions of any developer(s) or home builder(s) which might attempt future development or home building projects in the District in the sale of developed lots or in the construction and sale of single-family residential units and of any commercial developer which might undertake future commercial development or construction of commercial improvements are affected by most of the factors discussed in this section, and such competitive positions are directly related to tax revenues received by the District and the growth and maintenance of taxable values in the District.

Continuing Compliance with Certain Covenants

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

Approval of the Bonds

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

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 Polyflouroalkyl Substances ("PFAS"), which requires public water systems to perform certain monitoring and remediation measures. Public water systems may be subject to additional PFAS regulation in the future, which could increase the cost of constructing, operating, and maintaining water production and distribution facilities.

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

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

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

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

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

Extreme Weather Events

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

The greater Houston area, including the District, has experienced multiple storms exceeding a 0.2% probability (i.e., "500 year flood" events) since 2015, including Hurricane Harvey, which made landfall along the Texas Gulf Coast on August 26, 2017, and brought historic levels of rainfall during the successive four days. As more fully set forth in the sections entitled "THE DISTRICT - Utility Agreement" and "THE SYSTEM - Regulation", the District constructs for the benefit of and conveyance to the City, the water and wastewater utilities needed to serve land being developed within the boundaries of the District. Upon conveyance of the facilities to the City, the City assumes responsibility for the operation and maintenance of such facilities. According to the City, the City's water supply and distribution system and wastewater treatment and collection system serving the property within the District's boundaries did not sustain any material damage from Hurricane Harvey, and there was no interruption of water and sewer service during or after the storm. Further, according to the District's Engineer, no taxable improvements within the District were reported to have experienced flooding or other material damage.

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 the District's tax rate. Further, there can be no assurance that a casualty loss to taxable property within the District will be covered by insurance (or that property owners will even carry flood or other casualty insurance), that any insurance company will fulfill its obligation to provide insurance proceeds, or that insurance proceeds will be used to rebuild or repair any damaged improvements within the District. Even if insurance proceeds are available and improvements are rebuilt, there could be a lengthy period in which assessed values within the District could be adversely affected.

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

Potential Effects of Oil Price Volatility on the Houston Area

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

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.

LEGAL MATTERS

Legal Opinions

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.

Bond Counsel has reviewed the information appearing in this Official Statement under "THE BONDS," (except for the information under the subheadings "Book-Entry-Only System" and "Use and Distribution of Bond Proceeds"), "THE DISTRICT - Utility Agreement," - "Management of the District - Bond Counsel and General Counsel," "TAXING PROCEDURES," "LEGAL MATTERS - Legal Opinions", "TAX MATTERS" and "CONTINUING DISCLOSURE OF INFORMATION" solely to determine whether such information, insofar as it relates to matters of law, is true and correct and whether such information fairly summarizes matters of law and the provisions of the documents referred to therein. Bond Counsel has not, however, independently verified any of the factual information contained in this Official Statement nor has either conducted an investigation of the affairs of the District for the purpose of passing upon the accuracy or completeness of this Official Statement. No person is entitled to rely upon Bond Counsel's limited participation as an assumption of responsibility for or an expression of opinion of any kind with regard to the accuracy or completeness of any 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 the 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

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

TAX MATTERS

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

Tax Exemption

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

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

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

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

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

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 percent 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 of the acquisition, ownership and disposition of the Bonds.

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

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

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

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

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

other disposition of a Premium Bond and with respect to the federal, state, local, and foreign tax consequences of the purchase, ownership, and sale, redemption or other disposition of such Premium Bonds.

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

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

The foregoing discussion assumes that (i) the Underwriter has purchased the Bonds for contemporaneous sale to the public and (ii) all of the OID Bonds have been initially offered, and a substantial amount of each maturity thereof has been sold, to the general public in arm's-length transactions for a price (and with no other consideration being included) not more than the initial offering prices thereof stated on the inside 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.

OFFICIAL STATEMENT

General

The information contained in this Official Statement has been obtained primarily from the District's records, the Developers, the Engineer, the Tax Assessor/Collector and other sources believed to be reliable; however, no representation is made as to the accuracy or completeness of the information contained herein that was obtained from sources other than the District. The summaries of the statutes, resolutions and engineering and other related reports set forth herein are included 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.

The District's financial statements for the fiscal year ended July 31, 2025, were audited by McCall Gibson Swedlund Barfoot Ellis PLLC, Houston, Texas, and have been included herein as "APPENDIX B." McCall Gibson Swedlund Barfoot Ellis PLLC, has agreed to the publication of such financial statements in this Official Statement.

Experts

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

The information contained in the Official Statement relating to assessed valuations of property generally and, in particular, that information concerning collection rates and valuations contained in the sections captioned "DISTRICT DEBT" and "TAX DATA" was provided Assessments of the Southwest, Inc. and the Appraisal Districts. Such information has been included herein in reliance upon the authority of Assessments of the Southwest, Inc. as an expert in the field of tax collection and the Appraisal Districts' authority as experts in the field of tax assessing.

Certification as to Official Statement

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

Updating of Official Statement

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

Official Statement "Deemed Final"

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

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

CONTINUING DISCLOSURE OF INFORMATION

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 certain specified events, to the Municipal Securities Rulemaking Board (the "MSRB") or any successor to its functions as a repository through its Electronic Municipal Market Access ("EMMA") system.

Annual Reports

The District will provide certain updated financial information and operating data annually to the MSRB. The information to be updated with respect to the District includes all quantitative financial information and operating data of the general type included in this Official Statement under the headings "DISTRICT DEBT," "TAX DATA," and in "APPENDIX B." The District will update and provide this information within six months after the end of each of its fiscal years ending in or after 2026. The District will provide the updated information to the MSRB or any successor to its functions as a repository.

The District may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by SEC Rule 15c2-12 (the "Rule"). The updated information will include audited financial statements if 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, then the District shall provide unaudited financial statements for the applicable fiscal year to the MSRB 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 fiscal year end is currently July 31. Accordingly, it must provide updated information by January 31 in each year, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify the MSRB of the change.

Event Notices

The District will provide timely notices of certain events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten business days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (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 determination of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other events affecting the tax status of the Bonds; (7) modifications to rights of Beneficial Owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District or other obligated person; (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person or the sale of all or substantially all of the assets of the District or other obligated person other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a

successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or other obligated person, any of which affect Beneficial Owners of the Bonds, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District or other obligated person, any of which reflect financial difficulties. The terms "obligated person" and "financial obligation" when used in this paragraph shall have the meanings ascribed to them under the Rule. The term "material" when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Resolution makes any provision for debt service reserves or liquidity enhancement. In addition, the District will provide timely notice of any failure by the District to provide financial information, operating data, or financial statements in accordance with its agreement described above under "Annual Reports."

Availability of Information

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

Limitations and Amendments

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

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

Compliance With Prior Undertakings

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

This Official Statement was approved by the Board of Directors of Brazoria County Municipal Utility District No. 28 as of the date shown on the first page hereof.

