OFFICIAL NOTICE OF SALE

$2,300,000
PILOT KNOB MUNICIPAL UTILITY DISTRICT NO. 2
(A Political Subdivision of the State of Texas Located in Travis County, Texas)
UNLIMITED TAX BONDS, SERIES 2026

Selling (Bids Due): Monday, December 7, 2026 at 9:00 A.M., CST
Award Expected: 11:00 A.M., CST

The 2026 Bonds (defined herein) are obligations solely of Pilot Knob Municipal Utility District No. 2 (the "District") and are not obligations of the City of Austin, Texas; Del Valle Independent School District; Travis County, Texas; the State of Texas or any entity other than the District.

THE DISTRICT EXPECTS TO DESIGNATE THE 2026 BONDS AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS.

THE SALE

2026 BONDS OFFERED FOR SALE AT COMPETITIVE BIDDING . . . The Board of Directors (the "Board") of the District is inviting competitive bids for the purchase of its $2,300,000 Unlimited Tax Bonds, Series 2026 (the "2026 Bonds"). Sealed bids may be submitted by either of two alternative procedures: (1) written bids; or (2) electronic bids. Prospective bidders may select one of the two alternative bidding procedures in their sole discretion. Neither the District nor its Financial Advisor, Specialized Public Finance Inc., assumes any responsibility or liability for a prospective bidding procedure.

The District and Specialized Public Finance Inc. assume no responsibility or liability with respect to any irregularities associated with the submission of bids by telephone, facsimile or electronic options.

Specialized Public Finance Inc. will not be responsible for submitting any bids received after the deadline. For the purpose of determining compliance with any and all time deadlines set forth in this Official Notice of Sale, for all alternative bidding procedures, the official time shall be the time maintained only by the Parity Electronic Bid Submission System ("PARITY").

PROCEDURE NUMBER 1: SEALED, WRITTEN BIDS DELIVERED IN PERSON . . . Bids, plainly marked "Bid for 2026 Bonds" should be addressed to the "Board of Directors of Pilot Knob Municipal Utility District No. 2" and should be delivered to the District's Financial Advisor, Dan Wegmiller, Specialized Public Finance Inc., at 248 Addie Roy Road, Suite B-103, Austin, Texas 78746, by 9:00 A.M., CST, on December 7, 2026 ("the date of the bid opening").

PROCEDURE NUMBER 2: ELECTRONIC BIDDING PROCEDURES . . . Any prospective bidder that intends to submit an electronic bid must submit its electronic bid through the facilities of PARITY by 9:00 A.M., CST, on the date of the bid opening.

Subscription to the i-Deal LLC's BIDCOMP Competitive Bidding System is required in order to submit an electronic bid through PARITY. Further information about PARITY, including any fee charged, may be obtained from Dalcomp/Parity, 40 West 23rd Street, 5th Floor, New York, New York 10010, (212) 404-8102.

The District will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe to the bidding system. An electronic bid made through the facilities of PARITY shall be deemed an irrevocable offer to purchase the 2026 Bonds on the terms provided in this Official Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the District. Neither Specialized Public Finance Inc. nor the District shall be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of PARITY, the use of such facilities being the sole risk of the prospective bidder.

All electronic bids shall be deemed to incorporate the provisions of this Official Notice of Sale and Official Bid Form. If any provision of this Official Notice of Sale conflicts with information provided by PARITY as the approved provider of electronic bidding services, this Official Notice of Sale shall control.

For information purposes only, bidders are requested to state in their electronic bids the net interest cost to the District, as described under "CONDITIONS OF SALE – Basis of Award" below.

SIGNED OFFICIAL BID FORM . . . The bidder whose bid is the winning bid in accordance with this Official Notice of Sale will be notified immediately and must submit via email a signed Official Bid Form in connection with the sale, by 9:30 AM CST on the date of the sale to Monica Melvin, Specialized Public Finance Inc. at monica@spfmuni.com.

PLACE AND TIME OF BID OPENING . . . The District will consider the award of the sale of the 2026 Bonds on Monday, December 7, 2026 at 11:00 A.M., CST, at the designated meeting place outside the boundaries of the District, at Armbrust & Brown, PLLC, 100 Congress Avenue, Suite 1300, Austin, Texas 78701. Action will be taken immediately by the Board of the District to accept or reject the best bid.

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AWARD OF 2026 BONDS . . . The District will take action to award the 2026 Bonds or reject any or all bids promptly upon the opening of bids. Upon awarding the 2026 Bonds to the winning bidder (the "2026 Bond Initial Purchaser"), the Board will adopt an order authorizing the issuance of the 2026 Bonds (the "2026 Bond Order"). Sale of the 2026 Bonds will be made subject to the terms, conditions and provisions of the 2026 Bond Order, to which 2026 Bond Order reference is hereby made for all purposes. The District reserves the right to reject any and all bids and to waive any irregularities, except the time of filing.

WITHDRAWAL OF THE BIDS . . . Any bid may be withdrawn by an authorized representative of the bidder at any time prior to the time set for receipt of bids. Thereafter, all bids shall remain firm for six hours after the time for receipt of the bids. The award of or rejection of bids will occur within this time period.

EXTENSION OF SALE DATE . . . The District reserves the right to extend the date and/or time for the receipt of bids by giving notice, by Bond Buyer Wire Service, and by posting a notice at the place established for receipt of bids, not later than 3:00 PM, CST, on Wednesday, December 2, 2026 of the new date and time for receipt of bids. Such notice shall be considered an amendment to this Official Notice of Sale.

MUNICIPAL BOND RATING AND INSURANCE . . . The 2026 Bonds have been rated "Baa3" by Moody's Investors Service, Inc. ("Moody's") without regard to credit enhancement. In the event the 2026 Bonds are qualified for municipal bond insurance, and the 2026 Bond Initial Purchaser desires to purchase such insurance, the cost therefor will be paid by the 2026 Bond Initial Purchaser. It will be the responsibility of the 2026 Bond Initial Purchaser to disclose the existence of insurance, its terms and the effect thereof with respect to the reoffering of the 2026 Bonds. Any downgrade by a rating agency of the bond insurance provider shall not relieve the 2026 Bond Initial Purchaser of its obligation under the heading "DELIVERY AND ACCOMPANYING DOCUMENTS."

THE 2026 BONDS

DESCRIPTION OF 2026 BONDS . . . The 2026 Bonds will be dated December 22, 2026, and interest will accrue from the Date of Initial Delivery (as defined herein), will be payable on August 15, 2027, and on each February 15 and August 15 thereafter until the earlier of maturity or prior redemption and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive 2026 Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC") pursuant to the book-entry-only system described herein. **No physical delivery of the 2026 Bonds will be made to the beneficial owners thereof.** The 2026 Bonds will be issued in fully registered form only, in denominations of $5,000 or any integral multiple of $5,000 for any one maturity, and principal and interest will be paid by BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar") which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the 2026 Bonds. See the Preliminary Official Statement (made a part hereof) for a more complete description of the 2026 Bonds, including redemption provisions. The 2026 Bonds will mature on August 15 in the years and amounts as follows:

MATURITY SCHEDULE

Maturity (August 15)	Principal Amount	Maturity (August 15)	Principal Amount
2028	$ 50,000	2040	$ 90,000
2029	55,000	2041	95,000
2030	55,000	2042	100,000
2031	60,000	2043	110,000
2032	60,000	2044	115,000
2033	65,000	2045	120,000
2034	70,000	2046	125,000
2035	70,000	2047	130,000
2036	75,000	2048	140,000
2037	80,000	2049	145,000
2038	85,000	2050	155,000
2039	90,000	2051	160,000

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OPTIONAL REDEMPTION PROVISIONS . . . 2026 Bonds maturing on and after August 15, 2033, are subject to redemption prior to maturity, at the option of the District, as a whole or, from time to time in part, on August 15, 2032, or on any date thereafter, at a price of par plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. If less than all of the 2026 Bonds are redeemed at any time, the maturities of the 2026 Bonds to be redeemed shall be selected by the District.

MANDATORY SINKING FUND REDEMPTION . . . If the successful bidder designates principal amounts to be combined into one or more term bonds ("2026 Term Bonds"), each such 2026 Term Bond shall be subject to mandatory sinking fund redemption commencing on August 15 of the first year which has been combined to form such 2026 Term Bond and continuing on August 15 in each year thereafter until the stated maturity date of that 2026 Term Bond. The amount redeemed in any year shall be equal to the principal amount for such year set forth above under the caption "MATURITY SCHEDULE."

OTHER TERMS AND COVENANTS . . . Other terms of the 2026 Bonds and various covenants of the District are contained in the 2026 Bond Order, which is described in the Preliminary Official Statement, to which reference is made for all purposes.

SOURCE AND SECURITY OF PAYMENT . . . The 2026 Bonds will constitute valid and legally binding obligations of the District, with principal and interest payable solely from the proceeds of a continuing, direct, annual ad valorem tax levied against all taxable property located within the District, without legal limitation as to rate or amount. The 2026 Bonds are obligations solely of the District and are not obligations of the City of Austin, Texas; Del Valle Independent School District; Travis County, Texas; the State of Texas or any entity other than the District.

BOOK-ENTRY-ONLY SYSTEM . . . The District intends to utilize the book-entry-only system of the Depository Trust Company ("DTC"). See "BOOK-ENTRY-ONLY SYSTEM" in the Preliminary Official Statement.

REGISTERED FORM REQUIREMENT . . . Section 149(a) of the Internal Revenue Code of 1986, as amended, requires that all tax-exempt obligations (with certain exceptions that do not include the 2026 Bonds) must be in registered form in order for the interest payable on such obligations to be excluded from the Registered Owners' income for federal income tax purposes.

SUCCESSOR PAYING AGENT/REGISTRAR . . . Provision is made in the 2026 Bond Order for replacement of the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the District, the new paying agent/registrar shall act in the same capacity as the previous Paying Agent/Registrar. Any paying agent/registrar selected by the District shall be a corporation organized and doing business under the laws of the United States of America or any state thereof subject to supervision or examination by federal or state banking authorities.

CONDITIONS OF SALE

TYPES OF BIDS AND INTEREST RATES . . . The 2026 Bonds will be sold in one block on an "all or none" basis at a price of not less than ninety-seven percent (97%) of the par value. Bidders are to name the rate or rates of interest to be borne by the 2026 Bonds, provided that each interest rate bid must be in a multiple of 1/8 of 1% or 1/20 of 1%. The net effective interest rate on the 2026 Bonds may not exceed a rate which is three percentage points (3.00%) above the highest "20 Bond Index" as reported by the "Bond Buyer" during the thirty (30) day period prior to the date of this Official Notice of Sale. Subject to the conditions below, no limitation will be imposed upon bidders as to the number of interest rates that may be used, but the highest interest rate bid may not exceed the lowest interest rate bid by more than 2.50% in rate. For 2026 Bonds having stated maturities on and after August 15, 2033, no reoffering yield producing a dollar price less than 95% for any individual maturities will be accepted. All 2026 Bonds maturing within a single year must bear the same rate of interest. No bids for the 2026 Bonds involving supplemental interest rates will be considered. Each bidder shall state in its bid the total and net interest cost in dollars and the net effective interest rate determined thereby, which shall be considered informative only and not as a part of the bid. No bid generating a cash premium greater than $5,000 will be considered.

BASIS OF AWARD . . . For the purpose of awarding the sale of the 2026 Bonds, the interest cost of each bid will be computed by determining, at the interest rate or rates specified therein, the total dollar value of all interest on the 2026 Bonds from the Date of Initial Delivery to their respective maturities and adding thereto any discount bid, if any, or subtracting therefrom any premium bid, if any. The District reserves the right to reject any or all bids and to waive any and all irregularities except time of filing. Subject to such rights, the 2026 Bonds will be awarded to the bidder whose bid, under the above computation, produces the lowest net effective interest rate to the District. In the event mathematical discrepancies between the interest rate or rates and the interest costs determined therefrom, as both appear on the Official Bid Form, the bid will be solely governed by the interest rates shown on the Official Bid Form.

PROVISION OF TEXAS ETHICS COMMISSION FORM 1295 . . . In accordance with Texas Government Code Section 2252.908 (the "Interested Party Disclosure Act"), the District will not award the 2026 Bonds to a bidder unless the winning bidder either:

(i) submits a Certificate of Interested Parties Form 1295 (the "TEC Form 1295") to the District as prescribed by the Texas Ethics Commission ("TEC"), or

(ii) certifies in the Official Bid Form that it is exempt from filing the TEC Form 1295 by virtue of being a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity.

In the event that the bidder's bid for the 2026 Bonds is the best bid received, the District, acting through its financial advisor, will promptly notify the winning bidder. That notification will serve as the District's conditional verbal acceptance of the bid, and, unless the bidder is exempt from filing a TEC Form 1295, such notification will obligate the winning bidder to promptly

file a completed TEC Form 1295, as described below. The District reserves the right to reject any bid that does not comply with the requirements prescribed herein.

For purposes of completing the TEC Form 1295, box 2 is name of the governmental entity (*Pilot Knob MUD No. 2*) and box 3 is the identification number assigned to this contract by the District *(Pilot Knob No.2 MUD 2026)* and description of the goods or services (*Purchase of the Pilot Knob Unlimited Tax Bonds, Series 2026*). **The Interested Party Disclosure Act and the rules adopted by the TEC with respect thereto (the "Disclosure Rules") require certain business entities contracting with the District to complete the TEC Form 1295 electronically at https://www.ethics.state.tx.us/main/file.htm, print, complete the unsworn declaration, sign, and deliver, in physical form, the certified TEC Form 1295 that is generated by the TEC's "electronic portal" to the District. The completed and signed TEC Form 1295 must be sent by email, to the District's financial advisor at dan@spfmuni.com, as soon as possible following the notification of conditional verbal acceptance and prior to the final written award.** Upon receipt of the final written award, the winning bidder must submit the TEC Form 1295 with original signatures by email to Bond Counsel as follows: hmack@mphlegal.com and rroy@mphlegal.com.

To the extent that the bidder is not exempt from filing a TEC Form 1295 and therefor makes such filing with the District, the Interested Party Disclosure Act and the TEC Form 1295 provide that such declaration is made "under penalty of perjury." Consequently, a bidder should take appropriate steps prior to completion of the TEC Form 1295 to familiarize itself with the Interested Party Disclosure Act, the Disclosure Rules and the TEC Form 1295. **Time will be of the essence in submitting the form to the District. The District reserves the right to reject any bid that does not satisfy the requirement of a completed TEC Form 1295.** Neither the District nor its consultants have the ability to verify the information included in a TEC Form 1295, and neither party has an obligation nor undertakes responsibility for advising any bidder with respect to the proper completion of the TEC Form 1295. Consequently, an entity intending to bid on the 2026 Bonds should consult its own advisors to the extent it deems necessary and be prepared to submit the completed form promptly upon notification from the District that its bid is the conditional winning bid. Instructional videos on logging in and creating a certificate are provided on the TEC's website at https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm.

IMPACT OF BIDDING SYNDICATE ON AWARD . . . For purposes of contracting for the sale of the 2026 Bonds, the entity signing the bid form as Initial Purchaser shall be solely responsible for the payment of the purchase price of the 2026 Bonds. The Initial Purchaser may serve as a syndicate manager and contract under a separate agreement with other syndicate members. However, the District is not a party to that agreement and any information provided regarding syndicate managers would be for informational purposes only.

GOOD FAITH DEPOSIT . . . Each bid must be accompanied by a bank cashier's check payable to the order of "Pilot Knob Municipal Utility District No. 2" in the amount of $46,000 which is 2% of the par value of the 2026 Bonds. The check will be considered as a Good Faith Deposit, and the check of the successful bidder (the "Initial Purchaser") will be retained uncashed by the District until the 2026 Bonds are delivered. Upon payment for and delivery of the 2026 Bonds, the Good Faith Deposit will be returned to the Initial Purchaser uncashed. If the Initial Purchaser should fail or refuse to make payment for or accept delivery of the 2026 Bonds in accordance with its bid, then the check will be cashed and accepted by the District as full and complete liquidated damages; however, if it is determined after the acceptance of the bid by the District that the Purchaser was found not to satisfy the requirements described under "Covered Verifications" (defined below) and as a result the Texas Attorney General will not deliver its approving opinion on the 2026 Bonds, then said check shall be cashed and accepted by the District but shall not be the sole or exclusive remedy available to the District. Such check may accompany the Official Bid Form or it may be submitted separately. If submitted separately, it shall be made available to the District prior to the review of the bids and shall be accompanied by instructions from the bank on which it is drawn which authorize its use as a Good Faith Deposit. The checks of the unsuccessful bidders will be returned immediately after bids are opened and sale of the 2026 Bonds has been awarded. See "Further State Law Compliance and Standing Letter Requirement" below. See "DELIVERY OF THE 2026 BONDS AND ACCOMPANYING DOCUMENTS – Delivery."

VERIFICATIONS OF STATUTORY REPRESENTATIONS AND COVENANTS . . . The District will not award the 2026 Bonds to a bidder unless the following representations and covenants pursuant to Chapters 2252, 2270, 2271, 2274, and 2276, Texas Government Code, as amended (the "Government Code"), are included in the bid. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the bidder within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of the Official Bid Form or Official Notice of Sale (collectively, the "Agreement"), notwithstanding anything in the Agreement to the contrary.

(i) **No Boycott of Israel (Government Code, Chapter 2271):** A bidder must verify that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of the Agreement. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(ii) **Not a Sanctioned Company (Government Code, Chapter 2252):** A bidder must represent that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes a bidder and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States

government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(iii) **No Discrimination Against Firearm Entities or Firearm Trade Associations (Government Code, Chapter 2274):** A bidder must verify that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of the Agreement. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

(iv) **No Boycott of Energy Companies (Government Code, Chapter 2276):** A bidder must verify that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of the Agreement. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

FURTHER STATE LAW COMPLIANCE AND STANDING LETTER REQUIREMENT . . . Each prospective bidder must have a standing letter on file with the Municipal Advisory Council of Texas and the Texas Attorney General's Office in the form included as Exhibit A to the All Bond Counsel Letter of the Texas Attorney General dated November 1, 2023 and any supplements thereto (the "All Bond Counsel Letter"). In submitting a bid, a bidder represents to the District that it has filed a standing letter in the form included as Exhibit A to the All Bond Counsel Letter without qualification and including current statutory citations and it has no reason to believe that the District may not be entitled to rely on the standing letter on file with the Municipal Advisory Council of Texas and the Texas Attorney General's Office. Bidder agrees that it will not rescind its standing letter at any time before the delivery of the 2026 Bonds unless same is immediately replaced with a standing letter meeting the requirements of the All Bond Counsel Letter.

The District will not accept a bid from a bidder that does not have such standing letter on file as of the deadline for bids for the 2026 Bonds. If requested by the District, the Purchaser agrees to provide such further representations, certifications or assurances in connection with the Covered Verifications (defined below), as of the Delivery Date or such other date requested by the District including, but not limited to, a bring down certification as provided by the All Bond Counsel Letter.

THE DISTRICT RESERVES THE RIGHT, IN ITS SOLE DISCRETION, TO REJECT THE BID OF ANY BIDDER WHO IS, OR WHOSE PARENT COMPANY, SUBSIDIARIES OR AFFILIATES ARE, ON A LIST MAINTAINED BY THE TEXAS COMPTROLLER OF FINANCIAL COMPANIES BOYCOTTING ENERGY COMPANIES OR DISCRIMINATING AGAINST FIREARM ENTITIES.

BY SUBMITTING A BID, EACH BIDDER AGREES, SHOULD IT BE THE WINNING BIDDER, TO COOPERATE WITH THE DISTRICT AND TAKE ANY ACTION NECESSARY TO FURTHER VERIFY AND CONFIRM COMPLIANCE WITH STATE LAW.