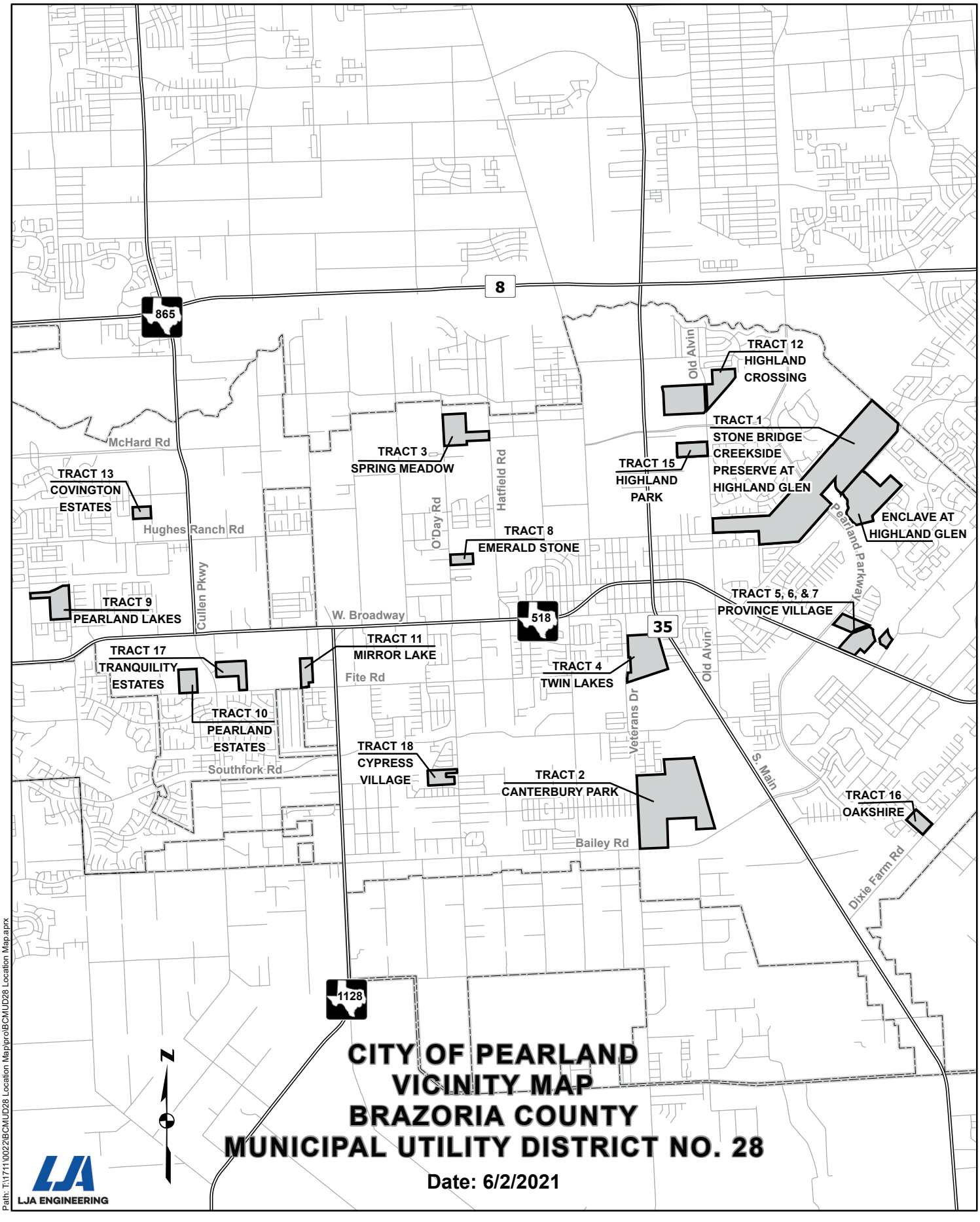
President, Board of Directors
Brazoria County Municipal Utility District No. 28

ATTEST:

Secretary, Board of Directors
Brazoria County Municipal Utility District No. 28

APPENDIX A

LOCATION MAP



APPENDIX B

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 28

BRAZORIA AND HARRIS COUNTIES, TEXAS

ANNUAL FINANCIAL REPORT

JULY 31, 2025

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 28

BRAZORIA AND HARRIS COUNTIES, TEXAS

ANNUAL FINANCIAL REPORT

JULY 31, 2025

McCALL GIBSON SWEDLUND BARFOOT ELLIS PLLC
Certified Public Accountants

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McCall Gibson Swedlund Barfoot Ellis PLLC

Certified Public Accountants

Chris Swedlund
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Mike M. McCall
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Debbie Gibson
(retired)

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Brazoria County Municipal Utility District No. 28
Brazoria and Harris Counties, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Brazoria County Municipal Utility District No. 28 (the "District") as of and for the year ended July 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of July 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information required by the Texas Commission on Environmental Quality as published in the *Water District Financial Management Guide* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The supplementary information, excluding that portion marked "Unaudited" on which we express no opinion or provide an assurance, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

McCall Gibson Swedlund Barfoot Ellis PLLC

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

October 15, 2025

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 28
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JULY 31, 2025

Management's discussion and analysis of the financial performance of Brazoria County Municipal Utility District No. 28 (the "District") provides an overview of the District's financial activities for the year ended July 31, 2025. Please read it in conjunction with the District's financial statements.

USING THIS ANNUAL REPORT

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

The Statement of Activities reports how the District's net position changed during the current year. All current year revenues and expenses are included regardless of when cash is received or paid.

FUND FINANCIAL STATEMENTS

The combined statements also include fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District has three governmental fund types. The General Fund accounts for resources not accounted for in another fund, maintenance tax revenues, contract revenues and general expenditures. The Debt Service Fund accounts for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes. The Capital Projects Fund accounts for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

FUND FINANCIAL STATEMENTS (Continued)

Governmental funds are reported in each of the financial statements. The focus in the fund statements provides a distinctive view of the District's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of current year. They are useful in evaluating annual financing requirements of the District and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. The adjustments columns, the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position and the Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in the Fund Balances to the Statement of Activities explain the differences between the two presentations and assist in understanding the differences between these two perspectives.

NOTES TO THE FINANCIAL STATEMENTS

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

OTHER INFORMATION

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information ("RSI") and other supplementary information. A budgetary comparison schedule is included as RSI for the General Fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities by $13,176,975 as of July 31, 2025. A portion of the District's net position reflects its net investment in capital assets which include land, utility infrastructure, detention facilities, and drainage impact fees, less any related debt.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The following table presents a comparative analysis of government-wide changes in the Statement of Net Position as of July 31, 2025 and July 31, 2024.

	Summary of Changes in the Statement of Net Position		
	2025	2024	Change Positive (Negative)
Current and Other Assets	$ 16,591,507	$ 15,739,978	$ 851,529
Capital Assets (Net of Accumulated Depreciation)	48,354,753	49,658,313	(1,303,560)
Total Assets	$ 64,946,260	$ 65,398,291	$ (452,031)
Deferred Outflows of Resources	$ 400,705	$ 452,848	$ (52,143)
Bonds Payable	$ 51,478,998	$ 53,962,347	$ 2,483,349
Other Liabilities	690,992	685,795	(5,197)
Total Liabilities	$ 52,169,990	$ 54,648,142	$ 2,478,152
Net Position:			
Net Investment in Capital Assets	$ (2,040,498)	$ (3,191,542)	$ 1,151,044
Restricted	7,040,443	7,241,475	(201,032)
Unrestricted	8,177,030	7,153,064	1,023,966
Total Net Position	$ 13,176,975	$ 11,202,997	$ 1,973,978

The following table provides a summary of the District's operations for the years ended July 31, 2025, and July 31, 2024.

	Summary of Changes in the Statement of Activities		
	2025	2024	Change Positive (Negative)
Revenues:			
Property Taxes	$ 4,375,815	$ 4,243,178	$ 132,637
Contract Revenues	159,098	161,990	(2,892)
Other Revenues	675,961	750,862	(74,901)
Total Revenues	$ 5,210,874	$ 5,156,030	$ 54,844
Expenses for Services	3,236,896	3,610,511	373,615
Change in Net Position	$ 1,973,978	$ 1,545,519	$ 428,459
Net Position, Beginning of Year	11,202,997	9,657,478	1,545,519
Net Position, End of Year	$ 13,176,975	$ 11,202,997	$ 1,973,978

FINANCIAL ANALYSIS OF THE DISTRICT'S GOVERNMENTAL FUNDS

The District's combined fund balances as of July 31, 2025, were $16,302,814, an increase of $825,978 from the prior year.

The General Fund fund balance increased by $1,032,947, primarily due to property tax revenues, contract revenues, and investment revenues which exceeded operating expenditures.

The Debt Service Fund fund balance decreased by $230,367, primarily due to the structure of the District's debt service requirements.

The Capital Projects Fund fund balance increased by $23,398.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Board of Directors annually adopts a budget for the General Fund. The budget was amended to increase projected property tax revenues. Actual revenues were $324,406 more than budgeted revenues and actual expenditures were $33,465 less than budgeted expenditures which resulted in a positive variance compared to budget of $357,871. See the budget to actual comparison for more information.

CAPITAL ASSETS

Capital assets consist of utility infrastructure, detention facilities, and drainage impact fees. In accordance with the Utility Agreement with the City of Pearland (the "City") (see Note 9) certain utilities have been conveyed to the City which the City in turn uses to provide water and wastewater services to residents of the District. Pursuant to GASB Statement No. 94, these conveyed assets continue to be recognized as capital assets of the District and depreciated over their estimated useful lives.

Capital Assets At Year-End

	2025	2024	Change Positive (Negative)
Capital Assets Not Being Depreciated:			
Land	$ 6,001,385	$ 6,001,385	$
Capital Assets Subject to Depreciation:			
Utility Infrastructure	38,875,456	38,875,456	
Detention Facilities	8,918,852	8,918,852	
Drainage Impact Fees	10,892,628	10,892,628	
Less Accumulated Depreciation	(16,333,568)	(15,030,008)	(1,303,560)
Total Net Capital Assets	$ 48,354,753	$ 49,658,313	$ (1,303,560)

LONG-TERM DEBT ACTIVITY

At year-end, the District had total bond debt payable of $51,425,000. The changes in bonds payable during the current fiscal year are summarized as follows:

Bond Debt Payable, August 1, 2024	$ 53,905,000
Less: Bond Principal Paid	(2,480,000)
Bond Debt Payable, July 31, 2025	$ 51,425,000

The District's bonds carry underlying ratings of "A-" or "A3". The District's bonds also carry insured ratings of "AA", "A1", or "A-" by virtue of bond insurance issued by Build America Mutual Assurance Company, Assured Guaranty Inc. or National Public Finance Guarantee Corporation. Credit enhanced ratings provided through bond insurance policies are subject to change based on changes to the ratings of the insurers.

CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

The amended budget for fiscal year 2026 projects an increase in the General Fund fund balance of $675,076. Revenues are expected to be $1,036,000 and expenditures are expected to be $360,924.

CONTACTING THE DISTRICT'S MANAGEMENT

This financial report is designed to provide a general overview of District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Brazoria County Municipal Utility District No. 28, c/o Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 28
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
JULY 31, 2025

	General Fund	Debt Service Fund
ASSETS		
Cash	$ 274,244	$ 74,033
Investments	7,801,145	7,522,423
Receivables:		
Property Taxes	12,970	44,484
Penalty and Interest on Delinquent Taxes		
Accrued Interest	1,181	5,141
City of Pearland	26,865	
Due from Other Funds		1,566
Prepaid Costs		
Capital Assets (Net of Accumulated Depreciation):		
Land		
Utilities, Drainage, and Detention Facilities		
TOTAL ASSETS	$ 8,116,405	$ 7,647,647
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charges on Refunding Bonds	$ -0-	$ -0-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 8,116,405	$ 7,647,647

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
$ 5,368	$ 353,645	$	$ 353,645
680,057	16,003,625		16,003,625
	57,454		57,454
		17,442	17,442
	6,322		6,322
	26,865		26,865
	1,566	(1,566)	
		126,154	126,154
		6,001,385	6,001,385
		42,353,368	42,353,368
$ 685,425	$ 16,449,477	$ 48,496,783	$ 64,946,260
$ -0-	$ -0-	$ 400,705	$ 400,705
$ 685,425	$ 16,449,477	$ 48,897,488	$ 65,346,965

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

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 28
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET
JULY 31, 2025

	General Fund	Debt Service Fund
LIABILITIES		
Accounts Payable	$ 63,963	$ 21,297
Accrued Interest Payable		
Due to Other Funds	1,566	
Long-Term Liabilities:		
Bonds Payable, Due Within One Year		
Bonds Payable, Due After One Year		
TOTAL LIABILITIES	$ 65,529	$ 21,297
DEFERRED INFLOWS OF RESOURCES		
Property Taxes	$ 12,970	$ 44,484
FUND BALANCES		
Restricted for:		
Authorized Construction	$	$
Debt Service		7,581,866
Unassigned	8,037,906	
TOTAL FUND BALANCES	$ 8,037,906	$ 7,581,866
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 8,116,405	$ 7,647,647
NET POSITION		
Net Investment in Capital Assets		
Restricted for Debt Service		
Unrestricted		
TOTAL NET POSITION		

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

Capital Projects Fund	Total	Adjustments	Statement of Net Position
$ 2,383	$ 87,643	$	$ 87,643
		603,349	603,349
	1,566	(1,566)	
		2,560,000	2,560,000
		48,918,998	48,918,998
$ 2,383	$ 89,209	$ 52,080,781	$ 52,169,990
$ -0-	$ 57,454	$ (57,454)	$ -0-
$ 683,042	$ 683,042	$ (683,042)	$
	7,581,866	(7,581,866)	
	8,037,906	(8,037,906)	
$ 683,042	$ 16,302,814	$ (16,302,814)	$ - 0 -
$ 685,425	$ 16,449,477		
		$ (2,040,498)	$ (2,040,498)
		7,040,443	7,040,443
		8,177,030	8,177,030
		$ 13,176,975	$ 13,176,975

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

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 28
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JULY 31, 2025

Total Fund Balances - Governmental Funds		$ 16,302,814
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Land and capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in the governmental funds.		48,354,753
Interest paid in advance as part of a refunding bond sale is recorded as a deferred outflow in the governmental activities and systematically charged to interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter.		400,705
Bond insurance premiums are prepaid costs in governmental activities and amortized over the term of the related debt.		126,154
Deferred tax revenues and penalty and interest receivable on delinquent taxes for the 2024 and prior tax levies became part of recognized revenue in the governmental activities of the District.		74,896
Certain liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. These liabilities at year end consist of:		
Accrued Interest Payable	$ (603,349)	
Bonds Payable	(51,478,998)	(52,082,347)
Total Net Position - Governmental Activities		$ 13,176,975

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

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 28
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JULY 31, 2025

	General Fund	Debt Service Fund
REVENUES		
Property Taxes	$ 860,811	$ 3,516,955
Contract Revenues	159,098	
Penalty and Interest		28,793
Investment and Miscellaneous Revenues	340,497	277,059
TOTAL REVENUES	$ 1,360,406	$ 3,822,807
EXPENDITURES/EXPENSES		
Service Operations:		
Professional Fees	$ 161,294	$ 6,994
Contracted Services	27,750	72,750
Repairs and Maintenance	94,066	
Depreciation		
Other	44,349	7,599
Debt Service:		
Bond Principal		2,480,000
Bond Interest		1,485,831
TOTAL EXPENDITURES/EXPENSES	$ 327,459	$ 4,053,174
NET CHANGE IN FUND BALANCES	$ 1,032,947	$ (230,367)
CHANGE IN NET POSITION		
FUND BALANCES/NET POSITION - AUGUST 1, 2024	7,004,959	7,812,233
FUND BALANCES/NET POSITION - JULY 31, 2025	$ 8,037,906	$ 7,581,866

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

Capital Projects Fund	Total	Adjustments	Statement of Activities
$	$ 4,377,766	$ (1,951)	$ 4,375,815
	159,098		159,098
	28,793	(758)	28,035
30,370	647,926		647,926
$ 30,370	$ 5,213,583	$ (2,709)	$ 5,210,874
$ 6,612	$ 174,900	$	$ 174,900
	100,500		100,500
	94,066		94,066
		1,303,560	1,303,560
360	52,308		52,308
	2,480,000	(2,480,000)	
	1,485,831	25,731	1,511,562
$ 6,972	$ 4,387,605	$ (1,150,709)	$ 3,236,896
$ 23,398	$ 825,978	$ (825,978)	$
		1,973,978	1,973,978
659,644	15,476,836	(4,273,839)	11,202,997
$ 683,042	$ 16,302,814	$ (3,125,839)	$ 13,176,975