To the extent the Initial Purchaser and each syndicate member listed on the Official Bid Form is unable to provide a Standing Letter in a form satisfactory to the Office of the Attorney General of Texas, the District reserves the right to cash and accept the Good Faith Deposit (see "CONDITIONS OF THE SALE – Good Faith Deposit"). **THE LIABILITY OF THE BIDDER FOR BREACH OF ANY OF THE VERIFICATIONS MADE IN CONNECTION WITH CHAPTERS 2252, 2270, 2271, 2274, AND 2276, TEXAS GOVERNMENT CODE, AS AMENDED (COLLECTIVELY, THE "COVERED VERIFICATIONS") SHALL SURVIVE UNTIL BARRED BY THE STATUTE OF LIMITATIONS, AND SHALL NOT BE LIQUIDATED OR OTHERWISE LIMITED BY ANY PROVISION OF THE AGREEMENT. ADDITIONALLY, THE DISTRICT RESERVES AND RETAINS ALL RIGHTS AND REMEDIES AT LAW AND IN EQUITY FOR PURSUIT AND RECOVERY OF DAMAGES, IF ANY, RELATING TO THE COVERED VERIFICATIONS.**

OFFICIAL STATEMENT

By accepting the winning bid, the District agrees to the following representations and covenants to assist the 2026 Bond Initial Purchaser in complying with Rule 15c2-12 of the United States Securities and Exchange Commission ("SEC"):

FINAL OFFICIAL STATEMENT . . . The District has prepared the accompanying Preliminary Official Statement for dissemination to potential purchasers of the 2026 Bonds but will not prepare any other document or version for such purpose except as described below. The District will be responsible for completing the Official Statement by inserting the interest rates bid, the purchase price bid, the ratings assigned to the 2026 Bonds (if not currently included) if applicable, the disclosure required by a bond insurer after the purchase of municipal bond insurance, if any, the initial public offering yields as set forth in the Official Bid Form, or otherwise supplied by the 2026 Bond Initial Purchaser, and for preparing and inserting the final debt service schedule. The District does not intend to amend or supplement the Official Statement otherwise, except to take into account certain subsequent events, if any, as described below. Accordingly, the District deems the accompanying Preliminary Official Statement to be final as of its date, within the meaning of SEC Rule 15c2-12(b)(1), except for the omission of the foregoing items. By delivering the final Official Statement or any amendment or supplement thereto in the requested quantity to the 2026 Bond Initial Purchaser on or after the sale date, the District represents the same to be complete as of such date, within the meaning of SEC Rule 15c2-12(e)(3). Notwithstanding the foregoing, the only representations concerning the absence of material misstatements or omissions from the Official Statement

which are or will be made by the District are those described in the Official Statement under "OFFICIAL STATEMENT – Certification as to Official Statement;"

CHANGES TO OFFICIAL STATEMENT DURING UNDERWRITING PERIOD . . . If, subsequent to the date of the Official Statement to and including the date the 2026 Bond Initial Purchaser is no longer required to provide an Official Statement to potential customers who request the same pursuant to 15c2-12 of the federal Securities Exchange Act of 1934 (the "Rule") (the earlier of (i) 90 days from the "end of the underwriting period" (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from a nationally recognized repository but in no case less than 25 days after the "end of the underwriting period"), the District learns or is notified by the 2026 Bond Initial Purchaser of any adverse event which causes any of the key representations in the Official Statement to be materially misleading, the District will promptly prepare and supply to the 2026 Bond Initial Purchaser a supplement to the Official Statement which corrects such representation to the reasonable satisfaction of the 2026 Bond Initial Purchaser, unless the 2026 Bond Initial Purchaser elects to terminate its obligation to purchase the 2026 Bonds as described below. See "DELIVERY OF THE BONDS AND ACCOMPANYING DOCUMENTS – Conditions to Delivery." The obligation of the District to update or change the Official Statement will terminate when the District delivers the 2026 Bonds to the 2026 Bond Initial Purchaser (the "end of the underwriting period" within the meaning of the Rule), unless the 2026 Bond Initial Purchaser provides written notice to the District that less than all of the 2026 Bonds have been sold to ultimate customers on or before such date, in which case the obligation to update or change the Official Statement will extend for an additional period of time of 25 days after all of the 2026 Bonds have been sold to ultimate customers. In the event the 2026 Bond Initial Purchaser provides written notice to the District that less than all of the 2026 Bonds have been sold to ultimate customers, the 2026 Bond Initial Purchaser agrees to notify the District in writing following the occurrence of the "end of the underwriting period" as defined in the Rule;

DELIVERY OF OFFICIAL STATEMENTS . . . The District will furnish to the 2026 Bond Initial Purchaser (and to each other participating underwriter of the 2026 Bonds, within the meaning of SEC Rule 15c2-12(a), designated by the 2026 Bond Initial Purchaser), within seven (7) business days after the sale date, the aggregate number of Official Statements requested but not in excess of 250 copies. The District will also furnish to the 2026 Bond Initial Purchaser a like number of any supplement or amendment prepared by the District for dissemination to potential purchasers of the 2026 Bonds as described above in "OFFICIAL STATEMENT – Changes to Official Statement During Underwriting Period" as well as such additional copies of the Official Statement or any supplement or amendment as the 2026 Bond Initial Purchaser may request prior to the 25th day after the "end of the underwriting period" within the meaning of the Rule. The District will pay the expense of preparing up to 250 copies of the Official Statement and all copies of any supplement or amendment issued on or before the delivery date, but the 2026 Bond Initial Purchaser must pay for all other copies of the Official Statement or any supplement or amendment thereto; and

RULE G-32 REQUIREMENTS . . . It is the responsibility of the 2026 Bond Initial Purchaser to comply with the Municipal Securities Rulemaking Board's Rule G-32 within the required time frame. The 2026 Bond Initial Purchaser must send two copies of the "Official Statement" along with two complete Form G-32's to the appropriate address.

DELIVERY AND ACCOMPANYING DOCUMENTS

INITIAL DELIVERY OF INITIAL BONDS . . . Initial Delivery ("Initial Delivery") will be accomplished by the issuance of one initial bond payable in installments (collectively, the "Initial Bond"), either in typed or printed form, in the aggregate principal amount of $2,300,000, registered in the name of the 2026 Bond Initial Purchaser, manually signed by the President or Vice President and Secretary or Assistant Secretary of the Board, or executed by the facsimile signatures of the President or Vice President and Secretary or Assistant Secretary of the Board, and approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of Texas or his authorized deputy. Upon delivery of the Initial Bond, the Paying Agent/Registrar shall immediately cancel the Initial Bond and one definitive Bond for each maturity will be registered and delivered only to Cede & Co. in connection with DTC's book-entry-only system. Initial Delivery will be at a corporate trust office of the Paying Agent/Registrar in Austin, Texas. Payment for the 2026 Bonds must be made in immediately available funds for unconditional credit to the District, or as otherwise directed by the District. The 2026 Bond Initial Purchaser will be given six (6) business days' notice of the time fixed for delivery of the 2026 Bonds. It is anticipated that Initial Delivery can be made on or about December 22, 2026, and subject to the aforementioned notice it is understood and agreed that the 2026 Bond Initial Purchaser will accept delivery of and make payment for the 2026 Bonds by 10:00 A.M., CST, on December 22, 2026, or thereafter on the date the 2026 Bonds are tendered for delivery, up to and including January 4, 2027. If for any reason the District is unable to make delivery on or before January 4, 2027, then the District shall immediately contact the 2026 Bond Initial Purchaser and offer to allow the 2026 Bond Initial Purchaser to extend its offer for an additional thirty (30) days. If the 2026 Bond Initial Purchaser does not elect to extend its offer within six (6) business days thereafter, then its Good Faith Deposit will be returned, and both the District and the 2026 Bond Initial Purchaser shall be relieved of any further obligation.

CUSIP NUMBERS . . . It is anticipated that CUSIP identification numbers will be printed on the 2026 Bonds, but neither the failure to print such number on any 2026 Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the 2026 Bond Initial Purchaser to accept delivery of and pay for the 2026 Bonds in accordance with the terms of this Official Notice of Sale. The Financial Advisor will obtain CUSIP identification numbers from the CUSIP Service Bureau, New York, New York prior to the date of sale. CUSIP identification numbers will be made available to the 2026 Bond Initial Purchaser at the time the 2026 Bonds are awarded or as soon thereafter as practicable.

CONDITIONS TO DELIVERY . . . The obligation to take up and pay for the 2026 Bonds is subject to the following conditions: issuance of an approving opinion of the Attorney General of Texas, the 2026 Bond Initial Purchaser's receipt of typewritten bonds, the legal opinion of Bond Counsel, and the No-Litigation Certificate, all of which are described herein, and the non-occurrence of the events described below under the caption "No Material Adverse Change." In addition, if the District fails to comply with its obligations described in the Preliminary Official Statement, the 2026 Bond Initial Purchaser may terminate its contract to purchase the 2026 Bonds by delivering written notice to the District within five (5) days thereafter.

LEGAL OPINIONS . . . The District will furnish without cost to the 2026 Bond Initial Purchaser a transcript of certain certified proceedings incident to the issuance and authorization of the 2026 Bonds, including a certified copy of the unqualified approving legal opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State of Texas, to the effect that the 2026 Bonds are valid and binding obligations of the District, payable from the proceeds of an annual ad valorem tax levied, without legal limit as to rate or amount, upon all taxable property within the District, and, based upon an examination of such transcript of proceedings, the approving legal opinion of McCall, Parkhurst & Horton L.L.P., Austin, Texas, to the effect that the 2026 Bonds are valid and binding obligations of the District payable from the sources and enforceable in accordance with the terms and conditions described therein, except to the extent that the enforceability thereof may be affected by governmental immunity, bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with general principal of equity and to the effect that the interest on the 2026 Bonds is excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described under "TAX MATTERS."

ESTABLISHING THE ISSUE PRICE FOR THE 2026 BONDS . . . The District intends to rely on Treasury Regulation section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of municipal bonds), which require, among other things, that the District receives bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (the "Competitive Sale Requirement").

In the event that the bidding process does not satisfy the Competitive Sale Requirement bids will **not** be subject to cancellation and the winning bidder (i) agrees to promptly report to the District the first prices at which at least 10% of each maturity of the 2026 Bonds (the "First Price Maturity") have been sold to the Public on the Sale Date (the "10% Test") (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% Test) and (ii) agrees to hold-the-offering-price of each maturity of the 2026 Bonds that does not satisfy the 10% Test ("Hold-the-Price Maturity"), as described below.

In order to provide the District with information that enables it to comply with the establishment of the issue price of the 2026 Bonds under the Internal Revenue Code of 1986, as amended, the winning bidder agrees to complete, execute, and timely deliver to the District or to the District's financial advisor, Specialized Public Finance Inc. (the "District's Financial Advisor") a certification as to the 2026 Bonds' "issue price" (the "Issue Price Certificate") substantially in the form and to the effect accompanying this Notice of Sale, within 5 business days prior to the Closing Date if the Competitive Sale Requirement is satisfied or within 5 business days of the date on which the 10% Test is satisfied with respect to all of the First Price Maturities. In the event the winning bidder will not reoffer any maturity of the 2026 Bonds for sale to the Public (as defined herein) by the Closing Date, the Issue Price Certificate may be modified in a manner approved by the District. It will be the responsibility of the winning bidder to institute such syndicate reporting requirements, to make such investigation, or otherwise to ascertain such facts necessary to enable it to make such certification with reasonable certainty. Any questions concerning such certification should be directed to Bond Counsel (identified in the Preliminary Official Statement).

For purposes of this section of this Notice of Sale:

(i) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than a Participating Underwriter or a Related Party to the Underwriter,
(ii) "Participating Underwriter" means (A) any person that agrees pursuant to a written contract with the District (or with the lead Participating Underwriter to form an underwriting syndicate) to participate in the initial sale of the 2026 Bonds to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the 2026 Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the 2026 Bonds to the Public),
(iii) "Related Party" means any two or more persons who are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
(iv) "Sale Date" means the date that the 2026 Bonds are awarded by the District to the winning bidder.

All actions to be taken by the District under this Official Notice of Sale to establish the issue price of the 2026 Bonds may be taken on behalf of the District by the District's Financial Advisor, and any notice or report to be provided to the District may be provided to the District's Financial Advisor.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the 2026 Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, (A) to report the prices at which it sells to the Public the unsold 2026 Bonds of each maturity allocated to it until either all such 2026 Bonds have been sold or it is notified by the winning bidder that either the 10% Test has been satisfied as to the 2026 Bonds of that maturity, (B) to promptly notify the winning bidder of any sales of 2026 Bonds that, to its knowledge, are made to a purchaser who is a Related Party to an Underwriter, and (C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder will assume that based on such agreement each order submitted by the underwriter, dealer or broker-dealer is a sale to the Public; and (ii) any agreement among underwriters or selling group agreement relating to the initial sale of the 2026 Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the 2026 Bonds to the Public to require each underwriter or dealer that is a party to such third-party distribution agreement to report the prices at which it sells to the Public the unsold 2026 Bonds of each maturity allocated to it until either all such 2026 Bonds have been sold or it is notified by the winning bidder or such Underwriter that either the 10% Test has been satisfied as to the 2026 Bonds of that maturity or all the 2026 Bonds of that maturity have been sold to the Public. Sales of any 2026 Bonds to any person that is a Related Party to an Underwriter shall not constitute sales to the public for purposes of this Notice of Sale.

By submitting a bid, the winning bidder agrees, on behalf of each Participating Underwriter participating in the purchase of the 2026 Bonds, that each Participating Underwriter will neither offer nor sell any Hold-the-Price Maturity to any person at a price that is higher than the initial offering price to the Public during the period starting on the Sale Date and ending on the earlier of (1) the close of the fifth (5th) business day after the Sale Date; or (2) the date on which the Participating Underwriters have sold at least 10% of that Hold-the-Price Maturity to the Public at a price that is no higher than the initial offering price to the Public. The winning bidder shall promptly advise the District when the Participating Underwriters have sold 10% of a Hold-the-Price Maturity to the Public at a price that is no higher than the initial offering price to the Public, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

TEXAS BOND REVIEW BOARD INFORMATION . . . In order to provide the District with information required to be submitted to the Texas Bond Review Board pursuant to Section 1202.008, Texas Government Code, as amended, the 2026 Bond Initial Purchaser will be required to provide the District with a breakdown of its "underwriting spread" which, at minimum, consists of the following categories: Takedown, Management Fee (if any), Legal Counsel Fee (if any) and Spread Expenses (if any).

NO-LITIGATION CERTIFICATE . . . With the delivery of the 2026 Bonds, the President or Vice President and Secretary or Assistant Secretary of the Board will, on behalf of the District, execute and deliver to the 2026 Bond Initial Purchaser a certificate dated as of the date of delivery, to the effect that no litigation of any nature of which the District has notice is pending against or, to the best knowledge of the District's certifying officers, threatened against the District, either in state or federal courts, contesting or attacking the 2026 Bonds; restraining or enjoining the authorization, execution or delivery of the 2026 Bonds; affecting the provision made for the payment of or security for the 2026 Bonds; in any manner questioning the authority or proceedings for authorization, execution or delivery of the 2026 Bonds; or affecting the validity of the 2026 Bonds, the corporate existence or boundaries of the District or the title of the then present officers and directors of the Board.

NO MATERIAL ADVERSE CHANGE . . . The obligations of the District to deliver the 2026 Bonds and of the 2026 Bond Initial Purchaser to accept delivery of and pay for the 2026 Bonds are subject to the condition that to the time of delivery of and receipt of payment for the 2026 Bonds, there shall have been no material adverse change in the conditions of the District from those set forth in or contemplated by the Official Statement, as it may have been supplemented or amended through the date of sale.

QUALIFIED TAX-EXEMPT OBLIGATIONS . . . The District expects to designate the 2026 Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b) of the Code and will represent that the total amount of tax-exempt obligations (including the 2026 Bonds) issued by it during the calendar year 2026 is not expected to exceed $10,000,000. See "TAX MATTERS – Qualified Tax-Exempt Obligations for Financial Institutions."

CONTINUING DISCLOSURE

The District will agree in the 2026 Bond Order to provide certain periodic information and notices of certain events in accordance with the Rule, as described in the Preliminary Official Statement under "CONTINUING DISCLOSURE OF INFORMATION." The 2026 Bond Initial Purchaser's obligation to accept and pay for the 2026 Bonds is conditioned upon delivery to the 2026 Bond Initial Purchaser(s) or its (their) agent of a certified copy of the 2026 Bond Order containing the agreement described under such heading.

GENERAL CONSIDERATIONS

RECORD DATE . . . The record date ("Record Date") for the interest payable on any interest payment date is the last calendar day of the month next preceding each interest payment date, whether or not such days are business days.

RECORD DATE FOR BONDS TO BE REDEEMED . . . Neither the District nor the Paying Agent shall be required (1) to issue, transfer, or exchange any 2026 Bond during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal on interest payment date or (2) to transfer or exchange, in whole or in part, any 2026 Bond or any portion thereof selected for redemption prior to maturity, within forty-five (45) calendar days prior to its redemption date.

INVESTMENT CONSIDERATIONS . . . The 2026 Bonds involve certain investment considerations and all prospective bidders are urged to examine carefully the Preliminary Official Statement with respect to the investment considerations associated with the 2026 Bonds. Particular attention should be given to the information set forth therein under the caption "INVESTMENT CONSIDERATIONS."

RESERVATION OF RIGHTS . . . The District reserves the right to reject any and all bids and to waive any and all irregularities except time of filing.

NOT AN OFFER TO SELL . . . This Official Notice of Sale does not alone constitute an offer to sell the 2026 Bonds but is merely notice of sale of the 2026 Bonds. The invitation for bids on the 2026 Bonds is being made by means of this Official Notice of Sale, the Preliminary Official Statement and the Official Bid Form.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE . . . The offer and sale of the 2026 Bonds have not been registered or qualified under the Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder; the 2026 Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the 2026 Bonds been registered or qualified under the securities laws of any other jurisdiction. The District assumes no responsibility for registration or qualification of the 2026 Bonds under the securities laws of any jurisdiction in which the 2026 Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the 2026 Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions.

By submission of a bid, the 2026 Bond Initial Purchaser represents that its sale of the 2026 Bonds in states other than Texas will be made only pursuant to exemptions from registration or qualification or, where necessary, the 2026 Bond Initial Purchaser will register and qualify the 2026 Bonds in accordance with the securities laws of any jurisdiction which so requires. The District agrees to cooperate, at the 2026 Bond Initial Purchaser's written request and expense, in registering or qualifying the 2026 Bonds, or in obtaining exemption from registration or qualification, in any state where such action is necessary, provided that the District shall not be required to file a general or special consent to service of process in any jurisdiction.

ADDITIONAL COPIES OF DOCUMENTS . . . Copies of the Official Notice of Sale, the Preliminary Official Statement, the Official Bid Form, Audits, and the pro forma 2026 Bond Order may be obtained at the offices of Specialized Public Finance Inc., 248 Addie Roy Road, Suite B-103, Austin, Texas 78746, Financial Advisor to the District.

Parker McCollum, President
Board of Directors
Pilot Knob Municipal Utility District No. 2

November 30, 2026

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OFFICIAL BID FORM

President and Board of Directors
Pilot Knob Municipal Utility District No. 2
c/o Specialized Public Finance Inc.
248 Addie Roy Road, Suite B-103
Austin, Texas 78746

Board of Directors:

We have read in detail your Official Notice of Sale and accompanying Preliminary Official Statement dated November 30, 2026, relating to the Pilot Knob Municipal Utility District No. 2 (the "District") and its $2,300,000 Unlimited Tax Bonds, Series 2026 (the "2026 Bonds"), as made a part hereof. We realize that the 2026 Bonds involve certain investment considerations, and we have made inspections and investigations as we deem necessary relating to the District and to the investment quality of the 2026 Bonds.

For your legally issued 2026 Bonds, in the aggregate principal amount of $2,300,000, we will pay you a price of $_____, representing approximately _____% of the par value. Such 2026 Bonds mature August 15, in each of the years and in the amounts and interest rates shown below:

Maturity (August 15)	Principal Amount	Interest Rate	Maturity (August 15)	Principal Amount	Interest Rate
2028	$ 50,000	%	2040	$ 90,000	%
2029	55,000	%	2041	95,000	%
2030	55,000	%	2042	100,000	%
2031	60,000	%	2043	110,000	%
2032	60,000	%	2044	115,000	%
2033	65,000	%	2045	120,000	%
2034	70,000	%	2046	125,000	%
2035	70,000	%	2047	130,000	%
2036	75,000	%	2048	140,000	%
2037	80,000	%	2049	145,000	%
2038	85,000	%	2050	155,000	%
2039	90,000	%	2051	160,000	%

Of the principal maturities set forth in the table above, we have created term bonds as indicated in the following table (which may include multiple term bonds, one term bond or no term bond if none is indicated). For those years which have been combined into a term bond, the principal amount shown in the table above shall be the mandatory sinking fund redemption amounts in such years except that the amount shown in the year of the term bond maturity date shall mature in such year. The term bonds created are as follows:

2026 Term Bonds Maturing August 15	Year of First Mandatory Redemption	Principal Amount	Interest Rate
		$	%
		$	%
		$	%
		$	%
		$	%

Our calculation (which is not a part of this bid) of the interest cost from the above is:

TOTAL INTEREST COST FROM 12/22/2026	$_____
PLUS DOLLAR AMOUNT OF DISCOUNT	$_____
NET INTEREST COST	$_____
NET EFFECTIVE INTEREST RATE	_____%

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A wire transfer or a cashiers or certified check to the District in the amount of $46,000 will be made available in accordance with the Notice of Sale made a part hereof. Should we fail or refuse to make payment for the 2026 Bonds in accordance with the terms and conditions set forth in the Notice of Sale, the proceeds of this deposit shall be retained by the District as complete liquidated damages against us. Please check the box below to designate your Good Faith Deposit option.

We are having the 2026 Bonds insured by _____ at a premium of $_____, **said premium to be paid by the 2026 Bond Initial Purchaser.**

The undersigned agrees to complete, execute, and deliver to the District, by the date of delivery of the 2026 Bonds, a certificate relating to the "issue price" of the 2026 Bonds in the form accompanying the Official Notice of Sale, with such changes thereto as may be acceptable to the District.

We understand the sale of the 2026 Bonds has not been registered under the United States Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder; the 2026 Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the 2026 Bonds been registered or qualified under the securities acts of any other jurisdiction. We hereby represent the sale of the 2026 Bonds in jurisdictions other than Texas will be made only pursuant to exemptions from registration or qualification and that where necessary, we will register or qualify the 2026 Bonds in accordance with the securities laws and regulations of the jurisdiction in which the 2026 Bonds are offered or sold.

If the undersigned is not exempt from filing the Form 1295, then upon notification of conditional verbal acceptance, the undersigned will complete an electronic form of the Form 1295 through the TEC's electronic portal and the resulting certified Form 1295 that is generated by the TEC's electronic portal will be printed, signed, notarized and sent by email to the District's General Counsel at bellis@abaustin.com. The undersigned understands that the failure to provide the certified Form 1295 will allow the District to forego awarding the enclosed bid.

As used in the following verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the bidder within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of the Notice of Sale or Official Bid Form (collectively, the "Agreement"), notwithstanding anything in the Agreement to the contrary.

(i) No Boycott of Israel Verification (Texas Government Code, Chapter 2271). The 2026 Bond Initial Purchaser hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel through the term of the Agreement. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(ii) Not a Sanctioned Company (Texas Government Code, Chapter 2252). The 2026 Bond Initial Purchaser represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes a bidder and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(iii) No Boycott of Energy Companies (Texas Government Code, Chapter 2276). The 2026 Bond Initial Purchaser hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies through the term of the Agreement. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

(iv) No Discrimination Against Firearm Entities or Firearm Trade Associations (Texas Government Code, Chapter 2274). The 2026 Bond Initial Purchaser hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association through the term of the Agreement. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

By submitting this bid, the 2026 Bond Initial Purchaser understands and agrees that if 2026 Bond Initial Purchaser should fail or refuse to take up and pay for the 2026 Bonds in accordance with this bid, or it is determined that after the acceptance of this bid by the District that the 2026 Bond Initial Purchaser was found not to satisfy the requirements described in the Official Notice of Sale and Bidding Instructions under the heading "CONDITIONS OF THE SALE" and as a result the Texas Attorney General will not deliver its approving opinion of the 2026 Bonds, then the check submitted herewith as the 2026 Bond Initial Purchaser's Good Faith Deposit shall be cashed and accepted by the District. IF THE DISTRICT CASHES THE 2026 BOND INITIAL PURCHASER'S GOOD FAITH DEPOSIT AS DESCRIBED ABOVE, SUCH ACTION DOES NOT CONSTITUTE

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COMPLETE OR LIQUIDATED DAMAGES RELATED TO THE 2026 BOND INITIAL PURCHASER'S BREACH OF ANY OF THE COVERED VERIFICATIONS.

By submitting this bid, the 2026 Bond Initial Purchaser understands and agrees that the liability of the 2026 Bond Initial Purchaser for breach of any of the verifications made in connection with Chapters 2252, 2270, 2271, 2274, and 2276, Texas Government Code, as amended and as described above (collectively, the "Covered Verifications") shall survive until barred by the statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Official Bid Form or the Official Notice of Sale. Additionally, the 2026 Bond Initial Purchaser acknowledges and agrees that the District reserves and retains all rights and remedies at law and in equity for pursuit and recovery of damages, if any, relating to the Covered Verifications.