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

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 28
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JULY 31, 2025

Net Change in Fund Balances - Governmental Funds	$	825,978
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report tax revenues when collected. However, in the Statement of Activities, revenue is recorded in the accounting period for which the taxes are levied.		(1,951)
Governmental funds report penalty and interest revenue on property taxes when collected. However, in the Statement of Activities, revenue is recorded when penalties and interest are assessed.		(758)
Governmental funds do not account for depreciation. However, in the Statement of Net Position, capital assets are depreciated and depreciation expense is recorded in the Statement of Activities.		(1,303,560)
Bond premiums, discounts, deferred charges on refunding bonds and bond insurance premiums are amortized over the life of the bonds and the current year amortized portion is recorded in the Statement of Activities.		(57,226)
Governmental funds report bond principal payments as expenditures. However, in the Statement of Net Position, bond principal payments are reported as decreases in long-term liabilities.		2,480,000
Governmental funds report interest expenditures on long-term debt as expenditures in the year paid. However, in the Statement of Net Position, interest is accrued on the long-term debt through fiscal year-end.		31,495
Change in Net Position - Governmental Activities	$	1,973,978

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

NOTE 1. CREATION OF DISTRICT

Brazoria County Municipal Utility District No. 28 of Brazoria and Harris Counties, Texas (the "District") was created effective February 27, 2003, by an Order of the Texas Commission on Environmental Quality (the "Commission"). Pursuant to the provisions of Chapters 49 and 54 of the Texas Water Code, the District is empowered to purchase, operate and maintain all facilities, plants, and improvements necessary to provide water, sanitary sewer service, storm sewer drainage, irrigation, solid waste collection and disposal, including recycling, and to construct parks and recreational facilities for the residents of the District. The District is also empowered to contract for or employ its own peace officers with powers to make arrests and to establish, operate and maintain a fire department to perform all fire-fighting activities within the District. The Board of Directors held its first meeting on March 12, 2003, and the first bonds were sold on July 18, 2006.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

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

Financial Statement Presentation

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

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

These classifications are defined as follows:

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

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

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

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

Government-Wide Financial Statements

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

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

The Statement of Activities is reported by adjusting the governmental fund types to report only items related to current year revenues and expenditures. Items such as capital outlay are allocated over their estimated useful lives as depreciation expense. Internal activities between governmental funds, if any, are eliminated by adjustment to obtain net total revenue and expense in the government-wide Statement of Activities.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

The District's fund financial statements are combined with the government-wide financial statements. The fund financial statements include a Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances.

Governmental Funds

The District has three governmental funds and considers each to be a major fund.

General Fund – To account for resources not required to be accounted for in another fund, maintenance tax revenues, contract revenues and general expenditures.

Debt Service Fund – To account for ad valorem taxes and financial resources restricted, committed or assigned for servicing bond debt and the cost of assessing and collecting taxes.

Capital Projects Fund – To account for financial resources restricted, committed or assigned for acquisition or construction of facilities and related costs.

Basis of Accounting

The District uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both "measurable and available." Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. The District considers revenues reported in the governmental funds to be available if they are collectable within 60 days after year-end. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred except for principal and interest on long-term debt, which are recognized as expenditures when payment is due.

Property taxes considered available by the District and included in revenue include taxes collected during the year and taxes collected after year-end, which were considered available to defray the expenditures of the current year. Deferred inflows of resources related to property tax revenues are those taxes which the District does not reasonably expect to be collected soon enough in the subsequent period to finance current expenditures.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

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

As of July 31, 2025, the General Fund recorded a payable of $1,566 to the Debt Service Fund for the over transfer of maintenance taxes.

Pensions

A pension plan has not been established. The District does not have employees, except that the Internal Revenue Service has determined that directors are considered to be "employees" for federal payroll tax purposes only.

Capital Assets

Capital assets, which include land, utilities infrastructure, detention facilities, and drainage impact fees, are reported in the government-wide Statement of Net Position. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Repairs and maintenance are recorded as expenditures in the governmental fund incurred and as an expense in the government-wide Statement of Activities. Capital asset additions, improvements and preservation costs that extend the life of an asset are capitalized and depreciated over the estimated useful life of the asset. Engineering fees and certain other costs are capitalized as part of the asset. Assets are capitalized, including infrastructure assets, if they have an original cost greater than $5,000 and a useful life over two years. Depreciation is calculated on each class of depreciable property using the straight-line method of depreciation over 45 years. The District is responsible for maintaining the drainage and detention aspects of its detention ponds.

In accordance with the Utility Agreement with the City of Pearland (see Note 9) certain utility facilities have been conveyed to the City of Pearland for operations and maintenance. In exchange for the conveyance of these assets, the City of Pearland agrees to provide water and wastewater services to residents of the District. The District retains significant residual interest in the facilities conveyed and, therefore, continues to record these facilities as capital assets of the District pursuant to GASB Statement No. 94.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgeting

An annual budget is adopted for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The original General Fund budget for the current year was amended. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund presents the final budgeted amounts compared to the actual amounts of revenues and expenditures for the current year.

Measurement Focus

Measurement focus is a term used to describe which transactions are recognized within the various financial statements. In the government-wide Statement of Net Position and Statement of Activities, the governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position, financial position, and cash flows. All assets and liabilities associated with the activities are reported. Fund equity is classified as net position.

Governmental fund types are accounted for on a spending or financial flow measurement focus. Accordingly, only current assets and current liabilities are included on the Balance Sheet, and the reported fund balances provide an indication of available spendable or appropriable resources. Operating statements of governmental fund types report increases and decreases in available spendable resources.

Fund balances in governmental funds are classified using the following hierarchy:

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

Restricted: amounts that can be spent only for specific purposes because of constitutional provisions, or enabling legislation, or because of constraints that are imposed externally.

Committed: amounts that can be spent only for purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. This action must be made no later than the end of the fiscal year. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. The District does not have any committed fund balances.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus (Continued)

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

Accounting Estimates

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

NOTE 3. LONG-TERM DEBT

Changes in bonds payable during the current fiscal year are summarized in the following table:

	August 1, 2024	Additions	Retirements	July 31, 2025
Bonds Payable	$ 53,905,000	$	$ 2,480,000	$ 51,425,000
Unamortized Discounts	(688,096)		43,358	(644,738)
Unamortized Premiums	745,443		(46,707)	698,736
Bonds Payable, Net	$ 53,962,347	$ -0-	$ 2,476,651	$ 51,478,998

Amount Due Within One Year	$ 2,560,000
Amount Due After One Year	48,918,998
Bonds Payable, Net	$ 51,478,998

NOTE 3. LONG-TERM DEBT (Continued)

	Series 2016	Series 2017	Refunding Series 2021	Series 2021A
Amount Outstanding – July 31, 2025	$ 11,680,000	$ 20,685,000	$ 14,630,000	$ 4,430,000
Interest Rates	2.50% - 3.50%	3.00% - 3.50%	2.00% - 4.00%	1.00% - 2.125%
Maturity Date	September 1, 2025/2040	September 1, 2025/2040	September 1, 2025/2040	September 1, 2025/2040
Interest Payment Dates	September 1/ March 1	September 1/ March 1	September 1/ March 1	September 1/ March 1
Callable Dates	September 1, 2023*	September 1, 2024*	September 1, 2026*	September 1, 2026*

* Or any date thereafter at a price of par plus unpaid accrued interest in whole or in part, at the option of the District. Series 2016 term bonds maturing on September 1, 2040 are subject to mandatory redemption by random selection beginning September 1, 2038. Series 2017 term bonds maturing on September 1, 2038 and 2040 are subject to mandatory redemption by random selection beginning September 1, 2037 and 2039, respectively. Series 2021A term bonds maturing on September 1, 2036, 2038, and 2040 are subject to mandatory redemption by random selection beginning September 1, 2035, 2037, and 2039, respectively.

As of July 31, 2025, the debt service requirements on the bonds outstanding were as follows:

Fiscal Year	Principal	Interest	Total
2026	2,560,000	1,408,488	3,968,488
2027	2,645,000	1,332,012	3,977,012
2028	2,730,000	1,263,100	3,993,100
2029	2,805,000	1,197,472	4,002,472
2030	2,880,000	1,128,718	4,008,718
2031-2035	15,675,000	4,489,721	20,164,721
2036-2040	18,150,000	2,081,756	20,231,756
2041	3,980,000	63,631	4,043,631
	$ 51,425,000	$ 12,964,898	$ 64,389,898

As of July 31, 2025, the District had authorized but unissued bonds for the purposes of acquiring or constructing utility facilities in the amount of $19,410,000 and authorization of $57,115,000 for refunding purposes. The bonds are payable from the proceeds of an ad valorem tax levied upon all property subject to taxation within the District, without limitation as to rate or amount.

NOTE 3. LONG-TERM DEBT (Continued)

During the year ended July 31, 2025, the District levied an ad valorem debt service tax rate of $0.45 per $100 of assessed valuation, which resulted in a tax levy of $3,547,392 on the adjusted taxable valuation of $788,309,296 for the 2024 tax year. The bond resolutions require the District to levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due and the cost of assessing and collecting taxes. See Note 7 for the maintenance tax levy.

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

NOTE 4. SIGNIFICANT BOND RESOLUTION AND LEGAL REQUIREMENTS

The District has covenanted that it will take all necessary steps to comply with the requirement that rebatable arbitrage earnings on the investment of the gross proceeds of the bonds, within the meaning of Section 148(f) of the Internal Revenue Code, be rebated to the federal government. The minimum requirement for determination of the rebatable amount is on each five-year anniversary of the bonds. The District is required to provide continuing disclosure of certain general financial information and operating data, as well as notice of certain material events as defined by federal securities laws, with respect to the District to certain information repositories. This information, along with the audited annual financial statements, is to be provided within six months after the end of each fiscal year and shall continue to be provided through the life of the bonds.

NOTE 5. DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District's deposit policy for custodial credit risk requires compliance with the provisions of Texas statutes. Texas statutes require that any cash balance in any fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a valid pledge to the District of collateral eligible under the laws of Texas to secure the funds of the District, having an aggregate market value, including accrued interest, at all times equal to the uninsured cash balance in the fund to which such collateral is pledged.

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

At fiscal year end, the carrying amount of the District's deposits was $1,049,551 and the bank balance was $1,052,336. The bank balance was covered by federal depository insurance. The carrying values of the deposits at July 31, 2025, is summarized in the following table:

	Cash	Certificates of Deposit	Total
GENERAL FUND	$ 274,244	$ 235,906	$ 510,150
DEBT SERVICE FUND	74,033	460,000	534,033
CAPITAL PROJECTS FUND	5,368		5,368
TOTAL DEPOSITS	$ 353,645	$ 695,906	$ 1,049,551

Restrictions

All cash and investments of the Debt Service Fund are restricted for payment of debt service and the cost of assessing and collecting taxes. All cash and investments of the Capital Projects Fund are restricted for the purchase of capital assets.

Investments

Under Texas law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity and that address investment diversification, yield, maturity, and the quality and capability of investment management, and all District funds must be invested in accordance with the following investment objectives: understanding the suitability of the investment to the District's financial requirements, first; preservation and safety of principal, second; liquidity, third; marketability of the investments if the need arises to liquidate the investment before maturity, fourth; diversification of the investment portfolio, fifth; and yield, sixth. The District's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived." No person may invest District funds without express written authority from the Board of Directors. Texas statutes include specifications for and limitations applicable to the District and its authority to purchase investments as defined in the Public Funds Investment Act. The District has adopted a written investment policy to establish the guidelines by which it may invest which is reviewed annually and which may be more restrictive than the Public Funds Investment Act.

NOTE 5. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

As of July 31, 2025, the District had the following investments and maturities:

Funds and Investment Type	Fair Value	Maturities of Less Than 1 Year
GENERAL FUND		
TexSTAR	$ 7,565,239	$ 7,565,239
Certificate of Deposit	235,906	235,906
DEBT SERVICE FUND		
TexSTAR	7,062,423	7,062,423
Certificates of Deposit	460,000	460,000
CAPITAL PROJECTS FUND		
TexSTAR	680,057	680,057
TOTAL INVESTMENTS	$ 16,003,625	$ 16,003,625

The District invests in the Texas Short Term Asset Reserve Program ("TexSTAR"), an external public funds investment pool that is not SEC-registered. J. P. Morgan Investment Management Inc. provides investment management and Hilltop Securities Inc., provides participant services and marketing. Custodial, fund accounting and depository services are provided by JPMorgan Chase Bank, N.A. and/or its subsidiary J.P. Morgan Investors Services Co. Investments held by TexSTAR are marked to market daily. The investments are considered to be Level I investments because their fair value is measured by quoted prices in active markets. The fair value of the District's position in the pool is the same as the value of the pool shares. There are no limitations or restrictions on withdrawals from TexSTAR.

Certificates of deposit are reported by the District at acquisition cost.

Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The District's investment in TexSTAR was rated AAAm by Standard and Poor's. The District also manages credit risk by investing in certificates of deposit with balances that are below FDIC insurance coverage. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District considers the investment in TexSTAR to have a maturity of less than one year since the share position can usually be redeemed each day at the discretion of the District, unless there has been a significant change in value. The District also manages interest rate risk by investing in certificates of deposit with maturities of less than one year.

NOTE 6. CAPITAL ASSETS

In accordance with the Utility Agreement with the City of Pearland (see Note 9) certain utility facilities have been conveyed to the City of Pearland for operations and maintenance. In exchange for the conveyance of these assets, the City of Pearland agrees to provide water and wastewater services to residents of the District. The District retains significant residual interest in the facilities conveyed and, therefore, continues to record these facilities as capital assets of the District pursuant to GASB Statement No. 94. To date, the District has conveyed $38,875,456 of utility facilities to the City.

Capital asset activity for the current fiscal year is summarized in the following table:

	August 1, 2024	Increases	Decreases	July 31, 2025
Capital Assets Not Being Depreciated				
Land for Detention Facilities	$ 6,001,385	$ -0-	$ - 0 -	$ 6,001,385
Capital Assets Subject to Depreciation				
Utility Infrastructure	$ 38,875,456	$	$	$ 38,875,456
Detention Facilities	8,918,852			8,918,852
Drainage Impact Fees	10,892,628			10,892,628
Total Capital Assets Subject to Depreciation	$ 58,686,936	$ - 0 -	$ - 0 -	$ 58,686,936
Accumulated Depreciation				
Utility Infrastructure	$ 10,319,501	$ 862,395	$	$ 11,181,896
Detention Facilities	2,432,499	198,432		2,630,931
Drainage Impact Fees	2,278,008	242,733		2,520,741
Total Accumulated Depreciation	$ 15,030,008	$ 1,303,560	$ - 0 -	$ 16,333,568
Total Depreciable Capital Assets, Net of Accumulated Depreciation	$ 43,656,928	$ (1,303,560)	$ - 0 -	$ 42,353,368
Total Capital Assets, Net of Accumulated Depreciation	$ 49,658,313	$ (1,303,560)	$ - 0 -	$ 48,354,753

NOTE 7. MAINTENANCE TAX

On May 3, 2003, the voters of the District approved the levy and collection of a maintenance tax not to exceed $1.00 per $100 of assessed valuation of taxable property within the District. This maintenance tax is to be used by the General Fund to pay expenditures of operating the District. During the year ended July 31, 2025, the District levied an ad valorem maintenance tax rate of $0.11 per $100 of assessed valuation, which resulted in a tax levy of $867,140 on the adjusted taxable valuation of $788,309,296 for the 2024 tax year.