FURTHER STATE LAW COMPLIANCE AND STANDING LETTER REQUIREMENT: By submitting this bid, the 2026 Bond Initial Purchaser understands and agrees that it must have a standing letter on file with the Municipal Advisory Council of Texas and the Texas Attorney General's Office in the form included as Exhibit A to the All Bond Counsel Letter of the Texas Attorney General dated November 1, 2023 and any supplements thereto (the "All Bond Counsel Letter"). In submitting this bid, the 2026 Bond Initial Purchaser represents to the District that it has filed a standing letter in the form included as Exhibit A to the All Bond Counsel Letter without qualification and including current statutory citations and it has no reason to believe that the District may not be entitled to rely on the standing letter on file with the Municipal Advisory Council of Texas and the Texas Attorney General's Office. The 2026 Bond Initial Purchaser hereby further agrees that it will not rescind its standing letter at any time before the delivery of the 2026 Bonds unless same is immediately replaced with a standing letter meeting the requirements of the All Bond Counsel Letter.

The 2026 Bond Initial Purchaser agrees to provide such further representations, certifications or assurances in connection with the Covered Verifications, as of the Delivery Date or such other date requested by the District including, but not limited to, a bring down certification as provided by the All Bond Counsel Letter.

The 2026 Bond Initial Purchaser acknowledges that the District, in its sole discretion, has reserved the right to reject the bid of any bidder who is, or whose parent company, subsidiaries or affiliates are, on a list maintained by the Texas Comptroller of financial companies boycotting energy companies or discriminating against firearm entities.

The 2026 Bond Initial Purchaser understands and agrees that to the extent the 2026 Bond Initial Purchaser and each syndicate member listed on the Official Bid Form is unable to provide a Standing Letter in a form satisfactory to the Office of the Attorney General of Texas, the District reserves the right to cash and accept the Good Faith Deposit (see "CONDITIONS OF THE SALE – Good Faith Deposit" in the Official Notice of Sale).

NOTWITHSTANDING ANYTHING CONTAINED HEREIN, THE REPRESENTATIONS AND COVENANTS CONTAINED IN THIS OFFICIAL BID FORM SHALL SURVIVE TERMINATION OF THE AGREEMENT OF THE 2026 BOND INITIAL PURCHASER TO PURCHASE THE 2026 BONDS UNTIL THE STATUTE OF LIMITATIONS HAS RUN.

The undersigned certifies that it [is]/[is not] exempt from filing the Texas Ethics Commission (the "TEC") Certificate of Interested Parties Form 1295 (the "Form 1295") by virtue of being a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity.

At the request of the District, the undersigned agrees to execute further written certification as may be necessary or convenient for the District to establish compliance with the foregoing.

We agree to provide in writing the initial reoffering prices and other terms, if any, to the Financial Advisor by the close of the next business day after the award.

Respectfully submitted,

_____
Name of 2026 Bond Initial Purchaser or Manager

_____
Authorized Representative

_____
Signature

ACCEPTANCE CLAUSE

The above and foregoing bid is hereby in all things accepted by Pilot Knob Municipal Utility District No. 2 this the 7th day of December, 2026.

ATTEST:

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Secretary, Board of Directors
Pilot Knob Municipal Utility District No. 2

President, Board of Directors
Pilot Knob Municipal Utility District No. 2

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ISSUE PRICE CERTIFICATE

(sales where 3 bids are received)

The undersigned, as the underwriter or the manager of the syndicate of underwriters (the "2026 Bond Initial Purchaser"), with respect to the purchase at competitive sale of the Unlimited Tax Bonds, Series 2026 issued by the Pilot Knob Municipal Utility District No. 2 ("Issuer") in the aggregate principal amount of $2,300,000 ("2026 Bonds"), hereby certifies and represents, based on its records and information, as follows:

(a) On the first day on which there was a binding contract in writing for the purchase of the 2026 Bonds by the 2026 Bond Initial Purchaser, the 2026 Bond Initial Purchaser's reasonably expected initial offering prices of each maturity of the 2026 Bonds with the same credit and payment terms (the "Expected Offering Prices") to a person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter are as set forth in the pricing wire or equivalent communication for the 2026 Bonds, as attached to this Certificate as Schedule A. The Expected Offering Prices are the prices for the 2026 Bonds used by the 2026 Bond Initial Purchaser in formulating its bid to purchase the 2026 Bonds.

(b) The 2026 Bond Initial Purchaser had an equal opportunity to bid to purchase the 2026 Bonds and it was not given the opportunity to review other bids that was not equally given to all other bidders (i.e., no last look).

(c) The bid submitted by the 2026 Bond Initial Purchaser constituted a firm bid to purchase the 2026 Bonds.

(d) The 2026 Bond Initial Purchaser has [___]/has not [___] purchased bond insurance for the 2026 Bonds. The bond insurance has been purchased from _____ (the "Insurer") for a fee of $_____ (net any nonguarantee cost, e.g., rating agency fees). The amount of such fee is set forth in the Insurer's commitment and does not include any payment for any direct or indirect services other than the transfer of credit risk, unless the compensation for those other services is separately stated, reasonable, and excluded from such fee. Such fee does not exceed a reasonable, arm's-length charge for the transfer of credit risk and it has been paid to a person who is not exempt from federal income taxation and who is not a user or related to the user of any proceeds of the 2026 Bonds. The present value of the debt service savings expected to be realized as a result of such insurance exceeds the amount of the fee set forth above. For this purpose, present value is computed using the yield on the 2026 Bonds, determined by taking into account the amount of the fee set forth above, as the discount rate. No portion of the fee payable to the Insurer is refundable upon redemption of any of the 2026 Bonds in an amount which would exceed the portion of such fee that has not been earned.

For purposes of this Issue Price Certificate, the term "Underwriter" means (1) (i) a person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 2026 Bonds to the Public, or (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1)(i) of this paragraph (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the 2026 Bonds to the Public) to participate in the initial sale of the 2026 Bonds to the Public, and (2) any person who has more than 50% common ownership, directly or indirectly, with a person described in clause (1) of this paragraph.

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the 2026 Bonds, and by McCall, Parkhurst & Horton L.L.P. in connection with rendering its opinion that the interest on the 2026 Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the 2026 Bonds. Notwithstanding anything set forth herein, the 2026 Bond Initial Purchaser is not engaged in the practice of law and makes no representation as to the legal sufficiency of the factual matters set forth herein.

EXECUTED and DELIVERED as of this _____.

_____, as 2026 Bond Initial Purchaser

By: _____

Name:_____

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ISSUE PRICE CERTIFICATE

(sales where 3 bids are not received)

The undersigned, as the underwriter or the manager of the syndicate of underwriters (the "2026 Bond Initial Purchaser"), with respect to the purchase at competitive sale of the Unlimited Tax Bonds, Series 2026 issued by the Pilot Knob Municipal Utility District No. 2 ("Issuer") in the aggregate principal amount of $2,300,000 ("2026 Bonds"), hereby certifies and represents, based on its records and information, as follows:

(a) Other than the 2026 Bonds maturing in ____ ("Hold-the-Price Maturities"), if any, the first prices at which at least ten percent ("Substantial Amount") of the principal amount of each maturity of the 2026 Bonds having the same credit and payment terms ("Maturity") was sold on the date of sale of the 2026 Bonds (the "Sale Date") to a person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter ("Public") are their respective initial offering prices (the "Initial Offering Prices"), as listed in the pricing wire or equivalent communication for the 2026 Bonds that is attached to this Certificate as Schedule A.

(b) On or before the Sale Date, the 2026 Bond Initial Purchaser offered to the Public each Maturity of the Hold-the-Price Maturities at their respective Initial Offering Prices, as set forth in Schedule A hereto.

(c) As set forth in the Notice of Sale, the 2026 Bond Initial Purchaser agreed in writing to neither offer nor sell any of the Hold-the-Price Maturities to any person at any higher price than the Initial Offering Price for such Hold-the-Price Maturity until the earlier of the close of the fifth business day after the Sale Date or the date on which the 2026 Bond Initial Purchaser sells a Substantial Amount of a Hold-the-Price Maturity of the 2026 Bonds to the Public at no higher price than the Initial Offering Price for such Hold-the-Price Maturity.

(d) The 2026 Bond Initial Purchaser has [___]/has not [___] purchased bond insurance for the 2026 Bonds. The bond insurance has been purchased from _____ (the "Insurer") for a fee of $_____ (net any nonguarantee cost, e.g., rating agency fees). The amount of such fee is set forth in the Insurer's commitment and does not include any payment for any direct or indirect services other than the transfer of credit risk, unless the compensation for those other services is separately stated, reasonable, and excluded from such fee. Such fee does not exceed a reasonable, arm's-length charge for the transfer of credit risk and it has been paid to a person who is not exempt from federal income taxation and who is not a user or related to the user of any proceeds of the 2026 Bonds. The present value of the debt service savings expected to be realized as a result of such insurance exceeds the amount of the fee set forth above. For this purpose, present value is computed using the yield on the 2026 Bonds, determined by taking into account the amount of the fee set forth above, as the discount rate. No portion of the fee payable to the Insurer is refundable upon redemption of any of the 2026 Bonds in an amount which would exceed the portion of such fee that has not been earned.

For purposes of this Issue Price Certificate, the term "Underwriter" means (1) (i) a person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 2026 Bonds to the Public, or (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1)(i) of this paragraph (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the 2026 Bonds to the Public) to participate in the initial sale of the 2026 Bonds to the Public, and (2) any person who has more than 50% common ownership, directly or indirectly, with a person described in clause (1) of this paragraph.

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the 2026 Bonds, and by McCall, Parkhurst & Horton L.L.P. in connection with rendering its opinion that the interest on the 2026 Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the 2026 Bonds. Notwithstanding anything set forth herein, the 2026 Bond Initial Purchaser is not engaged in the practice of law and makes no representation as to the legal sufficiency of the factual matters set forth herein.

EXECUTED and DELIVERED as of this _____.

_____, as 2026 Bond Initial Purchaser

By:_____

Name:_____

DRAFT

SCHEDULE A

PRICING WIRE OR EQUIVALENT COMMUNICATION

(*Attached*)

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OFFICIAL NOTICE OF SALE

$2,480,000
PILOT KNOB MUNICIPAL UTILITY DISTRICT NO. 2
(A Political Subdivision of the State of Texas Located in Travis County, Texas)
UNLIMITED TAX ROAD BONDS, SERIES 2026A

Selling (Bids Due): Monday, December 7, 2026 at 9:30 A.M., CST
Award Expected: 11:00 A.M., CST

The 2026A Bonds (as defined herein) are obligations solely of Pilot Knob Municipal Utility District No. 2 (the "District") and are not obligations of the City of Austin, Texas; Del Valle Independent School District; Travis County, Texas; the State of Texas or any entity other than the District.

THE DISTRICT EXPECTS TO DESIGNATE THE 2026A BONDS AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS.

THE SALE

2026A BONDS OFFERED FOR SALE AT COMPETITIVE BIDDING . . . The Board of Directors (the "Board") of the District is inviting competitive bids for the purchase of its $2,480,000 Unlimited Tax Road Bonds, Series 2026A (the "2026A Bonds"). Sealed bids may be submitted by either of two alternative procedures: (1) written bids; or (2) electronic bids. Prospective bidders may select one of the two alternative bidding procedures in their sole discretion. Neither the District nor its Financial Advisor, Specialized Public Finance Inc., assumes any responsibility or liability for a prospective bidding procedure.

The District and Specialized Public Finance Inc. assume no responsibility or liability with respect to any irregularities associated with the submission of bids by telephone, facsimile or electronic options.

Specialized Public Finance Inc. will not be responsible for submitting any bids received after the deadline. For the purpose of determining compliance with any and all time deadlines set forth in this Official Notice of Sale, for all alternative bidding procedures, the official time shall be the time maintained only by the Parity Electronic Bid Submission System ("PARITY").

PROCEDURE NUMBER 1: SEALED, WRITTEN BIDS DELIVERED IN PERSON . . . Bids, plainly marked "Bid for 2026A Bonds" should be addressed to the "Board of Directors of Pilot Knob Municipal Utility District No. 2" and should be delivered to the District's Financial Advisor, Dan Wegmiller, Specialized Public Finance Inc., at 248 Addie Roy Road, Suite B-103, Austin, Texas 78746, by 9:30 A.M., CST, on December 7, 2026 ("the date of the bid opening").

PROCEDURE NUMBER 2: ELECTRONIC BIDDING PROCEDURES . . . Any prospective bidder that intends to submit an electronic bid must submit its electronic bid through the facilities of PARITY by 9:30 A.M., CST, on the date of the bid opening.

Subscription to the i-Deal LLC's BIDCOMP Competitive Bidding System is required in order to submit an electronic bid through PARITY. Further information about PARITY, including any fee charged, may be obtained from Dalcomp/Parity, 40 West 23rd Street, 5th Floor, New York, New York 10010, (212) 404-8102.

The District will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe to the bidding system. An electronic bid made through the facilities of PARITY shall be deemed an irrevocable offer to purchase the 2026A Bonds on the terms provided in this Official Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the District. Neither Specialized Public Finance Inc. nor the District shall be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of PARITY, the use of such facilities being the sole risk of the prospective bidder.

All electronic bids shall be deemed to incorporate the provisions of this Official Notice of Sale and Official Bid Form. If any provision of this Official Notice of Sale conflicts with information provided by PARITY as the approved provider of electronic bidding services, this Official Notice of Sale shall control.

For information purposes only, bidders are requested to state in their electronic bids the net interest cost to the District, as described under "CONDITIONS OF SALE – Basis of Award" below.

SIGNED OFFICIAL BID FORM . . . The bidder whose bid is the winning bid in accordance with this Official Notice of Sale will be notified immediately and must submit via email a signed Official Bid Form in connection with the sale, by 10:00 AM CST on the date of the sale to Monica Melvin, Specialized Public Finance Inc. at monica@spfmuni.com.

PLACE AND TIME OF BID OPENING . . . The District will consider the award of the sale of the 2026A Bonds on Monday, December 7, 2026 at 11:00 A.M., CST, at the designated meeting place outside the boundaries of the District, at Armbrust & Brown, PLLC, 100 Congress Avenue, Suite 1300, Austin, Texas 78701. Action will be taken immediately by the Board of the District to accept or reject the best bid.

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AWARD OF 2026A BONDS . . . The District will take action to award the 2026A Bonds or reject any or all bids promptly upon the opening of bids. Upon awarding the 2026A Bonds to the winning bidder (the "2026A Bond Initial Purchaser"), the Board will adopt an order authorizing the issuance of the 2026A Bonds (the "2026A Bond Order"). Sale of the 2026A Bonds will be made subject to the terms, conditions and provisions of the 2026A Bond Order, to which 2026A Bond Order reference is hereby made for all purposes. The District reserves the right to reject any and all bids and to waive any irregularities, except the time of filing.

WITHDRAWAL OF THE BIDS . . . Any bid may be withdrawn by an authorized representative of the bidder at any time prior to the time set for receipt of bids. Thereafter, all bids shall remain firm for six hours after the time for receipt of the bids. The award of or rejection of bids will occur within this time period.

EXTENSION OF SALE DATE . . . The District reserves the right to extend the date and/or time for the receipt of bids by giving notice, by Bond Buyer Wire Service, and by posting a notice at the place established for receipt of bids, not later than 3:00 PM, CST, on Wednesday, December 2, 2026 of the new date and time for receipt of bids. Such notice shall be considered an amendment to this Official Notice of Sale.

MUNICIPAL BOND RATING AND INSURANCE . . . The 2026A Bonds have been rated "Baa3" by Moody's Investors Service, Inc. ("Moody's") without regard to credit enhancement. In the event the 2026A Bonds are qualified for municipal bond insurance, and the 2026A Bond Initial Purchaser desires to purchase such insurance, the cost therefor will be paid by the 2026A Bond Initial Purchaser. It will be the responsibility of the 2026A Bond Initial Purchaser to disclose the existence of insurance, its terms and the effect thereof with respect to the reoffering of the 2026A Bonds. Any downgrade by a rating agency of the bond insurance provider shall not relieve the 2026A Bond Initial Purchaser of its obligation under the heading "DELIVERY AND ACCOMPANYING DOCUMENTS."

THE 2026A BONDS

DESCRIPTION OF 2026A BONDS . . . The 2026A Bonds will be dated December 22, 2026, and interest will accrue from the Date of Initial Delivery (as defined herein), will be payable on August 15, 2027, and on each February 15 and August 15 thereafter until the earlier of maturity or prior redemption and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive 2026A Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC") pursuant to the book-entry-only system described herein. **No physical delivery of the 2026A Bonds will be made to the beneficial owners thereof.** The 2026A Bonds will be issued in fully registered form only, in denominations of $5,000 or any integral multiple of $5,000 for any one maturity, and principal and interest will be paid by BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar") which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the 2026A Bonds. See the Preliminary Official Statement (made a part hereof) for a more complete description of the 2026A Bonds, including redemption provisions. The 2026A Bonds will mature on August 15 in the years and amounts as follows:

MATURITY SCHEDULE

Maturity (August 15)	Principal Amount	Maturity (August 15)	Principal Amount
2028	$ 55,000	2040	$ 100,000
2029	55,000	2041	105,000
2030	60,000	2042	110,000
2031	65,000	2043	115,000
2032	65,000	2044	120,000
2033	70,000	2045	130,000
2034	75,000	2046	135,000
2035	75,000	2047	145,000
2036	80,000	2048	150,000
2037	85,000	2049	160,000
2038	90,000	2050	165,000
2039	95,000	2051	175,000

OPTIONAL REDEMPTION PROVISIONS . . . 2026A Bonds maturing on and after August 15, 2033, are subject to redemption prior to maturity, at the option of the District, as a whole or, from time to time in part, on August 15, 2032, or on any date thereafter, at a price of par plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. If less than all of the 2026A Bonds are redeemed at any time, the maturities of the 2026A Bonds to be redeemed shall be selected by the District.

MANDATORY SINKING FUND REDEMPTION . . . If the successful bidder designates principal amounts to be combined into one or more term bonds ("2026A Term Bonds"), each such 2026A Term Bond shall be subject to mandatory sinking fund redemption commencing on August 15 of the first year which has been combined to form such 2026A Term Bond and continuing on August 15 in each year thereafter until the stated maturity date of that 2026A Term Bond. The amount redeemed in any year shall be equal to the principal amount for such year set forth above under the caption "MATURITY SCHEDULE."

OTHER TERMS AND COVENANTS . . . Other terms of the 2026A Bonds and various covenants of the District are contained in the 2026A Bond Order, which is described in the Preliminary Official Statement, to which reference is made for all purposes.

SOURCE AND SECURITY OF PAYMENT . . . The 2026A Bonds will constitute valid and legally binding obligations of the District, with principal and interest payable solely from the proceeds of a continuing, direct, annual ad valorem tax levied against all taxable property located within the District, without legal limitation as to rate or amount. The 2026A Bonds are obligations solely of the District and are not obligations of the City of Austin, Texas; Del Valle Independent School District; Travis County, Texas; the State of Texas or any entity other than the District.

BOOK-ENTRY-ONLY SYSTEM . . . The District intends to utilize the book-entry-only system of the Depository Trust Company ("DTC"). See "BOOK-ENTRY-ONLY SYSTEM" in the Preliminary Official Statement.

REGISTERED FORM REQUIREMENT . . . Section 149(a) of the Internal Revenue Code of 1986, as amended, requires that all tax-exempt obligations (with certain exceptions that do not include the 2026A Bonds) must be in registered form in order for the interest payable on such obligations to be excluded from the Registered Owners' income for federal income tax purposes.

SUCCESSOR PAYING AGENT/REGISTRAR . . . Provision is made in the 2026A Bond Order for replacement of the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the District, the new paying agent/registrar shall act in the same capacity as the previous Paying Agent/Registrar. Any paying agent/registrar selected by the District shall be a corporation organized and doing business under the laws of the United States of America or any state thereof subject to supervision or examination by federal or state banking authorities.

CONDITIONS OF SALE

TYPES OF BIDS AND INTEREST RATES . . . The 2026A Bonds will be sold in one block on an "all or none" basis at a price of not less than ninety-seven percent (97%) of the par value. Bidders are to name the rate or rates of interest to be borne by the 2026A Bonds, provided that each interest rate bid must be in a multiple of 1/8 of 1% or 1/20 of 1%. The net effective interest rate on the 2026A Bonds may not exceed a rate which is three percentage points (3.00%) above the highest "20 Bond Index" as reported by the "Bond Buyer" during the thirty (30) day period prior to the date of this Official Notice of Sale. Subject to the conditions below, no limitation will be imposed upon bidders as to the number of interest rates that may be used, but the highest interest rate bid may not exceed the lowest interest rate bid by more than 2.50% in rate. For 2026A Bonds having stated maturities on and after August 15, 2033, no reoffering yield producing a dollar price less than 95% for any individual maturities will be accepted. All 2026A Bonds maturing within a single year must bear the same rate of interest. No bids for the 2026A Bonds involving supplemental interest rates will be considered. Each bidder shall state in its bid the total and net interest cost in dollars and the net effective interest rate determined thereby, which shall be considered informative only and not as a part of the bid. No bid generating a cash premium greater than $5,000 will be considered.

BASIS OF AWARD . . . For the purpose of awarding the sale of the 2026A Bonds, the interest cost of each bid will be computed by determining, at the interest rate or rates specified therein, the total dollar value of all interest on the 2026A Bonds from the Date of Initial Delivery to their respective maturities and adding thereto any discount bid, if any, or subtracting therefrom any premium bid, if any. The District reserves the right to reject any or all bids and to waive any and all irregularities except time of filing. Subject to such rights, the 2026A Bonds will be awarded to the bidder whose bid, under the above computation, produces the lowest net effective interest rate to the District. In the event mathematical discrepancies between the interest rate or rates and the interest costs determined therefrom, as both appear on the Official Bid Form, the bid will be solely governed by the interest rates shown on the Official Bid Form.

PROVISION OF TEXAS ETHICS COMMISSION FORM 1295 . . . In accordance with Texas Government Code Section 2252.908 (the "Interested Party Disclosure Act"), the District will not award the 2026A Bonds to a bidder unless the winning bidder either:

(i) submits a Certificate of Interested Parties Form 1295 (the "TEC Form 1295") to the District as prescribed by the Texas Ethics Commission ("TEC"), or

(ii) certifies in the Official Bid Form that it is exempt from filing the TEC Form 1295 by virtue of being a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity.

In the event that the bidder's bid for the 2026A Bonds is the best bid received, the District, acting through its financial advisor, will promptly notify the winning bidder. That notification will serve as the District's conditional verbal acceptance of the bid, and, unless the bidder is exempt from filing a TEC Form 1295, such notification will obligate the winning bidder to promptly

file a completed TEC Form 1295, as described below. The District reserves the right to reject any bid that does not comply with the requirements prescribed herein.

For purposes of completing the TEC Form 1295, box 2 is name of the governmental entity (*Pilot Knob MUD No. 2*) and box 3 is the identification number assigned to this contract by the District *(Pilot Knob No.2 MUD RB 2026)* and description of the goods or services (*Purchase of the Pilot Knob Unlimited Tax Road Bonds, Series 2026A*). **The Interested Party Disclosure Act and the rules adopted by the TEC with respect thereto (the "Disclosure Rules") require certain business entities contracting with the District to complete the TEC Form 1295 electronically at https://www.ethics.state.tx.us/main/file.htm, print, complete the unsworn declaration, sign, and deliver, in physical form, the certified TEC Form 1295 that is generated by the TEC's "electronic portal" to the District. The completed and signed TEC Form 1295 must be sent by email, to the District's financial advisor at dan@spfmuni.com, as soon as possible following the notification of conditional verbal acceptance and prior to the final written award.** Upon receipt of the final written award, the winning bidder must submit the TEC Form 1295 with original signatures by email to Bond Counsel as follows: hmack@mphlegal.com and rroy@mphlegal.com.

To the extent that the bidder is not exempt from filing a TEC Form 1295 and therefor makes such filing with the District, the Interested Party Disclosure Act and the TEC Form 1295 provide that such declaration is made "under penalty of perjury." Consequently, a bidder should take appropriate steps prior to completion of the TEC Form 1295 to familiarize itself with the Interested Party Disclosure Act, the Disclosure Rules and the TEC Form 1295. **Time will be of the essence in submitting the form to the District. The District reserves the right to reject any bid that does not satisfy the requirement of a completed TEC Form 1295.** Neither the District nor its consultants have the ability to verify the information included in a TEC Form 1295, and neither party has an obligation nor undertakes responsibility for advising any bidder with respect to the proper completion of the TEC Form 1295. Consequently, an entity intending to bid on the 2026A Bonds should consult its own advisors to the extent it deems necessary and be prepared to submit the completed form promptly upon notification from the District that its bid is the conditional winning bid. Instructional videos on logging in and creating a certificate are provided on the TEC's website at https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm.

IMPACT OF BIDDING SYNDICATE ON AWARD . . . For purposes of contracting for the sale of the 2026A Bonds, the entity signing the bid form as Initial Purchaser shall be solely responsible for the payment of the purchase price of the 2026A Bonds. The Initial Purchaser may serve as a syndicate manager and contract under a separate agreement with other syndicate members. However, the District is not a party to that agreement and any information provided regarding syndicate managers would be for informational purposes only.

GOOD FAITH DEPOSIT . . . Each bid must be accompanied by a bank cashier's check payable to the order of "Pilot Knob Municipal Utility District No. 2" in the amount of $49,600 which is 2% of the par value of the 2026A Bonds. The check will be considered as a Good Faith Deposit, and the check of the successful bidder (the "Initial Purchaser") will be retained uncashed by the District until the 2026A Bonds are delivered. Upon payment for and delivery of the 2026A Bonds, the Good Faith Deposit will be returned to the Initial Purchaser uncashed. If the Initial Purchaser should fail or refuse to make payment for or accept delivery of the 2026A Bonds in accordance with its bid, then the check will be cashed and accepted by the District as full and complete liquidated damages; however, if it is determined after the acceptance of the bid by the District that the Purchaser was found not to satisfy the requirements described under "Covered Verifications" (defined below) and as a result the Texas Attorney General will not deliver its approving opinion on the 2026A Bonds, then said check shall be cashed and accepted by the District but shall not be the sole or exclusive remedy available to the District. Such check may accompany the Official Bid Form or it may be submitted separately. If submitted separately, it shall be made available to the District prior to the review of the bids and shall be accompanied by instructions from the bank on which it is drawn which authorize its use as a Good Faith Deposit. The checks of the unsuccessful bidders will be returned immediately after bids are opened and sale of the 2026A Bonds has been awarded. See "Further State Law Compliance and Standing Letter Requirement" below. See "DELIVERY OF THE 2026A BONDS AND ACCOMPANYING DOCUMENTS – Delivery."

VERIFICATIONS OF STATUTORY REPRESENTATIONS AND COVENANTS . . . The District will not award the 2026A Bonds to a bidder unless the following representations and covenants pursuant to Chapters 2252, 2270, 2271, 2274, and 2276, Texas Government Code, as amended (the "Government Code"), are included in the bid. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the bidder within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of the Official Bid Form or Official Notice of Sale (collectively, the "Agreement"), notwithstanding anything in the Agreement to the contrary.

(i) **No Boycott of Israel (Government Code, Chapter 2271):** A bidder must verify that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel through the term of the Agreement. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(ii) **Not a Sanctioned Company (Government Code, Chapter 2252):** A bidder must represent that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes a bidder and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States

government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(iii) **No Discrimination Against Firearm Entities or Firearm Trade Associations (Government Code, Chapter 2274):** A bidder must verify that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association through the term of the Agreement. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

(iv) **No Boycott of Energy Companies (Government Code, Chapter 2276):** A bidder must verify that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies through the term of the Agreement. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

FURTHER STATE LAW COMPLIANCE AND STANDING LETTER REQUIREMENT . . . Each prospective bidder must have a standing letter on file with the Municipal Advisory Council of Texas and the Texas Attorney General's Office in the form included as Exhibit A to the All Bond Counsel Letter of the Texas Attorney General dated November 1, 2023 and any supplements thereto (the "All Bond Counsel Letter"). In submitting a bid, a bidder represents to the District that it has filed a standing letter in the form included as Exhibit A to the All Bond Counsel Letter without qualification and including current statutory citations and it has no reason to believe that the District may not be entitled to rely on the standing letter on file with the Municipal Advisory Council of Texas and the Texas Attorney General's Office. Bidder agrees that it will not rescind its standing letter at any time before the delivery of the 2026A Bonds unless same is immediately replaced with a standing letter meeting the requirements of the All Bond Counsel Letter.

The District will not accept a bid from a bidder that does not have such standing letter on file as of the deadline for bids for the 2026A Bonds. If requested by the District, the Purchaser agrees to provide such further representations, certifications or assurances in connection with the Covered Verifications (defined below), as of the Delivery Date or such other date requested by the District including, but not limited to, a bring down certification as provided by the All Bond Counsel Letter.

THE DISTRICT RESERVES THE RIGHT, IN ITS SOLE DISCRETION, TO REJECT THE BID OF ANY BIDDER WHO IS, OR WHOSE PARENT COMPANY, SUBSIDIARIES OR AFFILIATES ARE, ON A LIST MAINTAINED BY THE TEXAS COMPTROLLER OF FINANCIAL COMPANIES BOYCOTTING ENERGY COMPANIES OR DISCRIMINATING AGAINST FIREARM ENTITIES.

BY SUBMITTING A BID, EACH BIDDER AGREES, SHOULD IT BE THE WINNING BIDDER, TO COOPERATE WITH THE DISTRICT AND TAKE ANY ACTION NECESSARY TO FURTHER VERIFY AND CONFIRM COMPLIANCE WITH STATE LAW.

To the extent the Initial Purchaser and each syndicate member listed on the Official Bid Form is unable to provide a Standing Letter in a form satisfactory to the Office of the Attorney General of Texas, the District reserves the right to cash and accept the Good Faith Deposit (see "CONDITIONS OF THE SALE – Good Faith Deposit"). **THE LIABILITY OF THE BIDDER FOR BREACH OF ANY OF THE VERIFICATIONS MADE IN CONNECTION WITH CHAPTERS 2252, 2270, 2271, 2274, AND 2276, TEXAS GOVERNMENT CODE, AS AMENDED (COLLECTIVELY, THE "COVERED VERIFICATIONS") SHALL SURVIVE UNTIL BARRED BY THE STATUTE OF LIMITATIONS, AND SHALL NOT BE LIQUIDATED OR OTHERWISE LIMITED BY ANY PROVISION OF THE AGREEMENT. ADDITIONALLY, THE DISTRICT RESERVES AND RETAINS ALL RIGHTS AND REMEDIES AT LAW AND IN EQUITY FOR PURSUIT AND RECOVERY OF DAMAGES, IF ANY, RELATING TO THE COVERED VERIFICATIONS.**

OFFICIAL STATEMENT

By accepting the winning bid, the District agrees to the following representations and covenants to assist the 2026A Bond Initial Purchaser in complying with Rule 15c2-12 of the United States Securities and Exchange Commission ("SEC"):

FINAL OFFICIAL STATEMENT . . . The District has prepared the accompanying Preliminary Official Statement for dissemination to potential purchasers of the 2026A Bonds but will not prepare any other document or version for such purpose except as described below. The District will be responsible for completing the Official Statement by inserting the interest rates bid, the purchase price bid, the ratings assigned to the 2026A Bonds (if not currently included) if applicable, the disclosure required by a bond insurer after the purchase of municipal bond insurance, if any, the initial public offering yields as set forth in the Official Bid Form, or otherwise supplied by the 2026A Bond Initial Purchaser, and for preparing and inserting the final debt service schedule. The District does not intend to amend or supplement the Official Statement otherwise, except to take into account certain subsequent events, if any, as described below. Accordingly, the District deems the accompanying Preliminary Official Statement to be final as of its date, within the meaning of SEC Rule 15c2-12(b)(1), except for the omission of the foregoing items. By delivering the final Official Statement or any amendment or supplement thereto in the requested quantity to the 2026A Bond Initial Purchaser on or after the sale date, the District represents the same to be complete as of such date, within the meaning of SEC Rule 15c2-12(e)(3). Notwithstanding the foregoing, the only representations concerning the absence of material misstatements or omissions from the

Official Statement which are or will be made by the District are those described in the Official Statement under "OFFICIAL STATEMENT – Certification as to Official Statement;"

CHANGES TO OFFICIAL STATEMENT DURING UNDERWRITING PERIOD . . . If, subsequent to the date of the Official Statement to and including the date the 2026A Bond Initial Purchaser is no longer required to provide an Official Statement to potential customers who request the same pursuant to 15c2-12 of the federal Securities Exchange Act of 1934 (the "Rule") (the earlier of (i) 90 days from the "end of the underwriting period" (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from a nationally recognized repository but in no case less than 25 days after the "end of the underwriting period"), the District learns or is notified by the 2026A Bond Initial Purchaser of any adverse event which causes any of the key representations in the Official Statement to be materially misleading, the District will promptly prepare and supply to the 2026A Bond Initial Purchaser a supplement to the Official Statement which corrects such representation to the reasonable satisfaction of the 2026A Bond Initial Purchaser, unless the 2026A Bond Initial Purchaser elects to terminate its obligation to purchase the 2026A Bonds as described below. See "DELIVERY OF THE BONDS AND ACCOMPANYING DOCUMENTS – Conditions to Delivery." The obligation of the District to update or change the Official Statement will terminate when the District delivers the 2026A Bonds to the 2026A Bond Initial Purchaser (the "end of the underwriting period" within the meaning of the Rule), unless the 2026A Bond Initial Purchaser provides written notice to the District that less than all of the 2026A Bonds have been sold to ultimate customers on or before such date, in which case the obligation to update or change the Official Statement will extend for an additional period of time of 25 days after all of the 2026A Bonds have been sold to ultimate customers. In the event the 2026A Bond Initial Purchaser provides written notice to the District that less than all of the 2026A Bonds have been sold to ultimate customers, the 2026A Bond Initial Purchaser agrees to notify the District in writing following the occurrence of the "end of the underwriting period" as defined in the Rule;

DELIVERY OF OFFICIAL STATEMENTS . . . The District will furnish to the 2026A Bond Initial Purchaser (and to each other participating underwriter of the 2026A Bonds, within the meaning of SEC Rule 15c2-12(a), designated by the 2026A Bond Initial Purchaser), within seven (7) business days after the sale date, the aggregate number of Official Statements requested but not in excess of 250 copies. The District will also furnish to the 2026A Bond Initial Purchaser a like number of any supplement or amendment prepared by the District for dissemination to potential purchasers of the 2026A Bonds as described above in "OFFICIAL STATEMENT – Changes to Official Statement During Underwriting Period" as well as such additional copies of the Official Statement or any supplement or amendment as the 2026A Bond Initial Purchaser may request prior to the 25th day after the "end of the underwriting period" within the meaning of the Rule. The District will pay the expense of preparing up to 250 copies of the Official Statement and all copies of any supplement or amendment issued on or before the delivery date, but the 2026A Bond Initial Purchaser must pay for all other copies of the Official Statement or any supplement or amendment thereto; and

RULE G-32 REQUIREMENTS . . . It is the responsibility of the 2026A Bond Initial Purchaser to comply with the Municipal Securities Rulemaking Board's Rule G-32 within the required time frame. The 2026A Bond Initial Purchaser must send two copies of the "Official Statement" along with two complete Form G-32's to the appropriate address.

DELIVERY AND ACCOMPANYING DOCUMENTS

INITIAL DELIVERY OF INITIAL BONDS . . . Initial Delivery ("Initial Delivery") will be accomplished by the issuance of one initial bond payable in installments (collectively, the "Initial Bond"), either in typed or printed form, in the aggregate principal amount of $2,480,000, registered in the name of the 2026A Bond Initial Purchaser, manually signed by the President or Vice President and Secretary or Assistant Secretary of the Board, or executed by the facsimile signatures of the President or Vice President and Secretary or Assistant Secretary of the Board, and approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of Texas or his authorized deputy. Upon delivery of the Initial Bond, the Paying Agent/Registrar shall immediately cancel the Initial Bond and one definitive 2026A Bond for each maturity will be registered and delivered only to Cede & Co. in connection with DTC's book-entry-only system. Initial Delivery will be at a corporate trust office of the Paying Agent/Registrar in Austin, Texas. Payment for the 2026A Bonds must be made in immediately available funds for unconditional credit to the District, or as otherwise directed by the District. The 2026A Bond Initial Purchaser will be given six (6) business days' notice of the time fixed for delivery of the 2026A Bonds. It is anticipated that Initial Delivery can be made on or about December 22, 2026, and subject to the aforementioned notice it is understood and agreed that the 2026A Bond Initial Purchaser will accept delivery of and make payment for the 2026A Bonds by 10:00 A.M., CST, on December 22, 2026, or thereafter on the date the 2026A Bonds are tendered for delivery, up to and including January 4, 2027. If for any reason the District is unable to make delivery on or before January 4, 2027, then the District shall immediately contact the 2026A Bond Initial Purchaser and offer to allow the 2026A Bond Initial Purchaser to extend its offer for an additional thirty (30) days. If the 2026A Bond Initial Purchaser does not elect to extend its offer within six (6) business days thereafter, then its Good Faith Deposit will be returned, and both the District and the 2026A Bond Initial Purchaser shall be relieved of any further obligation.

CUSIP NUMBERS . . . It is anticipated that CUSIP identification numbers will be printed on the 2026A Bonds, but neither the failure to print such number on any 2026A Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the 2026A Bond Initial Purchaser to accept delivery of and pay for the 2026A Bonds in accordance with the terms of this Official Notice of Sale. The Financial Advisor will obtain CUSIP identification numbers from the CUSIP Service Bureau, New York, New York prior to the date of sale. CUSIP identification numbers will be made available to the 2026A Bond Initial Purchaser at the time the 2026A Bonds are awarded or as soon thereafter as practicable.

CONDITIONS TO DELIVERY . . . The obligation to take up and pay for the 2026A Bonds is subject to the following conditions: issuance of an approving opinion of the Attorney General of Texas, the 2026A Bond Initial Purchaser's receipt of typewritten bonds, the legal opinion of Bond Counsel, and the No-Litigation Certificate, all of which are described herein, and the non-occurrence of the events described below under the caption "No Material Adverse Change." In addition, if the District fails to comply with its obligations described in the Preliminary Official Statement, the 2026A Bond Initial Purchaser may terminate its contract to purchase the 2026A Bonds by delivering written notice to the District within five (5) days thereafter.

LEGAL OPINIONS . . . The District will furnish without cost to the 2026A Bond Initial Purchaser a transcript of certain certified proceedings incident to the issuance and authorization of the 2026A Bonds, including a certified copy of the unqualified approving legal opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State of Texas, to the effect that the 2026A Bonds are valid and binding obligations of the District, payable from the proceeds of an annual ad valorem tax levied, without legal limit as to rate or amount, upon all taxable property within the District, and, based upon an examination of such transcript of proceedings, the approving legal opinion of McCall, Parkhurst & Horton L.L.P., Austin, Texas, to the effect that the 2026A Bonds are valid and binding obligations of the District payable from the sources and enforceable in accordance with the terms and conditions described therein, except to the extent that the enforceability thereof may be affected by governmental immunity, bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with general principal of equity and to the effect that the interest on the 2026A Bonds is excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described under "TAX MATTERS."

ESTABLISHING THE ISSUE PRICE FOR THE 2026A BONDS . . . The District intends to rely on Treasury Regulation section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of municipal bonds), which require, among other things, that the District receives bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (the "Competitive Sale Requirement").

In the event that the bidding process does not satisfy the Competitive Sale Requirement bids will **not** be subject to cancellation and the winning bidder (i) agrees to promptly report to the District the first prices at which at least 10% of each maturity of the 2026A Bonds (the "First Price Maturity") have been sold to the Public on the Sale Date (the "10% Test") (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% Test) and (ii) agrees to hold-the-offering-price of each maturity of the 2026A Bonds that does not satisfy the 10% Test ("Hold-the-Price Maturity"), as described below.

In order to provide the District with information that enables it to comply with the establishment of the issue price of the 2026A Bonds under the Internal Revenue Code of 1986, as amended, the winning bidder agrees to complete, execute, and timely deliver to the District or to the District's financial advisor, Specialized Public Finance Inc. (the "District's Financial Advisor") a certification as to the 2026A Bonds' "issue price" (the "Issue Price Certificate") substantially in the form and to the effect accompanying this Notice of Sale, within 5 business days prior to the Closing Date if the Competitive Sale Requirement is satisfied or within 5 business days of the date on which the 10% Test is satisfied with respect to all of the First Price Maturities. In the event the winning bidder will not reoffer any maturity of the 2026A Bonds for sale to the Public (as defined herein) by the Closing Date, the Issue Price Certificate may be modified in a manner approved by the District. It will be the responsibility of the winning bidder to institute such syndicate reporting requirements, to make such investigation, or otherwise to ascertain such facts necessary to enable it to make such certification with reasonable certainty. Any questions concerning such certification should be directed to Bond Counsel (identified in the Preliminary Official Statement).

For purposes of this section of this Notice of Sale:

(i) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than a Participating Underwriter or a Related Party to the Underwriter,
(ii) "Participating Underwriter" means (A) any person that agrees pursuant to a written contract with the District (or with the lead Participating Underwriter to form an underwriting syndicate) to participate in the initial sale of the 2026A Bonds to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the 2026A Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the 2026A Bonds to the Public),
(iii) "Related Party" means any two or more persons who are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
(iv) "Sale Date" means the date that the 2026A Bonds are awarded by the District to the winning bidder.

All actions to be taken by the District under this Official Notice of Sale to establish the issue price of the 2026A Bonds may be taken on behalf of the District by the District's Financial Advisor, and any notice or report to be provided to the District may be provided to the District's Financial Advisor.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the 2026A Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, (A) to report the prices at which it sells to the Public the unsold 2026A Bonds of each maturity allocated to it until either all such 2026A Bonds have been sold or it is notified by the winning bidder that either the 10% Test has been satisfied as to the 2026A Bonds of that maturity, (B) to promptly notify the winning bidder of any sales of 2026A Bonds that, to its knowledge, are made to a purchaser who is a Related Party to an Underwriter, and (C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder will assume that based on such agreement each order submitted by the underwriter, dealer or broker-dealer is a sale to the Public; and (ii) any agreement among underwriters or selling group agreement relating to the initial sale of the 2026A Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the 2026A Bonds to the Public to require each underwriter or dealer that is a party to such third-party distribution agreement to report the prices at which it sells to the Public the unsold 2026A Bonds of each maturity allocated to it until either all such 2026A Bonds have been sold or it is notified by the winning bidder or such Underwriter that either the 10% Test has been satisfied as to the 2026A Bonds of that maturity or all the 2026A Bonds of that maturity have been sold to the Public. Sales of any 2026A Bonds to any person that is a Related Party to an Underwriter shall not constitute sales to the public for purposes of this Notice of Sale.

By submitting a bid, the winning bidder agrees, on behalf of each Participating Underwriter participating in the purchase of the 2026A Bonds, that each Participating Underwriter will neither offer nor sell any Hold-the-Price Maturity to any person at a price that is higher than the initial offering price to the Public during the period starting on the Sale Date and ending on the earlier of (1) the close of the fifth (5th) business day after the Sale Date; or (2) the date on which the Participating Underwriters have sold at least 10% of that Hold-the-Price Maturity to the Public at a price that is no higher than the initial offering price to the Public. The winning bidder shall promptly advise the District when the Participating Underwriters have sold 10% of a Hold-the-Price Maturity to the Public at a price that is no higher than the initial offering price to the Public, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

TEXAS BOND REVIEW BOARD INFORMATION . . . In order to provide the District with information required to be submitted to the Texas Bond Review Board pursuant to Section 1202.008, Texas Government Code, as amended, the 2026A Bond Initial Purchaser will be required to provide the District with a breakdown of its "underwriting spread" which, at minimum, consists of the following categories: Takedown, Management Fee (if any), Legal Counsel Fee (if any) and Spread Expenses (if any).

NO-LITIGATION CERTIFICATE . . . With the delivery of the 2026A Bonds, the President or Vice President and Secretary or Assistant Secretary of the Board will, on behalf of the District, execute and deliver to the 2026A Bond Initial Purchaser a certificate dated as of the date of delivery, to the effect that no litigation of any nature of which the District has notice is pending against or, to the best knowledge of the District's certifying officers, threatened against the District, either in state or federal courts, contesting or attacking the 2026A Bonds; restraining or enjoining the authorization, execution or delivery of the 2026A Bonds; affecting the provision made for the payment of or security for the 2026A Bonds; in any manner questioning the authority or proceedings for authorization, execution or delivery of the 2026A Bonds; or affecting the validity of the 2026A Bonds, the corporate existence or boundaries of the District or the title of the then present officers and directors of the Board.