NOTE 8. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions and natural disasters from which the District carries commercial insurance. There have been no significant reductions in coverage from the prior year and there have been no settlements in the past three years.

NOTE 9. UTILITY AGREEMENT

On September 3, 2003, the District executed a Utility Agreement dated February 25, 2002, between the City and two developers in the District. The Utility Agreement was executed by the Developers on behalf of the District and amended on June 26, 2017, in contemplation of additional tracts of land annexed into the District. The Agreement acknowledges that the District is within the corporate limits of the City. The Agreement provides that the District acquire for the benefit of and conveyance to the City the water, sewer and drainage utilities needed to serve lands being developed within the boundaries of the District and in order to enhance the economic feasibility of the District. The City agreed to make annual tax and monthly water and sewer revenue rebate payments to the District in consideration of the District's financing, acquisition, and construction of such facilities.

The Agreement contemplates that the District will issue bonds from time to time, when economically feasible and allowed by law and appreciable regulations, to finance the facilities. Upon completion of construction of the utilities and until the bonds financing the facilities are retired, the utilities will be conveyed to the City and a security interest will be reserved to the District for the purpose of securing the performance of the City under the Agreement. Upon conveyance of the facilities to the City, the City will assume responsibility for the operation and maintenance of the facilities.

The City is obligated to expand, enlarge, and modify its water supply and distribution system and its wastewater treatment and collection system to have capacity available to serve new improvements within the District. In consideration for the provision of the requisite capacities, the District agrees to pay to the City a connection charge per equivalent connection. The City can amend the connection charge from time to time in accordance with the requirements of state law.

The City imposes a monthly surcharge per equivalent single-family connection located within the District which the City pays to the District monthly. During the current fiscal year, $159,098 in revenue was received for monthly surcharge contract payments.

NOTE 9. UTILITY AGREEMENT (Continued)

The District and City acknowledge that the City has the legal authority to dissolve the District should the appropriate circumstances exist. The City agrees that the District will not be abolished until such time as the District is fully developed and has sold all bonds necessary to finance the costs of the facilities and has reimbursed developers and landowners within the District in accordance with the financing and reimbursement agreements previously entered into by the District. The term of the Agreement is limited to either the dissolution of the District by the City or the expiration of 40 years from the date of the Agreement.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 28

REQUIRED SUPPLEMENTARY INFORMATION

JULY 31, 2025

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 28
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND FOR THE YEAR ENDED JULY 31, 2025

	Original Budget	Final Amended Budget	Actual	Variance Positive (Negative)
REVENUES				
Property Taxes	$ 440,000	$ 870,000	$ 860,811	$ (9,189)
Contract Revenues	160,000	160,000	159,098	(902)
Investment and Miscellaneous Revenues	6,000	6,000	340,497	334,497
TOTAL REVENUES	$ 606,000	$ 1,036,000	$ 1,360,406	$ 324,406
EXPENDITURES				
Service Operations:				
Professional Fees	$ 130,000	$ 130,000	$ 161,294	$ (31,294)
Contracted Services	26,700	26,700	27,750	(1,050)
Repairs and Maintenance	157,000	157,000	94,066	62,934
Other	47,224	47,224	44,349	2,875
TOTAL EXPENDITURES	$ 360,924	$ 360,924	$ 327,459	$ 33,465
NET CHANGE IN FUND BALANCE	$ 245,076	$ 675,076	$ 1,032,947	$ 357,871
FUND BALANCE - AUGUST 1, 2024	7,004,959	7,004,959	7,004,959	
FUND BALANCE - JULY 31, 2025	$ 7,250,035	$ 7,680,035	$ 8,037,906	$ 357,871

See accompanying independent auditor's report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 28

SUPPLEMENTARY INFORMATION REQUIRED BY THE

WATER DISTRICT FINANCIAL MANAGEMENT GUIDE

JULY 31, 2025

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 28
SERVICES AND RATES
FOR THE YEAR ENDED JULY 31, 2025

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

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

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

X Other (specify): Storm Water Detention

Pursuant to an agreement between the District and the City certain utilities (except storm water detention ponds) constructed by the District have been conveyed to the City. The City maintains and operates the facilities for the benefit of the residents of the District. Therefore, the District will not be responsible for operation of the utilities within its boundaries. The District is responsible for maintaining the drainage and detention aspects of its detention ponds.

2. RETAIL SERVICE PROVIDERS: NOT APPLICABLE

3. TOTAL WATER CONSUMPTION: NOT APPLICABLE

4. STANDBY FEES: NOT APPLICABLE

5. LOCATION OF DISTRICT:

Is the District located entirely within one county?

Yes _____ No X

Counties in which District is located:

Brazoria and Harris Counties, Texas

Is the District located within a city?

Entirely X Partly _____ Not at all _____

See accompanying independent auditor's report.

5. LOCATION OF DISTRICT: (Continued)

City in which the District is Located:

City of Pearland, Texas

Are Board Members appointed by an office outside the District?

Yes ____ No X

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 28
GENERAL FUND EXPENDITURES
FOR THE YEAR ENDED JULY 31, 2025

PROFESSIONAL FEES:		
Auditing	$	21,000
Engineering		32,383
Legal		107,911
TOTAL PROFESSIONAL FEES	$	161,294
CONTRACTED SERVICES:		
Bookkeeping	$	27,750
REPAIRS AND MAINTENANCE	$	94,066
ADMINISTRATIVE EXPENDITURES:		
Director Fees, Including Payroll Taxes	$	16,721
Insurance		8,785
Office Supplies and Postage		1,552
Travel and Meetings		5,056
Permit Fees, Dues and Other		12,235
TOTAL ADMINISTRATIVE EXPENDITURES	$	44,349
TOTAL EXPENDITURES	$	327,459

See accompanying independent auditor's report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 28
INVESTMENTS
JULY 31, 2025

Funds	Identification or Certificate Number	Interest Rate	Maturity Date	Balance at End of Year	Accrued Interest Receivable at End of Year
GENERAL FUND					
TexSTAR	XXXX2220	Varies	Daily	$ 7,565,239	$
Certificate of Deposit	XXXX7560	4.25%	12/18/25	235,906	1,181
TOTAL GENERAL FUND				$ 7,801,145	$ 1,181
DEBT SERVICE FUND					
TexSTAR	XXXX3330	Varies	Daily	$ 7,062,423	$
Certificate of Deposit	XXXX6812	4.26%	09/18/25	230,000	3,624
Certificate of Deposit	XXXX2457	4.15%	06/03/26	230,000	1,517
TOTAL DEBT SERVICE FUND				$ 7,522,423	$ 5,141
CAPITAL PROJECTS FUND					
TexSTAR	XXXX4440	Varies	Daily	$ 680,057	$ -0-
TOTAL - ALL FUNDS				$ 16,003,625	$ 6,322

See accompanying independent auditor's report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 28
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JULY 31, 2025

	Maintenance Taxes		Debt Service Taxes	
TAXES RECEIVABLE - AUGUST 1, 2024	$ 13,519		$ 45,886	
Adjustments to Beginning Balance	(6,878)	$ 6,641	(31,839)	$ 14,047
Original 2024 Tax Levy	$ 822,420		$ 3,364,446	
Adjustment to 2024 Tax Levy	44,720	867,140	182,946	3,547,392
TOTAL TO BE ACCOUNTED FOR		$ 873,781		$ 3,561,439
TAX COLLECTIONS:				
Prior Years	$ (159)		$ (5,195)	
Current Year	860,970	860,811	3,522,150	3,516,955
TAXES RECEIVABLE - JULY 31, 2025		$ 12,970		$ 44,484
TAXES RECEIVABLE BY YEAR:				
2024		$ 6,170		$ 25,242
2023		861		7,466
2022		758		1,547
2021		705		901
2020 and prior		4,476		9,328
TOTAL		$ 12,970		$ 44,484

See accompanying independent auditor's report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 28
TAXES LEVIED AND RECEIVABLE
FOR THE YEAR ENDED JULY 31, 2025

	2024	2023	2022	2021
PROPERTY VALUATIONS:				
Land	$ 128,029,251	$ 124,873,831	$ 110,055,804	$ 105,662,049
Improvements	925,577,612	907,143,719	785,522,560	660,996,466
Personal Property	12,286,988	11,726,331	11,359,256	10,235,783
Exemptions	(277,584,555)	(305,675,227)	(246,252,025)	(188,821,794)
TOTAL PROPERTY VALUATIONS	$ 788,309,296	$ 738,068,654	$ 660,685,595	$ 588,072,504
TAX RATES PER $100 VALUATION:				
Debt Service	$ 0.45	$ 0.52	$ 0.51	$ 0.46
Maintenance	0.11	0.06	0.25	0.36
TOTAL TAX RATES PER $100 VALUATION	$ 0.56	$ 0.58	$ 0.76	$ 0.82
ADJUSTED TAX LEVY*	$ 4,414,532	$ 4,280,799	$ 5,021,211	$ 4,822,194
PERCENTAGE OF TAXES COLLECTED TO TAXES LEVIED	99.29 %	99.81 %	99.95 %	99.97 %

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

Maintenance Tax – Maximum tax rate of $1.00 per $100 of assessed valuation approved by voters on May 3, 2003.

See accompanying independent auditor's report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 28
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2025

Due During Fiscal Years Ending July 31	SERIES-2016 Principal Due September 1	Interest Due September 1/ March 1	Total
2026	$ 370,000	$ 375,669	$ 745,669
2027	385,000	365,991	750,991
2028	375,000	355,781	730,781
2029	390,000	344,775	734,775
2030	380,000	333,225	713,225
2031	405,000	321,450	726,450
2032	425,000	309,000	734,000
2033	450,000	295,594	745,594
2034	475,000	281,141	756,141
2035	500,000	265,594	765,594
2036	1,150,000	238,781	1,388,781
2037	1,200,000	199,844	1,399,844
2038	1,225,000	158,922	1,383,922
2039	1,250,000	116,375	1,366,375
2040	1,325,000	71,312	1,396,312
2041	1,375,000	24,062	1,399,062
	$ 11,680,000	$ 4,057,516	$ 15,737,516

See accompanying independent auditor's report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 28
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2025

Due During Fiscal Years Ending July 31	SERIES-2017 Principal Due September 1	Interest Due September 1/ March 1	Total
2026	$ 975,000	$ 656,369	$ 1,631,369
2027	1,000,000	626,744	1,626,744
2028	1,050,000	595,994	1,645,994
2029	1,075,000	564,118	1,639,118
2030	1,125,000	531,119	1,656,119
2031	1,175,000	496,619	1,671,619
2032	1,225,000	460,619	1,685,619
2033	1,250,000	422,712	1,672,712
2034	1,300,000	382,056	1,682,056
2035	1,350,000	338,994	1,688,994
2036	1,400,000	293,431	1,693,431
2037	1,435,000	245,591	1,680,591
2038	1,500,000	195,125	1,695,125
2039	1,575,000	141,312	1,716,312
2040	1,600,000	85,750	1,685,750
2041	1,650,000	28,875	1,678,875
	$ 20,685,000	$ 6,065,428	$ 26,750,428

See accompanying independent auditor's report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 28
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2025

Due During Fiscal Years Ending July 31	REFUNDING SERIES-2021		
	Principal Due September 1	Interest Due September 1/ March 1	Total
2026	$ 815,000	$ 303,337	$ 1,118,337
2027	855,000	274,214	1,129,214
2028	910,000	252,287	1,162,287
2029	945,000	233,738	1,178,738
2030	985,000	214,437	1,199,437
2031	1,010,000	194,488	1,204,488
2032	1,040,000	173,987	1,213,987
2033	1,060,000	152,987	1,212,987
2034	1,090,000	131,487	1,221,487
2035	1,105,000	109,538	1,214,538
2036	725,000	91,237	816,237
2037	760,000	76,387	836,387
2038	790,000	60,887	850,887
2039	820,000	44,788	864,788
2040	845,000	28,137	873,137
2041	875,000	9,844	884,844
	$ 14,630,000	$ 2,351,780	$ 16,981,780

See accompanying independent auditor's report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 28
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2025

Due During Fiscal Years Ending July 31	SERIES-2021A		
	Principal Due September 1	Interest Due September 1/ March 1	Total
2026	$ 400,000	$ 73,113	$ 473,113
2027	405,000	65,063	470,063
2028	395,000	59,038	454,038
2029	395,000	54,841	449,841
2030	390,000	49,937	439,937
2031	370,000	44,481	414,481
2032	355,000	38,156	393,156
2033	375,000	30,856	405,856
2034	355,000	23,556	378,556
2035	360,000	16,406	376,406
2036	135,000	11,456	146,456
2037	125,000	8,856	133,856
2038	110,000	6,506	116,506
2039	95,000	4,456	99,456
2040	85,000	2,603	87,603
2041	80,000	850	80,850
	$ 4,430,000	$ 490,174	$ 4,920,174

See accompanying independent auditor's report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 28
LONG-TERM DEBT SERVICE REQUIREMENTS
JULY 31, 2025

Due During Fiscal Years Ending July 31	ANNUAL REQUIREMENTS FOR ALL SERIES		
	Total Principal Due	Total Interest Due	Total Principal and Interest Due
2026	$ 2,560,000	$ 1,408,488	$ 3,968,488
2027	2,645,000	1,332,012	3,977,012
2028	2,730,000	1,263,100	3,993,100
2029	2,805,000	1,197,472	4,002,472
2030	2,880,000	1,128,718	4,008,718
2031	2,960,000	1,057,038	4,017,038
2032	3,045,000	981,762	4,026,762
2033	3,135,000	902,149	4,037,149
2034	3,220,000	818,240	4,038,240
2035	3,315,000	730,532	4,045,532
2036	3,410,000	634,905	4,044,905
2037	3,520,000	530,678	4,050,678
2038	3,625,000	421,440	4,046,440
2039	3,740,000	306,931	4,046,931
2040	3,855,000	187,802	4,042,802
2041	3,980,000	63,631	4,043,631
	$ 51,425,000	$ 12,964,898	$ 64,389,898

See accompanying independent auditor's report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 28
CHANGES IN LONG-TERM BOND DEBT
FOR THE YEAR ENDED JULY 31, 2025

Description	Original Bonds Issued	Bonds Outstanding August 1, 2024
Brazoria County Municipal Utility District No. 28 Unlimited Tax Bonds - Series 2016	$ 13,950,000	$ 12,035,000
Brazoria County Municipal Utility District No. 28 Unlimited Tax Bonds - Series 2017	25,910,000	21,635,000
Brazoria County Municipal Utility District No. 28 Unlimited Tax Refunding Bonds - Series 2021	16,715,000	15,410,000
Brazoria County Municipal Utility District No. 28 Unlimited Tax Bonds - Series 2021A	5,220,000	4,825,000
TOTAL	$ 61,795,000	$ 53,905,000

Bond Authority:	Tax Bonds	Refunding Bonds
Amount Authorized by Voters	$ 89,155,000	$ 57,850,000
Amount Issued	(69,745,000)	(735,000)
Remaining to be Issued	$ 19,410,000	$ 57,115,000

Debt Service Fund cash and investment balances as of July 31, 2025:	$ 7,596,456
Average annual debt service payment for remaining term of all bond debt:	$ 4,024,369

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

See accompanying independent auditor's report.