NO MATERIAL ADVERSE CHANGE . . . The obligations of the District to deliver the 2026A Bonds and of the 2026A Bond Initial Purchaser to accept delivery of and pay for the 2026A Bonds are subject to the condition that to the time of delivery of and receipt of payment for the 2026A Bonds, there shall have been no material adverse change in the conditions of the District from those set forth in or contemplated by the Official Statement, as it may have been supplemented or amended through the date of sale.

QUALIFIED TAX-EXEMPT OBLIGATIONS . . . The District expects to designate the 2026A Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b) of the Code and will represent that the total amount of tax-exempt obligations (including the 2026A Bonds) issued by it during the calendar year 2026 is not expected to exceed $10,000,000. See "TAX MATTERS – Qualified Tax-Exempt Obligations for Financial Institutions."

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CONTINUING DISCLOSURE

The District will agree in the 2026A Bond Order to provide certain periodic information and notices of certain events in accordance with the Rule, as described in the Preliminary Official Statement under "CONTINUING DISCLOSURE OF INFORMATION." The 2026A Bond Initial Purchaser's obligation to accept and pay for the 2026A Bonds is conditioned upon delivery to the 2026A Bond Initial Purchaser(s) or its (their) agent of a certified copy of the 2026A Bond Order containing the agreement described under such heading.

GENERAL CONSIDERATIONS

RECORD DATE . . . The record date ("Record Date") for the interest payable on any interest payment date is the last calendar day of the month next preceding each interest payment date, whether or not such days are business days.

RECORD DATE FOR BONDS TO BE REDEEMED . . . Neither the District nor the Paying Agent shall be required (1) to issue, transfer, or exchange any 2026A Bond during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal on interest payment date or (2) to transfer or exchange, in whole or in part, any 2026A Bond or any portion thereof selected for redemption prior to maturity, within forty-five (45) calendar days prior to its redemption date.

INVESTMENT CONSIDERATIONS . . . The 2026A Bonds involve certain investment considerations and all prospective bidders are urged to examine carefully the Preliminary Official Statement with respect to the investment considerations associated with the 2026A Bonds. Particular attention should be given to the information set forth therein under the caption "INVESTMENT CONSIDERATIONS."

RESERVATION OF RIGHTS . . . The District reserves the right to reject any and all bids and to waive any and all irregularities except time of filing.

NOT AN OFFER TO SELL . . . This Official Notice of Sale does not alone constitute an offer to sell the 2026A Bonds but is merely notice of sale of the 2026A Bonds. The invitation for bids on the 2026A Bonds is being made by means of this Official Notice of Sale, the Preliminary Official Statement and the Official Bid Form.

REGISTRATION AND QUALIFICATION OF 2026A BONDS FOR SALE . . . The offer and sale of the 2026A Bonds have not been registered or qualified under the Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder; the 2026A Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the 2026A Bonds been registered or qualified under the securities laws of any other jurisdiction. The District assumes no responsibility for registration or qualification of the 2026A Bonds under the securities laws of any jurisdiction in which the 2026A Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the 2026A Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions.

By submission of a bid, the 2026A Bond Initial Purchaser represents that its sale of the 2026A Bonds in states other than Texas will be made only pursuant to exemptions from registration or qualification or, where necessary, the 2026A Bond Initial Purchaser will register and qualify the 2026A Bonds in accordance with the securities laws of any jurisdiction which so requires. The District agrees to cooperate, at the 2026A Bond Initial Purchaser's written request and expense, in registering or qualifying the 2026A Bonds, or in obtaining exemption from registration or qualification, in any state where such action is necessary, provided that the District shall not be required to file a general or special consent to service of process in any jurisdiction.

ADDITIONAL COPIES OF DOCUMENTS . . . Copies of the Official Notice of Sale, the Preliminary Official Statement, the Official Bid Form, Audits, and the pro forma 2026A Bond Order may be obtained at the offices of Specialized Public Finance Inc., 248 Addie Roy Road, Suite B-103, Austin, Texas 78746, Financial Advisor to the District.

Parker McCollum, President
Board of Directors
Pilot Knob Municipal Utility District No. 2

November 30, 2026

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OFFICIAL BID FORM

President and Board of Directors
Pilot Knob Municipal Utility District No. 2
c/o Specialized Public Finance Inc.
248 Addie Roy Road, Suite B-103
Austin, Texas 78746

Board of Directors:

We have read in detail your Official Notice of Sale and accompanying Preliminary Official Statement dated November 30, 2026, relating to the Pilot Knob Municipal Utility District No. 2 (the "District") and its $2,480,000 Unlimited Tax Road Bonds, Series 2026A (the "2026A Bonds"), as made a part hereof. We realize that the 2026A Bonds involve certain investment considerations, and we have made inspections and investigations as we deem necessary relating to the District and to the investment quality of the 2026A Bonds.

For your legally issued 2026A Bonds, in the aggregate principal amount of $2,480,000, we will pay you a price of $_____, representing approximately _____% of the par value. Such 2026A Bonds mature August 15, in each of the years and in the amounts and interest rates shown below:

Maturity (August 15)	Principal Amount	Interest Rate	Maturity (August 15)	Principal Amount	Interest Rate
2028	$ 55,000	%	2040	$ 100,000	%
2029	55,000	%	2041	105,000	%
2030	60,000	%	2042	110,000	%
2031	65,000	%	2043	115,000	%
2032	65,000	%	2044	120,000	%
2033	70,000	%	2045	130,000	%
2034	75,000	%	2046	135,000	%
2035	75,000	%	2047	145,000	%
2036	80,000	%	2048	150,000	%
2037	85,000	%	2049	160,000	%
2038	90,000	%	2050	165,000	%
2039	95,000	%	2051	175,000	%

Of the principal maturities set forth in the table above, we have created term bonds as indicated in the following table (which may include multiple term bonds, one term bond or no term bond if none is indicated). For those years which have been combined into a term bond, the principal amount shown in the table above shall be the mandatory sinking fund redemption amounts in such years except that the amount shown in the year of the term bond maturity date shall mature in such year. The term bonds created are as follows:

2026A Term Bonds Maturing August 15	Year of First Mandatory Redemption	Principal Amount	Interest Rate
		$	%
		$	%
		$	%
		$	%
		$	%

Our calculation (which is not a part of this bid) of the interest cost from the above is:

TOTAL INTEREST COST FROM 12/22/2026	$_____
PLUS DOLLAR AMOUNT OF DISCOUNT	$_____
NET INTEREST COST	$_____
NET EFFECTIVE INTEREST RATE	_____%

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A wire transfer or a cashiers or certified check to the District in the amount of $49,600 will be made available in accordance with the Notice of Sale made a part hereof. Should we fail or refuse to make payment for the 2026A Bonds in accordance with the terms and conditions set forth in the Notice of Sale, the proceeds of this deposit shall be retained by the District as complete liquidated damages against us. Please check the box below to designate your Good Faith Deposit option.

We are having the 2026A Bonds insured by _____ at a premium of $_____, **said premium to be paid by the 2026A Bond Initial Purchaser.**

The undersigned agrees to complete, execute, and deliver to the District, by the date of delivery of the 2026A Bonds, a certificate relating to the "issue price" of the 2026A Bonds in the form accompanying the Official Notice of Sale, with such changes thereto as may be acceptable to the District.

We understand the sale of the 2026A Bonds has not been registered under the United States Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder; the 2026A Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the 2026A Bonds been registered or qualified under the securities acts of any other jurisdiction. We hereby represent the sale of the 2026A Bonds in jurisdictions other than Texas will be made only pursuant to exemptions from registration or qualification and that where necessary, we will register or qualify the 2026A Bonds in accordance with the securities laws and regulations of the jurisdiction in which the 2026A Bonds are offered or sold.

If the undersigned is not exempt from filing the Form 1295, then upon notification of conditional verbal acceptance, the undersigned will complete an electronic form of the Form 1295 through the TEC's electronic portal and the resulting certified Form 1295 that is generated by the TEC's electronic portal will be printed, signed, notarized and sent by email to the District's General Counsel at bellis@abaustin.com. The undersigned understands that the failure to provide the certified Form 1295 will allow the District to forego awarding the enclosed bid.

As used in the following verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the bidder within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of the Notice of Sale or Official Bid Form (collectively, the "Agreement"), notwithstanding anything in the Agreement to the contrary.

(i) No Boycott of Israel Verification (Texas Government Code, Chapter 2271). The 2026A Bond Initial Purchaser hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel through the term of the Agreement. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(ii) Not a Sanctioned Company (Texas Government Code, Chapter 2252). The 2026A Bond Initial Purchaser represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes a bidder and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(iii) No Boycott of Energy Companies (Texas Government Code, Chapter 2276). The 2026A Bond Initial Purchaser hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies through the term of the Agreement. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

(iv) No Discrimination Against Firearm Entities or Firearm Trade Associations (Texas Government Code, Chapter 2274). The 2026A Bond Initial Purchaser hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association through the Term of the Agreement. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

By submitting this bid, the 2026A Bond Initial Purchaser understands and agrees that if 2026A Bond Initial Purchaser should fail or refuse to take up and pay for the 2026A Bonds in accordance with this bid, or it is determined that after the acceptance of this bid by the District that the 2026A Bond Initial Purchaser was found not to satisfy the requirements described in the Official Notice of Sale and Bidding Instructions under the heading "CONDITIONS OF THE SALE" and as a result the Texas Attorney General will not deliver its approving opinion of the 2026A Bonds, then the check submitted herewith as the 2026A Bond Initial Purchaser's Good Faith Deposit shall be cashed and accepted by the District. IF THE DISTRICT CASHES THE 2026A BOND INITIAL

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PURCHASER'S E DEPOSIT AS DESCRIBED ABOVE, SUCH ACTION DOES NOT CONSTITUTE COMPLETE OR LIQUIDATED DAMAGES RELATED TO THE 2026A BOND INITIAL PURCHASER'S BREACH OF ANY OF THE COVERED VERIFICATIONS.

By submitting this bid, the 2026A Bond Initial Purchaser understands and agrees that the liability of the 2026A Bond Initial Purchaser for breach of any of the verifications made in connection with Chapters 2252, 2270, 2271, 2274, and 2276, Texas Government Code, as amended and as described above (collectively, the "Covered Verifications") shall survive until barred by the statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Official Bid Form or the Official Notice of Sale. Additionally, the 2026A Bond Initial Purchaser acknowledges and agrees that the District reserves and retains all rights and remedies at law and in equity for pursuit and recovery of damages, if any, relating to the Covered Verifications.

FURTHER STATE LAW COMPLIANCE AND STANDING LETTER REQUIREMENT: By submitting this bid, the 2026A Bond Initial Purchaser understands and agrees that it must have a standing letter on file with the Municipal Advisory Council of Texas and the Texas Attorney General's Office in the form included as Exhibit A to the All Bond Counsel Letter of the Texas Attorney General dated November 1, 2023 and any supplements thereto (the "All Bond Counsel Letter"). In submitting this bid, the 2026A Bond Initial Purchaser represents to the District that it has filed a standing letter in the form included as Exhibit A to the All Bond Counsel Letter without qualification and including current statutory citations and it has no reason to believe that the District may not be entitled to rely on the standing letter on file with the Municipal Advisory Council of Texas and the Texas Attorney General's Office. The 2026A Bond Initial Purchaser hereby further agrees that it will not rescind its standing letter at any time before the delivery of the 2026A Bonds unless same is immediately replaced with a standing letter meeting the requirements of the All Bond Counsel Letter.

The 2026A Bond Initial Purchaser agrees to provide such further representations, certifications or assurances in connection with the Covered Verifications, as of the Delivery Date or such other date requested by the District including, but not limited to, a bring down certification as provided by the All Bond Counsel Letter.

The 2026A Bond Initial Purchaser acknowledges that the District, in its sole discretion, has reserved the right to reject the bid of any bidder who is, or whose parent company, subsidiaries or affiliates are, on a list maintained by the Texas Comptroller of financial companies boycotting energy companies or discriminating against firearm entities.

The 2026A Bond Initial Purchaser understands and agrees that to the extent the 2026A Bond Initial Purchaser and each syndicate member listed on the Official Bid Form is unable to provide a Standing Letter in a form satisfactory to the Office of the Attorney General of Texas, the District reserves the right to cash and accept the Good Faith Deposit (see "CONDITIONS OF THE SALE – Good Faith Deposit" in the Official Notice of Sale).

NOTWITHSTANDING ANYTHING CONTAINED HEREIN, THE REPRESENTATIONS AND COVENANTS CONTAINED IN THIS OFFICIAL BID FORM SHALL SURVIVE TERMINATION OF THE AGREEMENT OF THE 2026A BOND INITIAL PURCHASER TO PURCHASE THE 2026A BONDS UNTIL THE STATUTE OF LIMITATIONS HAS RUN.

The undersigned certifies that it [is]/[is not] exempt from filing the Texas Ethics Commission (the "TEC") Certificate of Interested Parties Form 1295 (the "Form 1295") by virtue of being a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity.

At the request of the District, the undersigned agrees to execute further written certification as may be necessary or convenient for the District to establish compliance with the foregoing.

We agree to provide in writing the initial reoffering prices and other terms, if any, to the Financial Advisor by the close of the next business day after the award.

Respectfully submitted,

_____
Name of 2026A Bond Initial Purchaser or Manager

_____
Authorized Representative

_____
Signature

DRAFT

ACCEPTANCE CLAUSE

The above and foregoing bid is hereby in all things accepted by Pilot Knob Municipal Utility District No. 2 this the 7th day of December, 2026.

ATTEST:

Secretary, Board of Directors Pilot Knob Municipal Utility District No. 2	President, Board of Directors Pilot Knob Municipal Utility District No. 2

DRAFT

ISSUE PRICE CERTIFICATE

(sales where 3 bids are received)

The undersigned, as the underwriter or the manager of the syndicate of underwriters (the "2026A Bond Initial Purchaser"), with respect to the purchase at competitive sale of the Unlimited Tax Road Bonds, Series 2026A issued by the Pilot Knob Municipal Utility District No. 2 ("Issuer") in the aggregate principal amount of $2,480,000 ("2026A Bonds"), hereby certifies and represents, based on its records and information, as follows:

(a) On the first day on which there was a binding contract in writing for the purchase of the 2026A Bonds by the 2026A Bond Initial Purchaser, the 2026A Bond Initial Purchaser's reasonably expected initial offering prices of each maturity of the 2026A Bonds with the same credit and payment terms (the "Expected Offering Prices") to a person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter are as set forth in the pricing wire or equivalent communication for the 2026A Bonds, as attached to this Certificate as Schedule A. The Expected Offering Prices are the prices for the 2026A Bonds used by the 2026A Bond Initial Purchaser in formulating its bid to purchase the 2026A Bonds.

(b) The 2026A Bond Initial Purchaser had an equal opportunity to bid to purchase the 2026A Bonds and it was not given the opportunity to review other bids that was not equally given to all other bidders (i.e., no last look).

(c) The bid submitted by the 2026A Bond Initial Purchaser constituted a firm bid to purchase the 2026A Bonds.

(d) The 2026A Bond Initial Purchaser has [___]/has not [___] purchased bond insurance for the 2026A Bonds. The bond insurance has been purchased from _____ (the "Insurer") for a fee of $_____ (net any nonguarantee cost, e.g., rating agency fees). The amount of such fee is set forth in the Insurer's commitment and does not include any payment for any direct or indirect services other than the transfer of credit risk, unless the compensation for those other services is separately stated, reasonable, and excluded from such fee. Such fee does not exceed a reasonable, arm's-length charge for the transfer of credit risk and it has been paid to a person who is not exempt from federal income taxation and who is not a user or related to the user of any proceeds of the 2026A Bonds. The present value of the debt service savings expected to be realized as a result of such insurance exceeds the amount of the fee set forth above. For this purpose, present value is computed using the yield on the 2026A Bonds, determined by taking into account the amount of the fee set forth above, as the discount rate. No portion of the fee payable to the Insurer is refundable upon redemption of any of the 2026A Bonds in an amount which would exceed the portion of such fee that has not been earned.

For purposes of this Issue Price Certificate, the term "Underwriter" means (1) (i) a person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 2026A Bonds to the Public, or (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1)(i) of this paragraph (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the 2026A Bonds to the Public) to participate in the initial sale of the 2026A Bonds to the Public, and (2) any person who has more than 50% common ownership, directly or indirectly, with a person described in clause (1) of this paragraph.

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the 2026A Bonds, and by McCall, Parkhurst & Horton L.L.P. in connection with rendering its opinion that the interest on the 2026A Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the 2026A Bonds. Notwithstanding anything set forth herein, the 2026A Bond Initial Purchaser is not engaged in the practice of law and makes no representation as to the legal sufficiency of the factual matters set forth herein.

EXECUTED and DELIVERED as of this _____.

_____, as 2026A Bond Initial Purchaser

By: _____

Name:_____

DRAFT

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DRAFT

ISSUE PRICE CERTIFICATE

(sales where 3 bids are not received)

The undersigned, as the underwriter or the manager of the syndicate of underwriters (the "2026A Bond Initial Purchaser"), with respect to the purchase at competitive sale of the Unlimited Tax Road Bonds, Series 2026A issued by the Pilot Knob Municipal Utility District No. 2 ("Issuer") in the aggregate principal amount of $2,480,000 ("2026A Bonds"), hereby certifies and represents, based on its records and information, as follows:

(a) Other than the 2026A Bonds maturing in ____ ("Hold-the-Price Maturities"), if any, the first prices at which at least ten percent ("Substantial Amount") of the principal amount of each maturity of the 2026A Bonds having the same credit and payment terms ("Maturity") was sold on the date of sale of the 2026A Bonds (the "Sale Date") to a person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter ("Public") are their respective initial offering prices (the "Initial Offering Prices"), as listed in the pricing wire or equivalent communication for the 2026A Bonds that is attached to this Certificate as Schedule A.

(b) On or before the Sale Date, the 2026A Bond Initial Purchaser offered to the Public each Maturity of the Hold-the-Price Maturities at their respective Initial Offering Prices, as set forth in Schedule A hereto.

(c) As set forth in the Notice of Sale, the 2026A Bond Initial Purchaser agreed in writing to neither offer nor sell any of the Hold-the-Price Maturities to any person at any higher price than the Initial Offering Price for such Hold-the-Price Maturity until the earlier of the close of the fifth business day after the Sale Date or the date on which the 2026A Bond Initial Purchaser sells a Substantial Amount of a Hold-the-Price Maturity of the 2026A Bonds to the Public at no higher price than the Initial Offering Price for such Hold-the-Price Maturity.

(d) The 2026A Bond Initial Purchaser has [___]/has not [___] purchased bond insurance for the 2026A Bonds. The bond insurance has been purchased from _____ (the "Insurer") for a fee of $_____ (net any nonguarantee cost, e.g., rating agency fees). The amount of such fee is set forth in the Insurer's commitment and does not include any payment for any direct or indirect services other than the transfer of credit risk, unless the compensation for those other services is separately stated, reasonable, and excluded from such fee. Such fee does not exceed a reasonable, arm's-length charge for the transfer of credit risk and it has been paid to a person who is not exempt from federal income taxation and who is not a user or related to the user of any proceeds of the 2026A Bonds. The present value of the debt service savings expected to be realized as a result of such insurance exceeds the amount of the fee set forth above. For this purpose, present value is computed using the yield on the 2026A Bonds, determined by taking into account the amount of the fee set forth above, as the discount rate. No portion of the fee payable to the Insurer is refundable upon redemption of any of the 2026A Bonds in an amount which would exceed the portion of such fee that has not been earned.

For purposes of this Issue Price Certificate, the term "Underwriter" means (1) (i) a person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 2026A Bonds to the Public, or (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1)(i) of this paragraph (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the 2026A Bonds to the Public) to participate in the initial sale of the 2026A Bonds to the Public, and (2) any person who has more than 50% common ownership, directly or indirectly, with a person described in clause (1) of this paragraph.

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the 2026A Bonds, and by McCall, Parkhurst & Horton L.L.P. in connection with rendering its opinion that the interest on the 2026A Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the 2026A Bonds. Notwithstanding anything set forth herein, the 2026A Bond Initial Purchaser is not engaged in the practice of law and makes no representation as to the legal sufficiency of the factual matters set forth herein.

EXECUTED and DELIVERED as of this _____.

_____, as 2026A Bond Initial Purchaser

By:_____

Name:_____

DRAFT

SCHEDULE A

PRICING WIRE OR EQUIVALENT COMMUNICATION

(*Attached*)

DRAFT

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. 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 November 30, 2026

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

THE DISTRICT EXPECTS TO DESIGNATE THE BONDS AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS. SEE "TAX MATTERS – Qualified Tax-Exempt Obligations for Financial Institutions."

Rating:
Moody's: "Baa3"
Insurance: Applied For

NEW ISSUE – Book-Entry-Only

PILOT KNOB MUNICIPAL UTILITY DISTRICT NO. 2
(A Political Subdivision of the State of Texas Located in Travis County, Texas)

$2,300,000	**$2,480,000**
UNLIMITED TAX BONDS, SERIES 2026	**UNLIMITED TAX ROAD BONDS, SERIES 2026A**

Dated: December 22, 2026 **Due: August 15, as shown on pages 2 and 3 hereof**
Interest to accrue from the Date of Initial Delivery (as defined below)

The $2,300,000 Unlimited Tax Bonds, Series 2026 (the "2026 Bonds") and the $2,480,000 Unlimited Tax Road Bonds, Series 2026A (the "2026A Bonds," together with the 2026 Bonds, the "Bonds") described above are obligations solely of Pilot Knob Municipal Utility District No. 2 (the "District") and are not obligations of the State of Texas ("State"), Travis County (the "County"), the City of Austin, Texas (the "City"), Del Valle Independent School District or any entity other than the District.

The Bonds, when issued, will constitute valid and legally binding obligations of the District and will be payable from the proceeds of a continuing, direct annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within the District. THE BONDS ARE SUBJECT TO INVESTMENT CONSIDERATIONS DESCRIBED HEREIN. See "INVESTMENT CONSIDERATIONS."

PAYMENT TERMS . . . Principal of the Bonds is payable at maturity or earlier redemption at the principal payment office of the paying agent/registrar, initially BOKF, NA, Dallas, Texas, (the "Paying Agent" or the "Paying Agent/Registrar") upon surrender of the Bonds for payment. Interest on the Bonds will accrue from the Date of Initial Delivery (as defined below) and will be payable each August 15 and February 15, commencing August 15, 2027, until maturity or prior redemption. Interest on the Bonds accrues from the Date of Initial Delivery and will be payable on the basis of a 360-day year consisting of twelve 30-day months. The Bonds will be issued only in fully registered form in denominations of $5,000 each or integral multiples thereof. The Bonds are subject to redemption prior to their maturity as provided on pages 2 and 3 hereof.

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/Registrar 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. See "THE BONDS – Book-Entry-Only System."

CUSIP PREFIX: 72157C
MATURITY SCHEDULE
SEE PAGES 2 AND 3

LEGALITY . . . The Bonds are offered by the Initial Purchaser of the 2026 Bonds (the "2026 Initial Purchaser") and the Initial Purchaser of the 2026A Bonds (the "2026A Initial Purchaser"), respectively, subject to prior sale, when, as and if issued by the District and accepted by the 2026 Initial Purchaser and the 2026A Initial Purchaser, subject, among other things, to the approval of the respective Initial Bond by the Attorney General of Texas and the approval of certain legal matters by McCall, Parkhurst & Horton L.L.P., Austin, Texas, Bond Counsel.

DELIVERY . . . Delivery of the Bonds is expected through the facilities of DTC on December 22, 2026 ("Date of Initial Delivery").

BIDS DUE: MONDAY, DECEMBER 7, 2026, BY 9:00 A.M., CST (2026 BONDS)
BIDS DUE: MONDAY, DECEMBER 7, 2026, BY 9:30 A.M., CST (2026A BONDS)

DRAFT

2026 BONDS MATURITY SCHEDULE

8/15 Maturity	Principal Amount	Interest Rate	Initial Yield[(a)]	CUSIP Numbers[(b)]
2028	$ 50,000			
2029	55,000			
2030	55,000			
2031	60,000			
2032	60,000			
2033	65,000			
2034	70,000			
2035	70,000			
2036	75,000			
2037	80,000			
2038	85,000			
2039	90,000			
2040	90,000			
2041	95,000			
2042	100,000			
2043	110,000			
2044	115,000			
2045	120,000			
2046	125,000			
2047	130,000			
2048	140,000			
2049	145,000			
2050	155,000			
2051	160,000			

(Interest to accrue from the Date of Initial Delivery)

(a) Initial yield represents the initial offering yield to the public, which has been established by the 2026 Bond Initial Purchaser for offers to the public and which subsequently may be changed.

(b) CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services ("CGS") is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. CUSIP® data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, the Financial Advisor, the 2026 Bond Initial Purchaser or their agents or counsel assume responsibility for the accuracy of such numbers. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2026 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities for the 2026 Bonds.

REDEMPTION PROVISIONS . . . The District reserves the right to redeem, prior to maturity, in integral multiples of $5,000, those 2026 Bonds maturing on and after August 15, 2033, in whole or from time to time in part, on August 15, 2032, or on any date thereafter, at a price of par plus accrued interest from the most recent interest payment date to the date fixed for redemption. Additionally, the 2026 Bonds may be subject to mandatory sinking fund redemption in the event the 2026 Bond Initial Purchaser elects to aggregate two or more consecutive maturities as 2026 Term Bonds. See "THE BONDS – Redemption."

The 2026 Bonds and 2026A Bonds are being offered by the District concurrently under a common Official Statement. The 2026 Bonds and 2026A Bonds are separate and distinct securities offerings being issued and sold independently except for the common Official Statement, and, while the 2026 Bonds and 2026A Bonds share certain common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including the type of obligation being offered, its terms for payment, the rights of the holders, and other features.

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DRAFT

2026A BONDS MATURITY SCHEDULE

8/15 Maturity	Principal Amount	Interest Rate	Initial Yield[(a)]	CUSIP Numbers[(b)]
2028	$ 55,000			
2029	55,000			
2030	60,000			
2031	65,000			
2032	65,000			
2033	70,000			
2034	75,000			
2035	75,000			
2036	80,000			
2037	85,000			
2038	90,000			
2039	95,000			
2040	100,000			
2041	105,000			
2042	110,000			
2043	115,000			
2044	120,000			
2045	130,000			
2046	135,000			
2047	145,000			
2048	150,000			
2049	160,000			
2050	165,000			
2051	175,000			

(Interest to accrue from the Date of Initial Delivery)

(a) Initial yield represents the initial offering yield to the public, which has been established by the 2026A Bond Initial Purchaser for offers to the public and which subsequently may be changed.

(b) CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services ("CGS") is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. CUSIP® data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, the Financial Advisor, the 2026A Bond Initial Purchaser or their agents or counsel assume responsibility for the accuracy of such numbers. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2026A Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities for the 2026A Bonds.

REDEMPTION PROVISIONS . . . The District reserves the right to redeem, prior to maturity, in integral multiples of $5,000, those 2026A Bonds maturing on and after August 15, 2033, in whole or from time to time in part, on August 15, 2032, or on any date thereafter, at a price of par plus accrued interest from the most recent interest payment date to the date fixed for redemption. Additionally, the 2026A Bonds may be subject to mandatory sinking fund redemption in the event the 2026A Bond Initial Purchaser elects to aggregate two or more consecutive maturities as 2026A Term Bonds. See "THE BONDS – Redemption."

The 2026A Bonds and 2026 Bonds are being offered by the District concurrently under a common Official Statement. The 2026A Bonds and 2026 Bonds are separate and distinct securities offerings being issued and sold independently except for the common Official Statement, and, while the 2026A Bonds and 2026 Bonds share certain common attributes, each issue is separate from the other and should be reviewed and analyzed independently, including the type of obligation being offered, its terms for payment, the rights of the holders, and other features.

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

The Official Statement, 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.

This Official Statement, which includes the cover page and the Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized by the District 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. This Official Statement does not constitute an offer to sell Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer in such jurisdiction.

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

The information and expressions of opinion contained herein 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.

Any reference to website addresses represented herein are for information purposes only and may be in the form of a hyperlink solely for the readers' convenience. Unless specified otherwise, such websites and the information on links contained therein are not incorporated into, and are not part of, this Official Statement.

THE BONDS ARE EXEMPT FROM REGISTRATION WITH THE SEC AND, CONSEQUENTLY, HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE BONDS IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTION IN WHICH THE BONDS HAVE BEEN REGISTERED, OR EXEMPTED, SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

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

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

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The cover and inside cover page hereof, this page, the appendices included herein and any addenda, supplement or amendment hereto, are part of the Official Statement.

DRAFT

SALE AND DISTRIBUTION OF THE BONDS

AWARD OF THE BONDS . . . After requesting competitive bids for the 2026 Bonds, the District accepted the bid resulting in the lowest net effective interest rate, which bid was tendered by _____ (the "2026 Bond Initial Purchaser") bearing the interest rates shown on cover page 2 hereof, at a price of approximately _____% of the par value thereof which resulted in a net effective interest rate of _____% as calculated pursuant to Chapter 1204 of the Texas Government Code, as amended (the "IBA" method).

After requesting competitive bids for the 2026A Bonds, the District accepted the bid resulting in the lowest net effective interest rate, which bid was tendered by _____ (the "2026A Bond Initial Purchaser") bearing the interest rates shown on page 3 hereof, at a price of approximately _____% of the par value thereof which resulted in a net effective interest rate of _____% as calculated pursuant to Chapter 1204 of the Texas Government Code, as amended (the "IBA" method).

The 2026 Bond Initial Purchaser and the 2026A Bond Initial Purchaser are referred to herein as the "Initial Purchaser;" provided, however, each series of the Bonds and the obligations of the District herein are to each respective Initial Purchaser.

PRICES AND MARKETABILITY . . . The delivery of the Bonds is conditioned upon the receipt by the District of a certificate executed and delivered by each Initial Purchaser on or before the date of delivery of the Bonds stating the prices at which a substantial amount of the Bonds of each maturity has been sold to the public. For this purpose, the term "public" shall not include any person who is a bond house, broker or similar person acting in the capacity of underwriter or wholesaler. Otherwise, the District has no understanding with each Initial Purchaser regarding the reoffering yields or prices of the Bonds. Information concerning reoffering yields or prices is the responsibility of the 2026 Bond Initial Purchaser and the 2026A Bond Initial Purchaser, respectively.

The prices and other terms with respect to the offering and sale of the Bonds may be changed from time-to-time by the Initial Purchaser after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the Bonds into investment accounts. In connection with the offering of the Bonds, the Initial Purchaser may over-allot or effect transactions which stabilize or maintain the market prices of the Bonds at levels above those which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

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

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

MUNICIPAL BOND RATING AND INSURANCE

The Bonds have been rated "Baa3" by Moody's Investors Service, Inc. ("Moody's") without regard to credit enhancement. An application for municipal bond insurance has been made to various insurance companies. In the event the Bonds are qualified for municipal bond insurance, and the Initial Purchasers of the Series 2026 Bonds and the Series 2026A Bonds, respectively, desires to purchase such insurance, the cost therefor will be paid by the respective Initial Purchasers.

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OFFICIAL STATEMENT SUMMARY

The following material is qualified in its entirety by the more detailed information and financial statements appearing elsewhere in this Official Statement including the Appendices attached hereto. The offering of the Bonds to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this summary from this Official Statement or to otherwise use it without the entire Official Statement (including the Appendices attached hereto).

THE DISTRICT

THE DISTRICT..... Pilot Knob Municipal Utility District No. 2 (the "District"), a political subdivision of the State of Texas, was created under the laws of the State of Texas by House Bill No. 1756, Acts of the 82nd Texas Legislature, Regular Session (2011), Chapter 985, now codified as Chapter 8376, Subtitle F, Title 6, Texas Special District Local Laws Code (the "Enabling Legislation"), and operates under Chapters 49 and 54 of the Texas Water Code. The Enabling Legislation became effective June 17, 2011, and the City of Austin (the "City") consented to the creation, which was granted by the City on April 2, 2012 and creation of the District was confirmed at an election held on May 10, 2014. The District operates pursuant to Chapters 49 and 54 of the Texas Water Code, as amended, and Article XVI, Section 59 of the Texas Constitution, as amended; additionally, the District operates pursuant to Article III, Section 52 for purposes of road powers. See "THE DISTRICT – General."

LOCATION..... The District, which currently contains approximately 557.187 acres of land, is located within the extraterritorial jurisdiction of the City in southeast Travis County, Texas. The District is located approximately eight miles southeast of the downtown portion of the City, about 1 mile east of McKinney Falls Parkway, about a half mile west of U.S. Highway 183, and just west of FM 1625. An extension of William Cannon Drive, the initial phases of which are complete, bisects the District in an east-west direction. North Fork Dry Creek traverses the northern part of the District in a west to east direction. South Fork Dry Creek traverses the southern part of the District in a west to east direction. The Austin-Bergstrom International Airport is located approximately four miles to the northeast of the District. See "THE DISTRICT – Location."

THE DEVELOPER ..... The developer currently active within the District is NASH Brookfield Easton Park LLC, a Delaware limited liability company (successor in limited liability company interests to Carma Easton LLC). See "THE DEVELOPER – Description of Developer" and "THE DISTRICT – Current Status of Development."

DEVELOPMENT WITHIN THE DISTRICT:

Developable Under Current Land Development Regulations ..... All of the 557.187 acres within the District, are developable under current land development regulations.

Developed with Utilities..... As of August 1, 2026, approximately 372.79 acres (or 66.91% of the developable acreage within the District) known as Easton Park 2B.2, 2C.1, 2C.2, 3A.1, 3A.2, 3B.1, 3B.2, 3B.3a, 4B, and Prospect Park, Phase 2 have been fully developed with utilities.

Total Development in the District..... As of August 1, 2026, the development in the District consisted of 1,379 developed single-family lots (193 within Easton Park 2B.2; 94 within Easton Park 2C.1; 8 within Easton Park 2C.2; 98 within Easton Park 3A.1; 41 within Easton Park 3A.2; 784 within Easton Park 3B.1 and 3B.2; and 61 within Easton Park 3B.3a, and 100 within Easton Park 4B). There are 915 completed homes (193 within Easton Park 2B.2; 94 within Easton Park 2C.1; 8 within Easton Park 2C.2; 98 within Easton Park 3A.1; 41 within Easton Park 3A.2; 412 within Easton Park 3B.1 and 3B.2; and 28 within Easton Park 3B.3a; and 41 within Easton Park 4B). There are 134 homes under construction (98 within Easton Park 3A.1; 14 within Easton Park 3B.1 and 3B.2; and 22 within Easton Park 3B.3a and 14 within Easton Park 4B). There are 330 vacant single-family lots.

To date, funds in the approximate amount of $79,865,555 have been advanced to construct water, wastewater, and drainage and roads facilities to serve the property within the District. Following the issuance of the 2026 Bonds (as

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defined herein), the District will still owe the Developer approximately $50,946,505 for additional water, wastewater, and drainage facilities which have been constructed to date. See "THE DISTRICT – Current Status of Development."

HOMEBUILDERS ..... According to the Developer, the following seven homebuilders are active within the District: Taylor Morrison Homes, David Weekley Homes, Perry Homes, Highland Homes, Newmark Homes, Brookfield Residential, and Pacesetter Homes. The homes range in lot sizes from 40' to 70'. The homes range in price from $500,000 to $1,000,000, with square footage ranging from 1,300 to 3,520. See "THE DEVELOPER – Homebuilders within the District."

THE BONDS

DESCRIPTION ..... The $2,300,000 Unlimited Tax Bonds, Series 2026 (the "2026 Bonds") and the $2,480,000 Unlimited Tax Road Bonds, Series 2026A (the "2026A Bonds," together with the 2026 Bonds, the "Bonds") will mature serially in varying amounts on August 15 of each year from 2028 through 2051, inclusive, in the principal amounts set forth on pages 2 and 3 hereof. Interest accrues from the Date of Initial Delivery and is payable August 15, 2027 and each February 15 and August 15 thereafter until maturity or earlier redemption. The Bonds are offered in fully registered form in integral multiples of $5,000 for any one maturity. See "THE BONDS – General Description."

REDEMPTION ..... The District reserves the right to redeem, prior to maturity, in integral multiples of $5,000, those Bonds maturing on and after August 15, 2033 in whole or from time to time in part, on August 15, 2032, or on any date thereafter at a price of par plus accrued interest from the most recent interest payment date to the date fixed for redemption. Additionally, each series of the Bonds may be subject to mandatory sinking fund redemption in the event the Initial Purchasers elect to aggregate two or more consecutive maturities as term Bonds. See "THE BONDS – Redemption."

SOURCE OF PAYMENT ..... Principal of and interest on the Bonds are payable from the proceeds of a continuing, direct annual ad valorem tax levied upon all taxable property within the District, which under Texas law is not legally limited as to rate or amount. See "TAXING PROCEDURES." **The Bonds are obligations solely of the District and are not obligations of the City; Del Valle Independent School District; Travis County, Texas; the State of Texas; or any entity other than the District.** See "THE BONDS – Source of and Security for Payment."

PAYMENT RECORD ..... The Bonds constitute the tenth and eleventh installment of bonds issued by the District, with seven installments issued for construction of the water, wastewater and drainage system (the "System") and two installments of bonds issued for roads. The District has not previously defaulted on any outstanding debt. See "FINANCIAL STATEMENT – Table 4 – Unlimited Tax Bonds Authorized but Unissued."

AUTHORITY FOR ISSUANCE ..... The 2026 Bonds are issued pursuant to Article XVI, Section 59 of the Texas Constitution and the general laws of the State of Texas including Chapters 49 and 54 of the Texas Water Code, as amended, a bond election held within the District on May 10, 2014, the approving order of the TCEQ and an order (the "2026 Bond Order") adopted by the Board of Directors of the District on the date of the sale of the Bonds.

The 2026A Bonds are issued pursuant to Article III, Section 52 of the Texas Constitution and the general laws of the State of Texas including Chapters 49 and 54 of the Texas Water Code, as amended, a bond election held within the District on May 10, 2014, and an order (the "2026A Bond Order") adopted by the Board of Directors of the District on the date of the sale of the Bonds. See "THE BONDS – Authority for Issuance."

USE OF PROCEEDS ..... Proceeds of the 2026 Bonds will be used to finance water, wastewater and drainage costs for Prospect Park, Phase 1A. The remaining Bond proceeds will

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be used to: (i) pay developer interest; and (ii) pay certain legal and engineering costs and the costs of issuance of the 2026 Bonds.

Proceeds of the 2026A Bonds will be used to finance a portion of the District's share of the cost of constructing road improvements to serve the District. The remaining 2026A Bond proceeds will be used to: (i) capitalize approximately six months' interest requirements on the 2026A Bonds, (ii) pay developer interest; and (iii) pay certain legal and engineering costs and costs associated with the issuance of the 2026A Bonds. See "THE BONDS – Sources and Uses of Proceeds," and "USE AND DISTRIBUTION OF BOND PROCEEDS."

BONDS AUTHORIZED BUT UNISSUED..... At an election held in the District on May 10, 2014, the voters within the District approved the issuance of $149,121,509 in bonds for water, wastewater and drainage facilities. After the sale of the 2026 Bonds, the District will have $116,636,509 remaining in authorized but unissued bonds for water, wastewater and drainage facilities. Also at the election held on May 10, 2014, the voters approved the issuance of $62,232,304 in road bonds and $9,020,627 in bonds for parks and recreational facilities. After the sale of the 2026A Bonds, the District will have $49,997,304 remaining in authorized but unissued bonds for roads. The District has not issued any park and recreational bonds. See "FINANCIAL STATEMENT – Outstanding Bonds" and "THE BONDS – Future Debt."

MUNICIPAL BOND RATING AND INSURANCE .... The Bonds have been rated "Baa3" by Moody's Investors Service, Inc. ("Moody's") without regard to credit enhancement. In the event the Bonds are qualified for municipal bond insurance, and the Initial Purchasers desire to purchase such insurance, the cost therefor will be paid by the Initial Purchasers. It will be the responsibility of the 2026 Bond Initial Purchaser and the 2026A Bond Initial Purchaser, respectively, to disclose the existence of insurance, its terms and the effect thereof with respect to the reoffering of the 2026 Bonds and the 2026A Bonds.

TAX EXEMPTION..... In the opinion of Bond Counsel, interest on the Bonds is excludable from gross income for federal tax purposes under existing law, subject to matters described in "TAX MATTERS."

QUALIFIED TAX-EXEMPT OBLIGATIONS..... The District expects to designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended, and has represented that the total amount of tax-exempt obligations (including the Bonds) issued by it during calendar year 2026 is not reasonably expected to exceed $10,000,000. See "TAX MATTERS – Qualified Tax-Exempt Obligations for Financial Institutions."

BOND COUNSEL & DISCLOSURE COUNSEL..... McCall, Parkhurst & Horton L.L.P., Austin, Texas

GENERAL COUNSEL..... Armbrust & Brown, PLLC, Austin, Texas

FINANCIAL ADVISOR ..... Specialized Public Finance Inc., Austin, Texas

ENGINEER..... Jones-Heroy & Associates, Inc., Austin, Texas

INVESTMENT CONSIDERATIONS

The purchase and ownership of the Bonds involve certain investment considerations and all prospective purchasers are urged to examine carefully the Official Statement, including particularly the section captioned "INVESTMENT CONSIDERATIONS," with respect to investment in the Bonds.

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SELECTED FINANCIAL INFORMATION
(Unaudited as of August 24, 2026)

2023 Certified Taxable Assessed Valuation	$	191,029,997	(a)
2024 Certified Taxable Assessed Valuation	$	265,305,555	(a)
2025 Certified Taxable Assessed Valuation	$	360,335,554	(a)
2026 Certified Taxable Assessed Valuation	$	436,759,911	(a)
Estimated Taxable Assessed Valuation (as of March 25, 2026)	$	414,073,357	(b)
Gross Direct Debt Outstanding	$	43,865,000	(c)
Estimated Overlapping Debt		11,200,113	(d)
Gross Direct Debt Outstanding and Estimated Overlapping Debt	$	55,065,113	
Ratios of Gross Direct Debt Outstanding to:			
2026 Certified Taxable Assessed Valuation		10.04%	
Estimated Taxable Assessed Valuation (as of March 25, 2026)		10.04%	
Ratios of Gross Direct Debt Outstanding and Estimated Overlapping Debt to:			
2026 Certified Taxable Assessed Valuation		12.61%	
Estimated Taxable Assessed Valuation (as of March 25, 2026)		13.30%	
2026 Tax Rate:			
Debt Service	$	0.7044	
Maintenance & Operation		0.1556	
Total	$	0.8600	(e)
General Operating Fund Balance as of August 24, 2026	$	2,237,620	
Debt Service Fund Balance as of August 24, 2026	$	3,170,289	(f)
Capital Project Fund Balance as of August 24, 2026	$	243,490	
Average Annual Debt Service Requirement (2026-2051)	$	2,703,310	(c)
Maximum Annual Debt Service Requirement (2046)	$	3,228,206	(c)
Tax Rates Required to Pay Average Annual Debt Service (2026-2051) at a 95% Collection Rate Based upon 2026 Certified Taxable Assessed Valuation	$	0.6515	(c)
Tax Rates Required to Pay Maximum Annual Debt Service (2046) at a 95% Collection Rate Based upon 2026 Certified Taxable Assessed Valuation	$	0.7780	(c)

Number of Active Connections as of August 1, 2026:		
Total Developed Single Family Lots	1,379	
Single Family Homes – Completed and Sold	915	
Single Family Homes – Under Construction	134	
Single Family Lots – Vacant	330	
Estimated Population as of August 1, 2026	3,203	(g)

(a) Certified Taxable Assessed Valuation of the District as certified by the Travis Central Appraisal District ("TCAD"). See "TAXING PROCEDURES."
(b) Estimated Taxable Assessed Valuation as provided by TCAD is shown for purposes of illustration only as of March 25, 2026. Taxes are levied based on value as certified by TCAD as of January 1 of each year. Consequently, this estimate will not be used to produce tax revenues for the District.
(c) Includes the 2026 Bonds and the 2026A Bonds. See "DEBT SERVICE REQUIREMENTS."
(d) See "FINANCIAL STATEMENT – Estimated Overlapping Debt Statement."
(e) The District levied a 2026 total tax rate of $0.8600 in [September 2026]. See "FINANCIAL STATEMENT – Table 7 – District Tax Rates."
(f) Neither the 2026 Bond Order, the 2026A Bond Order nor Texas law requires that the District maintain any particular balance in the Debt Service Fund.
(g) Based upon 3.5 residents per completed and sold single family home.