Current Year Transactions				
	Retirements		Bonds Outstanding	
Bonds Sold	Principal	Interest	July 31, 2025	Paying Agent
$	$ 355,000	$ 384,287	$ 11,680,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	950,000	685,244	20,685,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	780,000	335,237	14,630,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
	395,000	81,063	4,430,000	The Bank of New York Mellon Trust Company, N.A. Dallas, TX
$ - 0 -	$ 2,480,000	$ 1,485,831	$ 51,425,000	

See accompanying independent auditor's report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 28
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
GENERAL FUND - FIVE YEARS

	Amounts		
	2025	2024	2023
REVENUES			
Property Taxes	$ 860,811	$ 437,122	$ 1,644,958
Contract Revenues	159,098	161,990	159,547
Investment and Miscellaneous Revenues	340,497	357,042	216,010
TOTAL REVENUES	$ 1,360,406	$ 956,154	$ 2,020,515
EXPENDITURES			
Professional Fees	$ 161,294	$ 141,201	$ 122,305
Contracted Services	27,750	26,425	26,450
Repairs and Maintenance	94,066	79,975	168,334
Other	44,349	38,816	35,618
TOTAL EXPENDITURES	$ 327,459	$ 286,417	$ 352,707
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	$ 1,032,947	$ 669,737	$ 1,667,808
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	$ -0-	$ -0-	$ -0-
NET CHANGE IN FUND BALANCE	$ 1,032,947	$ 669,737	$ 1,667,808
BEGINNING FUND BALANCE	7,004,959	6,335,222	4,667,414
ENDING FUND BALANCE	$ 8,037,906	$ 7,004,959	$ 6,335,222

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2022	2021	2025	2024	2023	2022	2021
$ 2,100,451	$ 1,784,411	63.2 %	45.7 %	81.4 %	92.4 %	91.7 %
158,420	155,475	11.7	16.9	7.9	7.0	8.0
13,885	6,077	25.1	37.4	10.7	0.6	0.3
$ 2,272,756	$ 1,945,963	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
$ 107,992	$ 160,472	11.9 %	14.8 %	6.1 %	4.8 %	8.2 %
22,081	17,400	2.0	2.8	1.3	1.0	0.9
77,753	120,467	6.9	8.4	8.3	3.4	6.2
36,010	37,545	3.3	4.1	1.8	1.5	2.0
$ 243,836	$ 335,884	24.1 %	30.1 %	17.5 %	10.7 %	17.3 %
$ 2,028,920	$ 1,610,079	75.9 %	69.9 %	82.5 %	89.3 %	82.7 %
$ (1,982,000)	$ -0-					
$ 46,920	$ 1,610,079					
4,620,494	3,010,415					
$ 4,667,414	$ 4,620,494					

See accompanying independent auditor's report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 28
COMPARATIVE SCHEDULE OF REVENUES AND EXPENDITURES
DEBT SERVICE FUND - FIVE YEARS

	Amounts		
	2025	2024	2023
REVENUES			
Property Taxes	$ 3,516,955	$ 3,807,665	$ 3,356,451
Contract Revenues			1,109,955
Penalty and Interest	28,793	23,593	24,289
Investment and Miscellaneous Revenues	277,059	334,140	231,658
TOTAL REVENUES	$ 3,822,807	$ 4,165,398	$ 4,722,353
EXPENDITURES			
Tax Collection Expenditures	$ 84,043	$ 88,588	$ 103,422
Contract Payments Reimbursement		290,044	
Debt Service Principal	2,480,000	2,395,000	1,925,000
Debt Service Interest and Fees	1,489,131	1,562,194	1,627,706
Debt Issuance Costs			
TOTAL EXPENDITURES	$ 4,053,174	$ 4,335,826	$ 3,656,128
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	$ (230,367)	$ (170,428)	$ 1,066,225
OTHER FINANCING SOURCES (USES)			
Proceeds From Issuance of Refunding Bonds	$	$	$
Payment to Refunded Bond Escrow Agent			
Bond Premium			
TOTAL OTHER FINANCING SOURCES (USES)	$ - 0 -	$ - 0 -	$ - 0 -
NET CHANGE IN FUND BALANCE	$ (230,367)	$ (170,428)	$ 1,066,225
BEGINNING FUND BALANCE	7,812,233	7,982,661	6,916,436
ENDING FUND BALANCE	$ 7,581,866	$ 7,812,233	$ 7,982,661
TOTAL ACTIVE RETAIL WATER CONNECTIONS	N/A	N/A	N/A
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	N/A	N/A	N/A

See accompanying independent auditor's report.

		Percentage of Total Revenues				
2022	2021	2025	2024	2023	2022	2021
$ 2,683,019	$ 2,788,969	92.0 %	91.4 %	71.1 %	72.0 %	73.6 %
1,008,449	968,937			23.5	27.0	25.6
14,756	22,766	0.8	0.6	0.5	0.4	0.6
20,653	7,364	7.2	8.0	4.9	0.6	0.2
$ 3,726,877	$ 3,788,036	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
$ 76,178	$ 83,453	2.2 %	2.1 %	2.2 %	2.1 %	2.2 %
			7.0			
1,835,000	1,705,000	64.8	57.4	40.7	49.2	45.0
1,497,734	1,871,725	39.0	37.5	34.5	40.2	49.4
	610,343					16.1
$ 3,408,912	$ 4,270,521	106.0 %	104.0 %	77.4 %	91.5 %	112.7 %
$ 317,965	$ (482,485)	(6.0) %	(4.0) %	22.6 %	8.5 %	(12.7) %
$	$ 16,715,000					
	(16,454,290)					
	353,561					
$ - 0 -	$ 614,271					
$ 317,965	$ 131,786					
6,598,471	6,466,685					
$ 6,916,436	$ 6,598,471					
N/A	N/A					
N/A	N/A					

See accompanying independent auditor's report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 28
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JULY 31, 2025

District Mailing Address - Brazoria County Municipal Utility District No. 28
c/o Allen Boone Humphries Robinson LLP
3200 Southwest Freeway, Suite 2600
Houston, TX 77027

District Telephone Number - (713) 860-6400

Current Board Members:	Term of Office (Elected or Appointed)	Fees of office for the year ended July 31, 2025	Expense reimbursements for the year ended July 31, 2025	Title
Nigel Brooks	05/2022 05/2026 (Elected)	$ 2,652	$ 243	President
Richard Escamilla	05/2022 05/2026 (Elected)	$ 6,188	$ 2,701	Vice President
Christine Leveille	05/2024 05/2028 (Elected)	$ 2,431	$ 268	Assistant Vice President
Kimi Van Wie	05/2024 05/2028 (Elected)	$ 2,652	$ 308	Secretary
Chuck Kays	04/2024 05/2026 (Appointed)	$ 1,547	$ 166	Assistant Secretary

Notes: No Director has any business or family relationships (as defined by the Texas Water Code) with major landowners in the District, with the District's developers or with any of the District's consultants.

The most recent submission date of the District Registration Form was on May 16, 2024.

The limit on Fees of Office that a Director may receive during a fiscal year is the maximum amount allowed by law as set by Board Resolution on March 12, 2003. Fees of Office are the amounts actually paid to a Director during the District's current fiscal year.

See accompanying independent auditor's report.

BRAZORIA COUNTY MUNICIPAL UTILITY DISTRICT NO. 28
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS
JULY 31, 2025

Consultants:	Date Hired	Fees / Compensation for the year ended July 31, 2025	Title
Allen Boone Humphries Robinson LLP	07/28/03	$ 114,523	General Counsel
McCall Gibson Swedlund Ellis Barfoot PLLC	11/03/04	$ 21,000	Auditor
Myrtle Cruz, Inc.	05/07/03	$ 28,917	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	03/03/04	$ 6,994	Delinquent Tax Attorney
LJA Engineering, Inc.	05/07/03	$ 32,383	Engineer
Rathmann & Associates, L.P.	05/07/03	$ -0-	Financial Advisor
Mary Jarmon c/o Myrtle Cruz, Inc.	08/18/10	$ -0-	Investment Officer
Assessments of the Southwest, Inc.	06/04/03	$ 41,395	Tax Assessor/ Collector

See accompanying independent auditor's report.


RATHMANN
&
ASSOCIATES
Financial Advisor to the District