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PRELIMINARY OFFICIAL STATEMENT
Relating to

PILOT KNOB MUNICIPAL UTILITY DISTRICT NO. 2
(A Political Subdivision of the State of Texas Located in Travis County, Texas)

$2,300,000	**$2,480,000**
UNLIMITED TAX BONDS, SERIES 2026	**UNLIMITED TAX ROAD BONDS, SERIES 2026A**

INTRODUCTION

This Official Statement, which includes the Appendices attached hereto, provides certain information in connection with the issuance by the Pilot Knob Municipal Utility District No. 2 (the "District"), a political subdivision of the State of Texas (the "State"), of its $2,300,000 Unlimited Tax Bonds, Series 2026 (the "2026 Bonds") and $2,480,000 Unlimited Tax Road Bonds, Series 2026A (the "2026A Bonds," together with the 2026 Bonds, the "Bonds").

The 2026 Bonds are issued pursuant to an order authorizing the issuance of the 2026 Bonds (the "2026 Bond Order") adopted by the Board of Directors of the District on the date of the sale of the 2026 Bonds and a Texas Commission on Environmental Quality ("TCEQ") order dated _____, 2026, pursuant to Article XVI, Section 59 of the Constitution and general laws of the State, including Chapters 49 and 54 of the Texas Water Code, as amended, and a bond election held within the District on May 10, 2014.

The 2026A Bonds are issued pursuant to Article III, Section 52 of the Texas Constitution and the general laws of the State of Texas including Chapters 49 and 54 of the Texas Water Code, as amended, a bond election held within the District on May 10, 2014, and an order (the "2026A Bond Order") adopted by the Board of Directors of the District on the date of the sale of the Bonds. Additionally, the District anticipates obtaining an approval for the issuance of the Bonds by the City of Austin, Texas (the "City") on or about November ___, 2026.

The 2026 Bond Order and the 2026A Bond Order are referred to collectively as the "Bond Order" throughout this Official Statement. Unless otherwise indicated, capitalized terms used in this Official Statement have the same meaning assigned to such terms in the respective Bond Order.

Included in this Official Statement, which includes the Appendices attached hereto, are descriptions of the Bonds and certain information about the District, NASH Brookfield Easton Park LLC (the "Developer"), and successor in LLC interest to Carma Easton LLC, development activity within the District and the District's finances. ALL DESCRIPTIONS OF DOCUMENTS CONTAINED HEREIN ARE SUMMARIES ONLY AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO EACH SUCH DOCUMENT.

Copies of such documents may be obtained from the District c/o Armbrust & Brown, PLLC, 100 Congress Avenue, Suite 1300, Austin, Texas, 78701 or from the District's Financial Advisor, Specialized Public Finance Inc., 248 Addie Roy Road, Suite B-103, Austin, Texas, 78746, upon payment of reasonable copying, mailing and handling charges.

THE BONDS

GENERAL DESCRIPTION . . . The Bonds are dated December 22, 2026 and will mature on August 15 of the years and in the principal amounts, and will bear interest at the rates per annum, set forth on pages 2 and 3 hereof. Interest on the Bonds will accrue from the Date of Initial Delivery, expected to occur on December 22, 2026 ("Date of Initial Delivery"), and will be paid on August 15, 2027 and each February 15 and August 15 thereafter until maturity or earlier redemption and will be calculated on the basis of a 360-day year composed of twelve 30-day months. The Bonds will be issued in fully registered form only, without coupons, in denominations of $5,000 or any integral multiple thereof, and when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York, acting as securities depository for the Bonds until DTC resigns or is discharged. The Bonds initially will be available to purchasers in book-entry form only. So long as Cede & Co., as the nominee of DTC, is the registered owner of the Bonds, principal of and interest on the Bonds will be payable by the paying agent to DTC, which will be solely responsible for making such payment to the beneficial owners of the Bonds. The initial paying agent for the Bonds is BOKF, NA, Dallas, Texas (the "Paying Agent" or "Paying Agent/Registrar").

REDEMPTION . . . The District reserves the right, at its option, to redeem the Bonds maturing on and after August 15, 2033, prior to their scheduled maturities, in whole or in part, in integral multiples of $5,000 on August 15, 2032, or any date thereafter, at a price of par value plus accrued interest on the principal amounts called for redemption to the date fixed for redemption. If less than all of the Bonds are redeemed at any time, the maturities of the Bonds to be redeemed will be selected by the District. If less than all the Bonds of a certain maturity are to be redeemed, the particular Bonds to be redeemed shall be selected by the Paying Agent/Registrar by lot or other random method (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form).

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

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

The Bonds of a denomination larger than $5,000 may be redeemed in part ($5,000 or any multiple thereof). Any Bond to be partially redeemed must be surrendered in exchange for one or more new Bonds of the same maturity for the unredeemed portion of the principal of the Bonds so surrendered. In the event of redemption of less than all of the Bonds, the particular Bonds to be redeemed shall be selected by the District, if less than all of the Bonds of a particular maturity are to be redeemed, the Paying Agent is required to select the Bonds of such maturity to be redeemed by lot.

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

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

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

Indirect Participants or the persons for whom DTC Participants act as nominees with respect to the payments on the Bonds or the providing of notice to Direct Participants, Indirect Participants, or beneficial owners of the selection of portions of the Bonds for redemption.

TERMINATION OF BOOK-ENTRY-ONLY SYSTEM . . . The District is initially utilizing the Book-Entry-Only System of DTC. See "BOOK-ENTRY-ONLY SYSTEM." In the event that the Book-Entry-Only System is discontinued by DTC or the District, the following provisions will be applicable to the Bonds.

Payment . . . Principal of the Bonds will be payable at maturity to the registered owners as shown by the registration books maintained by the Paying Agent upon presentation and surrender of the Bonds to the Paying Agent at the designated office for payment of the Paying Agent in Austin, Texas (the "Designated Payment/Transfer Office"). Interest on the Bonds will be payable by check or draft, dated as of the applicable interest payment date, sent by the Paying Agent by United States mail, first-class, postage prepaid, to the registered owners at their respective addresses shown on such records, or by such other method acceptable

to the Paying Agent requested by registered owner at the risk and expense of the registered owner. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the Designated Payment/Transfer Office of the Paying Agent is located are required or authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the original date payment was due.

Registration . . . If the Book-Entry-Only System is discontinued, the Bonds may be transferred and re-registered on the registration books of the Paying Agent only upon presentation and surrender thereof to the Paying Agent at the Designated Payment/Transfer Office. A Bond also may be exchanged for a Bond or Bonds of like maturity and interest and having a like aggregate principal amount or maturity amount, as the case may, upon presentation and surrender at the Designated Payment/Transfer Office. All Bonds surrendered for transfer or exchange must be endorsed for assignment by the execution by the registered owner or his duly authorized agent of an assignment form on the Bonds or other instruction of transfer acceptable to the Paying Agent. Transfer and exchange of Bonds will be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such transfer or exchange. A new Bond or Bonds, in lieu of the Bond being transferred or exchanged, will be delivered by the Paying Agent to the registered owner, at the Designated Payment/Transfer Office of the Paying Agent or by United States mail, first-class, postage prepaid. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the registered owner not more than three (3) business days after the receipt of the Bonds to be canceled in the exchange or transfer in the denominations of $5,000 or any integral multiple thereof.

Limitation on Transfer of Bonds . . . Neither the District nor the Paying Agent shall be required to make any transfer, conversion or exchange to an assignee of the registered owner of the Bonds (i) during the period commencing on the close of business on the last business day (whether or not a business day) of the month preceding each interest payment date (the "Record Date") and ending with the opening of business on the next following principal or interest payment date or (ii) with respect to any Bond called for redemption, in whole or in part, within forty-five (45) days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the registered owner of the uncalled balance of a Bond.

Replacement Bonds . . . If a Bond is mutilated, the Paying Agent will provide a replacement Bond in exchange for the mutilated bond. If a Bond is destroyed, lost or stolen, the Paying Agent will provide a replacement Bond upon (i) the filing by the registered owner with the Paying Agent of evidence satisfactory to the Paying Agent of the destruction, loss or theft of the Bond and the authenticity of the registered owner's ownership and (ii) the furnishing to the Paying Agent of indemnification in an amount satisfactory to hold the District and the Paying Agent harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond must be borne by the registered owner. The provisions of the Bond Order relating to the replacement Bonds are exclusive and to the extent lawful, preclude all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds.

AUTHORITY FOR ISSUANCE . . . At an election held in the District on May 10, 2014, the voters within the District approved the issuance of $149,121,509 in bonds for water, wastewater and drainage facilities. After the sale of the 2026 Bonds, the District will have $116,636,509 remaining in authorized but unissued bonds for water, wastewater and drainage facilities. Also at the election held on May 10, 2014, the voters approved the issuance of $62,232,304 in road bonds and $9,020,627 in bonds for parks and recreational facilities. After the sale of the 2026A Bonds, the District will have $49,997,304 remaining in authorized but unissued bonds for roads. The District has not issued any park and recreational bonds.

The 2026 Bonds are issued pursuant to the terms and provisions of the Bond Order; Chapters 49 and 54 of the Texas Water Code, as amended, and Article XVI, Section 59 of the Texas Constitution. The issuance of the Bonds has been approved by an order of the TCEQ and is anticipated to be approved by a resolution of the City pursuant to the Consent Agreement (defined herein) on or about November ___, 2026.

The 2026A Bonds are issued pursuant to Article III, Section 52 of the Texas Constitution and the general laws of the State of Texas including Chapters 49 and 54 of the Texas Water Code, as amended, a bond election held within the District on May 10, 2014, and is anticipated to be approved by a resolution of the City pursuant to the Consent Agreement (defined herein) on or about November ___, 2026.

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SOURCES AND USES OF PROCEEDS . . . The proceeds from the sale of the 2026 Bonds and the 2026A Bonds are expected to be applied as follows:

	2026 Bonds	2026A Bonds
Sources:		
Par Amount of Bonds	$	$
Net Reoffering Premium/(Discount)		
Total Sources	$	$
Uses:		
Deposit to Capital Project Funds	$	$
Deposit to Debt Service Funds		
Underwriter's Discount		
Costs of Issuance		
Total Uses	$	$

SOURCE OF AND SECURITY FOR PAYMENT . . . The Bonds will be payable from and secured by a pledge of the proceeds of a continuing, direct annual ad valorem tax without legal limitation as to rate or amount levied against all taxable property located within the District. The Board of Directors covenants in the Bond Order that, while any of the Bonds are outstanding and the District is in existence, it will levy an annual ad valorem tax and will undertake to collect such a tax against all taxable property within the District at a rate from year to year sufficient, full allowance being made for anticipated delinquencies, together with revenues and receipts from other sources which are legally available for such purposes, to pay interest on the Bonds as it becomes due, to provide a sinking fund for the payment of principal of the Bonds when due or the redemption price at any earlier required redemption date, to pay when due any other contractual obligations of the District payable in whole or in part from taxes, and to pay the expenses of assessing and collecting such tax. The net proceeds from taxes levied to pay debt service on the Bonds are required to be placed in a special account of the District designated its "Debt Service Fund" and "Road Debt Service Fund" for the Bonds, respectively (hereinafter referred to collectively as the "Debt Service Fund"). The Bond Order provides for the termination of the pledge of taxes when and if Austin dissolves the District and assumes all debts and liabilities of the District.

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

PAYMENT RECORD . . . The Bonds constitute the eighth installment of bonds issued by the District pursuant to the May 10, 2014 election for water, wastewater and drainage facilities and the third installment of bonds issued by the District for roads. The District has not previously defaulted on any outstanding debt. Approximately six months' capitalized interest is included in the proceeds of the Series 2026A Bonds.

FLOW OF FUNDS . . . The Bond Order creates the establishment and maintenance by the District of a Debt Service Fund and a Capital Projects Fund for the 2026 Bonds and Road Capital Projects Fund for the 2026A Bonds (hereinafter collectively referred to as the "Capital Projects Fund").

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

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

Debt Service Fund and Road Debt Service Fund . . . The Bond Order establishes the Debt Service Fund and Road Debt Service Fund to be used to pay principal and interest on and Paying Agent fees in respect to the Bonds. The Bond Order requires that the District deposit to the credit of the Debt Service Fund and Road Debt Service Fund (i) from the delivery of the Bonds to the Initial Purchaser, the amount received from proceeds of the Bonds representing accrued interest, if any, and approximately six months' capitalized interest on the 2026A Bonds, (ii) District ad valorem taxes (and penalties and interest thereon) levied to pay debt service requirements on, or fees and expenses of the Paying Agent with respect of the Bonds, and (iii) such other funds as the Board shall, at its option, deem advisable. The Bond Order requires that the Debt Service Fund and Road Debt Service Fund be applied solely to provide for the payment of the principal or redemption price of and interest on the Bonds when due, and to pay fees to Paying Agent when due.

The Debt Service Funds for each respective Bond Order are collectively referred to as the "Debt Service Fund."

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

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

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

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

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

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

Retention of Rights . . . To the extent that, upon the defeasance of any Defeased Bond to be paid at its maturity, the District retains the right under Texas law to later call the Defeased Bond for redemption in accordance with the provisions of the order authorizing its issuance, the District may call such Defeased Bond for redemption upon complying with the provisions of Texas law and upon satisfaction of the provisions set forth above regarding such Defeased Bond as though it was being defeased at the time of the exercise of the option to redeem the Defeased Bond and the effect of the redemption is taken into account in determining the sufficiency of the provisions made for the payment of the Defeased Debt.

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

PAYING AGENT/REGISTRAR . . . Principal of and semiannual interest on the Bonds will be paid by BOKF, NA having an office for payment in Dallas, Texas, the Paying Agent. The Paying Agent must be either a bank, trust company, financial institution or other entity duly qualified and equally authorized to serve and perform the duties as paying agent and registrar for the Bonds.

Provision is made in the Bond Order for the District to replace the Paying Agent by a resolution of the District giving notice to the Paying Agent of the termination of the appointment, stating the effective date of the termination and appointing a successor Paying Agent. If the Paying Agent is replaced by the District, the new Paying Agent shall be required to accept the previous Paying

Agent's records and act in the same capacity as the previous Paying Agent. Any successor paying agent/registrar selected by the District shall be subject to the same qualification requirements as the Paying Agent. The successor paying agent/registrar, if any, shall be determined by the Board of Directors and written notice thereof, specifying the name and address of such successor paying agent/registrar will be sent by the District or the successor paying agent/registrar to each registered owner by first-class mail, postage prepaid.

RECORD DATE . . . The Record Date for payment of the interest on Bonds on any regularly scheduled interest payment date is defined as the last calendar day of the month next preceding each interest payment date, whether or not such days are business days.

ISSUANCE OF ADDITIONAL DEBT . . . At an election held in the District on May 10, 2014, the voters within the District approved the issuance of $149,121,509 in bonds for water, wastewater and drainage facilities. After the sale of the Bonds, the District will have $116,636,509 remaining in authorized but unissued bonds for water, wastewater and drainage facilities. Also at the election held on May 10, 2014, the voters approved the issuance of $62,232,304 in road bonds and $9,020,627 in bonds for parks and recreational facilities. After the sale of the 2026A Bonds, the District will have $49,997,304 remaining in authorized but unissued bonds for roads. The District has not issued any park and recreational bonds. See "FINANCIAL STATEMENT – Table 4 – Unlimited Tax Bonds Authorized But Unissued Bonds." Neither Texas law nor the Bond Order imposes a limitation on the amount of additional bonds which may be issued by the District. Any additional bonds issued by the District may dilute the security of the Bonds. See "INVESTMENT CONSIDERATIONS."

In addition, voters may authorize the issuance of additional bonds or other contractual obligations secured by ad valorem taxes. The District also has the right to issue refunding bonds, as well as revenue bonds and notes without voter approval. The District does not employ any formula with respect to assessed valuations, tax collections or otherwise to limit the amount of parity bonds which it may issue. The issuance of additional non-road bonds is subject to approval of the TCEQ pursuant to its rules regarding issuance and feasibility of bonds and the City. In addition, future changes in health or environmental regulations could require the construction and financing of additional improvements without any corresponding increases in taxable value in the District.

LEGAL INVESTMENT AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS . . . Pursuant to Section 49.186 of the Texas Water Code, bonds, notes or other obligations issued by a municipal utility district "shall be legal and authorized investments for all banks, trust companies, building and loan associations, savings and loan associations, insurance companies of all kinds and types, fiduciaries, and trustees, and for all interest and sinking funds and other public funds of the State, and all agencies, subdivisions, and instrumentalities of the State, including all counties, cities, towns, villages, school districts and all other kinds and types of districts, public agencies and bodies politic." Additionally, Section 49.186 of the Texas Water Code provides that bonds, notes or other obligations issued by a municipal utility district are eligible and lawful security for all deposits of public funds of the State and all agencies, subdivisions and instrumentalities of the State. For political subdivisions in Texas which have adopted investment policies and guidelines in accordance with the Public Funds Investment Act (Texas Government Code, Chapter 2256), the Bonds may have to be assigned a rating of not less than "A" or its equivalent as to investment quality by a national rating agency before such obligations are eligible investments for sinking funds and other public funds.

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

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

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

REMEDIES IN EVENT OF DEFAULT . . . The Bond Order establishes specific events of default with respect to the Bonds. If the District defaults in the payment of the principal of or interest on the Bonds when due, or the District defaults in the observance or performance of any of the covenants, conditions, or obligations of the District, which failure materially, adversely affects the rights of the owners, including but not limited to, their prospect or ability to be repaid in accordance with the Bond Order, and the default continues for a period of 60 days after notice of such default is given by any owner to the District, the Bond Order and Chapter 54 of the Texas Water Code provides that any registered owner is entitled to seek a writ of mandamus from a court of proper jurisdiction requiring the District to make such payment or observe and perform such covenants, obligations, or conditions. The issuance of a writ of mandamus may be sought if there is no other available remedy at law to compel performance and the District's obligations are not uncertain or disputed. The remedy of mandamus is controlled by equitable principles, subject to the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and,

consequently, the remedy of mandamus may have to be relied upon from year to year. The Bond Order does not provide for the appointment of a trustee to represent the interest of the Bondholders upon any failure of the District to perform in accordance with the terms of the Bond Order, or upon any other condition and accordingly all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners. On April 1, 2016, the Texas Supreme Court ruled in *Wasson Interests, Ltd. v. City of Jacksonville*, 489 S.W.3d 427 (Tex. 2016) ("*Wasson I*"), that governmental immunity does not imbue a city with derivative immunity when it performs a proprietary, as opposed to a governmental, function in respect to contracts executed by a city. On October 5, 2018, the Texas Supreme Court issued a second opinion to clarify *Wasson I*, *Wasson Interest, Ltd. v. City of Jacksonville*, 559 S.W.3d 142 (Tex. 2018) ("*Wasson II*," and together with *Wasson I*, "*Wasson*"), ruling that to determine whether governmental immunity applies to a breach of contract claim, the proper inquiry is whether the municipality was engaged in a governmental or proprietary function at the time it entered into the contract, not at the time of the alleged breach. In *Wasson*, the Court recognized that the distinction between governmental and proprietary functions is not clear. Therefore, in regard to municipal contract cases (as opposed to tort claim cases), it is incumbent on the courts to determine whether a function was governmental or proprietary based upon the statutory and common law guidance at the time of the contractual relationship. Texas jurisprudence has generally held that proprietary functions are those conducted by a city in its private capacity, for the benefit only of those within its corporate limits, and not as an arm of the government or under authority or for the benefit of the State; these are usually activities that can be, and often are, provided by private persons, and therefore are not done as a branch of the State, and do not implicate the state's immunity since they are performed under the authority, or for the benefit, of the State as sovereign. Issues related to the applicability of a governmental immunity as they relate to the issuance of municipal debt have not been adjudicated. Each situation will be evaluated on the facts and circumstances surrounding the contract in question. On June 30, 2006, the Texas Supreme Court ruled in *Tooke v. City of Mexia*, 49 Tex. Sup. Ct. J. 819 (Tex. 2006), that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in "clear and unambiguous" language. Because it is unclear whether the Texas legislature has effectively waived the District's sovereign immunity from a suit for money damages, Bondholders may not be able to bring such a suit against the District for breach of the Bonds or Bond Order covenants. Even if a judgment against the District could be obtained, it could not be enforced by direct levy and execution against the District's property. Further, the registered owners cannot themselves foreclose on property within the District or sell property within the District to enforce the tax lien on taxable property to pay the principal of and interest on the Bonds. Furthermore, the District is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of ad valorem taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or Bondholders of an entity which has sought protection under Chapter 9. Therefore, should the District avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Bonds are qualified with respect to the customary rights of debtors relative to their creditors.

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

ANNEXATION . . . The District is located entirely within the extraterritorial jurisdiction of the City. Under Texas law, a municipality may annex and dissolve a municipal utility district located within its extraterritorial jurisdiction without consent of the district subject to compliance by the municipality with various requirements of Chapter 43 of the Texas Local Government Code ("Chapter 43"). Under Chapter 43, (a) a municipality may annex a district with a population of less than 200 residents only if: (i) the municipality obtains consent to annex the area through a petition signed by more than 50% of the registered voters of the district, and (ii) if the registered voters in the area to be annexed do not own more than 50% of the land in the area, a petition has been signed by more than 50% of the landowners consenting to the annexation; and (b) a municipality may annex a district with a population of 200 residents or more only if: (i) such annexation has been approved by a majority of those voting in an election held for that purpose within the area to be annexed, and (ii) if the registered voters in the area to be annexed do not own more than 50% of the land in the area, a petition has been signed by more than 50% of the landowners consenting to the annexation. Notwithstanding the foregoing, a municipality may annex an area if each owner of land in the area requests the annexation.

If a municipal utility district is annexed, the municipality must assume the assets, functions, and obligations of the District, including outstanding bonds, and the pledge of taxes will terminate. Annexation of territory by the City is a policy-making matter within the discretion of the Mayor and City Council of the City, and therefore, the District makes no representation that the City will ever annex the District and assume its debt. Moreover, no representation is made concerning the ability of the City to make debt service payments should annexation occur.

STRATEGIC PARTNERSHIP AGREEMENT . . . In accordance with a Strategic Partnership Agreement between the City and the District dated as of June 4, 2012 (as amended, the "SPA"), the City may convert all of the remaining land within the District to full purpose annexation status at such time as it determines such conversion to be appropriate, subject to the terms of the Consent Agreement between the City, the District and the Developer dated April 13, 2012 (as amended, the "Consent Agreement") and the SPA, but, except as otherwise provided in the Consent Agreement, in no event sooner than December 31, 2042. Additionally, the District is

also subject to certain approvals for the issuance of bonds pursuant to the Consent Agreement. The District expects to obtain all necessary approvals for the issuance of the Bonds from the City on November ___, 2026.

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

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 quality of the Bonds as an investment, nor does he pass upon the adequacy or accuracy of the information contained in this Official Statement.

AMENDMENTS TO THE BOND ORDER . . . The District may, without the consent of or notice to any registered owners, amend the Bond Order in any manner not detrimental to the interest of the registered owners, including the curing of an ambiguity, inconsistency, or formal defect or omission therein. In addition, the District may, with the written consent of the owners of a majority in principal amount of the Bonds then outstanding affected thereby, amend, add to, or rescind any of the provisions of the Bond Order, except that, without the consent of the owners of all of the Bonds affected, no such amendment, addition, or rescission may (i) extend the time or times of payment of the principal of and interest on the Bonds, reduce the principal amount thereof or the rate of interest therein, change the place or places at, or the coin or currency in which, any Bond or the interest thereon is payable, or in any other way modify the terms of payment of the principal of or interest on the Bonds, (ii) give any preference to any Bond over any other Bond, or (iii) reduce the aggregate principal amount of Bonds required for consent to any such amendment, addition, or rescission. In addition, a state, consistent with federal law, may within the exercise of its police powers make such modifications in the terms and conditions of contractual covenants relating to the payment of indebtedness of its political subdivisions as are reasonable and necessary for attainment of an important public purpose.

BOOK-ENTRY-ONLY SYSTEM

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

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

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities 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 the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

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

Purchases of 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 a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

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

All payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with 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. All payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) are the responsibility of the District or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

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

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DRAFT

USE AND DISTRIBUTION OF 2026 BOND PROCEEDS

Proceeds of the 2026 Bonds will be used to finance water, wastewater and drainage costs for Prospect Park, Phase 1A. The remaining Bond proceeds will be used to: (i) pay developer interest; and (ii) pay certain legal and engineering costs and the costs of issuance of the 2026 Bonds.

The estimated use and distribution of 2026 Bond proceeds are set forth below. Of the proceeds to be received from the sale of the 2026 Bonds, $1,661,000 is estimated to be required for construction costs, and $639,000 is estimated to be required for non-construction costs.

SUMMARY OF COSTS

		District's Share
I.	**CONSTRUCTION COSTS**	
	A. Developer Contribution Items	
	1. Prospect Park Phase 1A – Water, Wastewater, and Drainage	$ 1,661,000
	Total Developer Contribution Items	$ 1,661,000
	B. District Items – None	
Total Construction Costs (72.22% of Bond Issue Requirement)		**$ 1,661,000**
II.	**NON-CONSTRUCTION COSTS**	
	A. Legal Fees (1.50%)	$ 34,500
	B. Bond Counsel Fees (1.50%)	34,500
	C. Fiscal Agent Fees (1.50%)	46,000
	D. Developer Interest[(a)]	351,525
	E. Bond Discount (3.00%)	69,000
	F. Bond Issuance Expenses	49,425
	G. Bond Application Report	46,000
	H. Attorney General Fee (0.10%)	2,300
	I. TCEQ Fee (0.25%)	5,750
	J. Contingency	0
Total Non-Construction Costs		**$ 639,000**
TOTAL BOND ISSUE REQUIREMENT		**$ 2,300,000**

(a) Estimated at 5.25%. The amount of developer interest will be finalized in connection with the reimbursement report approved by the Board of Directors prior to disbursement of funds.

USE AND DISTRIBUTION OF 2026A BOND PROCEEDS

Proceeds of the 2026A Bonds will be used to finance a portion of the District's share of the cost of constructing road improvements to serve the District. The remaining 2026A Bond proceeds will be used to: (i) capitalize approximately six months' interest requirements on the 2026A Bonds, (ii) pay developer interest; and (iii) pay certain legal and engineering costs and costs associated with the issuance of the 2026A Bonds.

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INVESTMENT CONSIDERATIONS

GENERAL . . . The Bonds, which are obligations of the District and are not obligations of the State of Texas; Travis County, Texas; the City; Del Valle Independent School District, or any other political subdivision, will be secured by a continuing, direct annual ad valorem tax, without legal limitation as to rate or amount, levied on all taxable property located within the District. See "THE BONDS – Source of and Security for Payment." The ultimate security for payment of principal of and interest on the Bonds depends on the ability of the District to collect from the property owners within the District all taxes levied against the property, or in the event of foreclosure, on the value of the taxable property with respect to taxes levied by the District and by other taxing authorities. The collection by the District of delinquent taxes owed to it and the enforcement by registered owners of the District's obligation to collect sufficient taxes may be a costly and lengthy process. Furthermore, the District cannot and does not make any representations that continued development of property within the District will accumulate or maintain taxable values sufficient to justify continued payment by property owners or that there will be a market for the property. See "Registered Owners' Remedies" below.

FACTORS AFFECTING TAXABLE VALUES AND TAX PAYMENTS . . . ***Economic Factors, Interest Rates, Credit Availability and Residential Foreclosures:*** A substantial percentage of the taxable value of the District results from the current market value of single family residences and developed lots. The market value of such homes and lots is related to general economic conditions affecting the demand for and taxable value of residences. Demand for lots and residential dwellings can be significantly affected by factors such as interest rates, credit availability, construction costs, energy availability and the economic prosperity and demographic characteristics of the urban centers toward which the marketing of lots is directed. Decreased levels of construction activity would tend to restrict the growth of property values in the District or could adversely impact existing values.

Interest rates and the availability of credit, including mortgage and development funding, have a direct impact on the construction activity, particularly short-term interest rates at which the Developer and Homebuilders are able to obtain financing for development and construction costs. As a result of increasing foreclosure activity, potential adverse impact on assessed valuations and a general tightening of credit that has resulted, lenders have increased lending requirements for both single family mortgage lending and real estate development lending. Additionally, lenders have been selective in recent years in making real estate development loans in the Austin area because of the negative impact to their real estate portfolios. Interest rate levels and the general availability of credit may affect the ability of a landowner with undeveloped property to undertake and complete development activities within the District and the ability of potential homeowners to purchase homes. Because of the numerous and changing factors affecting the availability of funds, the District is unable to assess the future availability of such funds for continued development and construction within the District. In addition, the success of development within the District and growth of District taxable property values are, to a great extent, a function of the Austin metropolitan and regional economies.

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

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

Developer under No Obligation to the District: There is no commitment from, or obligation of, any developer to proceed at any particular rate or according to any specified plan with the development of land or the construction of homes in the District, and there is no restriction on any landowner's right to sell its land, including any developer. Failure to construct taxable improvements on developed lots and tracts and failure of landowners to develop their land would restrict the rate of growth of taxable value in the District. The District is also dependent upon developer and the other principal taxpayers for the timely payment of ad valorem taxes, and the District cannot predict what the future financial condition of either will be or what effect, if any, such financial conditions may have on their ability to pay taxes. See "THE DEVELOPER" and "TAX DATA – Table 8 – Principal Taxpayers."

Dependence Upon Developer and Homebuilders: The Developer is one of the top ten taxpayers in the District. The growth of the tax base is dependent upon additional construction of homes within the District. The Developer is under no obligation to continue to market for improvement of developed tracts of land. Thus, the furnishing of information related to the proposed development by the Developer should not be interpreted as such a commitment by the Developer. The District makes no representation about the probability of development continuing in a timely manner or about the ability of the Developer, the homebuilders within the District or other entities to whom such parties may sell all or a portion of their holdings within the District to implement any plan of development. Furthermore, there is no restriction on the Developer's right to sell its land. The District can make no prediction as to the effects that current or future economic or governmental circumstances may have on any plans of the Developer. Failure to construct taxable improvements on developed lots and tracts or failure of the Developer to develop its land would restrict the rate of growth of taxable value in the District. See "THE DISTRICT – Current Status of Development" and "THE DEVELOPER."

Impact on District Tax Rates: Assuming no further development, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of the District property owners to pay their taxes. The 2026 Certified Assessed Valuation is $436,759,911 (see "FINANCIAL STATEMENT"). After issuance of the Bonds, the Projected Maximum Annual Debt Service Requirement will be $3,228,206 (2046) and the Projected Average Annual Debt Service Requirement will be $2,703,310 (2026-2051, inclusive). A tax rate of $0.7780/$100 assessed valuation, at a 95% collection rate, would be necessary to pay the Projected Maximum Annual Debt Service Requirement of $3,228,206, and a tax rate of $0.6515/$100 assessed valuation at a 95% collection rate would be necessary to pay the Projected Average Annual Debt Service Requirement of $2,703,310 based upon the 2026 Certified Taxable Assessed Valuation.

TAX COLLECTIONS AND FORECLOSURE REMEDIES . . . 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 local 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 cumbersome, time-consuming and expensive collection procedures or market conditions affecting the marketability of taxable property within the District and limiting the proceeds from a foreclosure sale of such property. Moreover, the proceeds of any sale of property within the District available to pay debt service on the Bonds may be limited by the existence of other tax liens on the property (see "FINANCIAL STATEMENT – Estimated Overlapping Debt Statement"), by the current aggregate tax rate being levied against the property, and by other factors (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). Finally, any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the District pursuant to the Federal Bankruptcy Code could stay any attempt by the District to collect delinquent ad valorem taxes assessed against such taxpayer. In addition to the automatic stay against collection of delinquent taxes afforded a taxpayer during the pendency of a bankruptcy, a bankruptcy court could approve a confirmation plan which allows the debtor to make installment payments on delinquent taxes for up to six years and a bankruptcy court may reduce the amount of any taxes assessed against the debtor, including those that have already been paid.

REGISTERED OWNERS' REMEDIES . . . In the event of default in the payment of principal of or interest on the Bonds, the registered owners have the right to seek a writ of mandamus, requiring the District to levy adequate taxes each year to make such payments. Except for mandamus, the Bond Order does not specifically provide for remedies to protect and enforce the interest of the registered owners. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Although the registered owners could obtain a judgment against the District, such a judgment could not be enforced by direct levy and execution against the District's property. Further, the registered owners cannot themselves foreclose on property within the District or sell property within the District in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the registered owners may further be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District.

BANKRUPTCY LIMITATION TO REGISTERED OWNERS' RIGHTS . . . The enforceability of the rights and remedies of registered owners may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. Subject to the requirements of Texas law discussed below, a political subdivision such as the District may voluntarily file a petition for relief from creditors under Chapter 9 of the Federal Bankruptcy Code, 11 USC sections 901-946. The filing of such petition would automatically stay the enforcement of registered owners' remedies, including mandamus and the foreclosure of tax liens upon property within the District discussed above. The automatic stay would remain in effect until the federal bankruptcy judge hearing the case dismissed the petition, enters an order granting relief from the stay or otherwise allows creditors to proceed against the petitioning political subdivision. A political subdivision, such as the District, may qualify as a debtor eligible to proceed in a Chapter 9 case only if it (1) is specifically authorized to file for federal bankruptcy protection by applicable 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 negotiations are impracticable. Under Texas law a municipal utility district, such as the District, must obtain the approval of the Commission as a condition to seeking relief under the Federal Bankruptcy Code. The Commission is required to investigate the financial condition of a financially troubled district and authorize such district to proceed under federal bankruptcy law only if such district has fully exercised its rights and powers under Texas law and remains unable to meet its debts and other obligations as they mature.

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

If a petitioning district were allowed to proceed voluntarily under Chapter 9 of the Federal Bankruptcy Code, it could file a plan for an adjustment of its debts. If such a plan were confirmed by the bankruptcy court, it could, among other things, affect a registered owner by reducing or eliminating the amount of indebtedness, deferring or rearranging the debt service schedule, reducing or eliminating the interest rate, modifying or abrogating collateral or security arrangements, substituting (in whole or in

part) other securities, and otherwise compromising and modifying the rights and remedies of the registered owner's claim against a district.

Developer Bankruptcy: In the event of bankruptcy of the Developer within the District, it is possible the District could experience volatility in the ad valorem tax rate established by the District as well as a disruption in the timing of receipt of ad valorem taxes from any such bankrupt entities.

THE EFFECT OF THE FINANCIAL INSTITUTIONS ACT OF 1989 ON TAX COLLECTIONS OF THE DISTRICT . . . The "Financial Institutions Reform, Recovery and Enforcement Act of 1989" ("FIRREA"), enacted on August 9, 1989, contains certain provisions which affect the time for protesting property valuations, the fixing of tax liens, and the collection of penalties and interest on delinquent taxes on real property owned by the Federal Deposit Insurance Corporation ("FDIC") when the FDIC is acting as the conservator or receiver of an insolvent financial institution.

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

There has been little judicial determination of the validity of the provisions of FIRREA or how they are to be construed and reconciled with respect to conflicting state laws. However, certain recent federal court decisions have held that the FDIC is not liable for statutory penalties and interest authorized by State property tax law, and that although a lien for taxes may exist against real property, such lien may not be foreclosed without the consent of the FDIC, and no liens for penalties, fines, interest, attorneys fees, costs of abstract and research fees exist against the real property for the failure of the FDIC or a prior property owner to pay ad valorem taxes when due. It is also not known whether the FDIC will attempt to claim the FIRREA exemptions as to the time for contesting valuations and tax assessments made prior to and after the enactment of FIRREA. Accordingly, to the extent that the FIRREA provisions are valid and applicable to any property in the District, and to the extent that the FDIC attempts to enforce the same, these provisions may affect the timeliness of collection of taxes on property, if any, owned by the FDIC in the District, and may prevent the collection of penalties and interest on such taxes.

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

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

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

FUTURE DEBT . . . The District has reserved in the 2026 Bond Order the right to issue the remaining $116,636,509 authorized but unissued unlimited tax bonds for water, wastewater and drainage facilities and $49,997,304 for road bonds, and such additional bonds as may hereafter be approved by both the Board of Directors and voters of the District. All of the remaining $116,636,509 unlimited tax bonds for water, 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 for qualified purposes, as determined by the Board of Directors of the District, subject to the approval of the City, the Attorney General of the State of Texas and the TCEQ, as applicable. In the opinion of the District's engineer, the remaining authorization should be sufficient to reimburse the Developer for the development within the District. See "THE SYSTEM."

To date, funds in the approximate amount of $79,865,555 have been advanced to construct water, wastewater, and drainage and roads facilities to serve the property within the District. Following the issuance of the Bonds, the District will still owe the developer approximately $50,946,505 for additional water, wastewater, and drainage facilities which have been constructed to date.

The District anticipates that it may issue the full principal amount of authorized but unissued bonds for water, wastewater and drainage facilities ($116,636,509), in installments over the next several years. Each future issue of bonds is intended to be sold at the earliest practicable date consistent with the maintenance of a reasonable tax rate in the District (assuming projected increases

in the value of taxable property made at the time of issuance of the bonds are accurate) see "THE DEVELOPER – Utility Development Agreement." Additionally, the District has reserved the right to issue the road and parks and recreational facilities bonds from time to time for qualified purposes, as determined by the Board of Directors of the District, subject to the approval of the City, the Attorney General of the State of Texas and, for park and recreational facility bonds, the approval of the TCEQ, and subject to certain approval of the City. The District does not employ any formula with respect to assessed valuations, tax collections or otherwise to limit the amount of parity bonds which it may issue. In addition, future changes in health or environmental regulations could require the construction and financing of additional improvements without any corresponding increases in taxable value in the District. See "THE BONDS – Issuance of Additional Debt." See "Table 4 – Unlimited Tax Bonds Authorized But Unissued."

GOVERNMENTAL APPROVAL . . . As required by law, engineering plans, specifications and an estimate of construction costs for the facilities and services to be purchased or constructed by the District with the proceeds of the 2026 Bonds have been approved, subject to certain condition, by the TCEQ. See "USE AND DISTRIBUTION OF BOND PROCEEDS." The TCEQ approved the issuance of the 2026 Bonds by an order signed _____, 2026. In addition, the Attorney General of Texas must approve the legality of the 2026 Bonds prior to their delivery.

As provided in the Consent Agreement, the 2026 Bonds and 2026A Bonds are subject to the City's approval, which will not be unreasonably withheld, conditioned, or delayed. The issuance of the Bonds is anticipated to be approved by the City on or about November ___, 2026.

Neither the TCEQ nor the Attorney General of Texas passes upon or guarantees the security of the Bonds as an investment, nor have the foregoing authorities passed upon the adequacy or accuracy of the information contained in this Official Statement.

TAX-EXEMPT PROPERTY, STRATEGIC HOUSING FINANCE CORPORATION OF TRAVIS COUNTY . . . Within the District there is the potential for property to be owned by the "Strategic Housing Finance Corporation of Travis County" ("SHFC"), a public nonprofit housing finance corporation established in 2004 pursuant to Chapter 394 of the Texas Local Government Code (the "Texas Housing Finance Corporations Act"). SHFC operates a lease-to-purchase affordable housing program for low to moderate income families in Travis County that was initially financed with the proceeds of $35 million in Lease Purchase Revenue Bonds issued by SHFC in 2004. Pursuant to the program as currently structured by SHFC, low to moderate income families in Travis County pay a fee to SHFC which purchases a home and leases it back to the family for a period of thirty-nine (39) months. Under the Texas Housing Finance Corporations Act, all property owned by a nonprofit housing finance corporation, such as SHFC, is tax exempt, therefore during the thirty-nine (39) month term of the lease, during which SHFC owns the home, that property is removed from the tax rolls of the District. If the tenant vacates the property or cannot afford to assume the mortgage at the end of the lease term, then the property may remain tax exempt indefinitely. As of November 10, 2017, there are no homes within the District that are owned by SHFC. Because the SHFC program is between itself and an individual resident, the District cannot make any projection regarding the future impact the SHFC program may have on its taxable appraised values. It is not known whether SHFC will seek additional funding for its program in the future or alter the terms and leasing arrangements at which is offers homes through its programs. Additionally, taxable appraised values may also be adversely affected if similar lease-to-purchase affordable housing programs are instituted by other corporations created under the Texas Housing Finance Corporations Act.

ENVIRONMENTAL REGULATION . . . *Potential Impact of Natural Disaster.* The District could be impacted by a natural disaster such as wide-spread fires, droughts, earthquakes, or weather events such as hurricanes, tornados, tropical storms, or other severe weather events that could produce high winds, heavy rains, hail, and flooding. In the event that a natural disaster should damage or destroy improvements and personal property in the District or reduce demand for housing in the District, the assessed value of such taxable properties could be substantially reduced, resulting in a decrease in the taxable assessed value of the District and/or an increase in the District's tax rates. See "TAXING PROCEDURES – Temporary Exemption for Qualified Property Damaged by Disaster."

There can be no assurance that a casualty will be covered by insurance (certain casualties, including flood, are usually excepted unless specific insurance is purchased), that any insurance company will fulfill its obligation to provide insurance proceeds, or that insurance proceeds will be used to rebuild, repair, or replace any taxable properties in the District that were damaged. Even if insurance proceeds are available and damaged properties are rebuilt, there could be a lengthy period in which assessed values in the District would be adversely affected. There can be no assurance the District will not sustain damage from such natural disasters.

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.

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:

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) ("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.

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.

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

Air Quality Issues. Air quality control measures required by the United States Environmental Protection Agency (the "EPA") and the TCEQ may impact new industrial, commercial and residential development in the Austin area. Under the Clean Air Act ("CAA") Amendments of 1990, the five-county "Austin Area" – Travis, Hays, Williamson, Bastrop, and Caldwell counties – has recently been redesignated by the EPA as an attainment area. The Austin Area entered into an early action compact (EAC) with the TCEQ and EPA which demonstrates attainment and maintenance of the 8-hour ozone standard. EACs allow regions that are in nonattainment or near nonattainment for ozone under the federal CAA to elect to use their knowledge of local conditions to determine which ozone control strategies should be implemented in their area, as opposed to having rules dictated by state and federal agencies.

The EPA signed a consent decree with several environmental organizations which bound the EPA to designating nonattainment areas for 8-hour nonattainment. The Austin Area took early action with an EAC on December 15, 2004 to reduce its emissions so

as not to be designated nonattainment. Voluntary reductions have focused on reducing the number of vehicles on Austin Area roads, since vehicles are the area's main source of air pollution.

The area will report semi-annually on the progress of their control measures. Under the EACs, attainment must have been demonstrated by 2007. EPA approved the photochemical modeling in support of the attainment demonstration for the 8-hour ozone standard within the Austin Area on August 15, 2005. EPA also approved the Austin EAC "CAAP" which includes control measures and demonstrates maintenance of the standard through 2012 (including a vehicle inspection and maintenance (I/M) program). These steps and any EPA/TCEQ responses could impact the economy and communities in the Austin Area.

On November 26, 2014, the EPA announced a new proposed ozone National Ambient Air Quality Standards ("NAAQS") range of between 65-70 parts per billion. The Austin Area is vulnerable to being designated nonattainment if the EPA adopts the new proposed ozone NAAQS or otherwise maintains the existing standard applied to more recent air quality monitoring data.

Should the Austin Area fail to achieve attainment under an EPA NAAQS, or should the Austin Area fail to satisfy a then effective State Implementation Plan (SIP) (for nonattainment or otherwise), or for any other reason should a lapse in conformity with the CAA occur, the Austin Area may be subjected to sanctions pursuant to the CAA. Under such circumstances, the TCEQ would be required under the CAA to submit to the EPA a new SIP under the CAA for the Austin Area. Due to the complexity of the nonattainment/conformity analysis, the status of EPA's implementation of any future EPA NAAQS and the incomplete information surrounding any SIP requirements for areas designated nonattainment under any future EPA NAAQS, the exact nature of sanctions or any potential SIP that may be applicable to the Austin Area in the future is uncertain. The CAA provides for mandatory sanctions, including the suspension of federal highway funding, should the State fail to submit a proper SIP, or associated submissions, or fail to revise or implement a SIP, or fail to comply with an existing SIP. Subject to certain exceptions, if the Austin Area falls out of conformity and the mandatory highway funding suspension sanction is implemented, the United States Secretary of Transportation may be prohibited from approving or awarding transportation projects or grants within the area.

It is possible that nonattainment, a lapse in conformity under the CAA, litigation involving injunctive or other relief, or other environmental issues may impact new industrial, commercial and residential development in the Austin Area.

FUTURE AND PROPOSED TAX LEGISLATION . . . Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

STATE LEGISLATIVE CHANGES . . . The Texas Legislature convenes in regular session for 140 days on the second Tuesday in January of odd-numbered years. Thereafter the Governor may call one or more special sessions. During this time, the Texas Legislature may enact laws that materially change current law relating to districts including with respect to the levy of property taxes. The District makes no representation regarding any action the Texas Legislature may take but intends to monitor proposed legislation for any developments applicable to the District.

DROUGHT CONDITIONS . . . Central Texas, like other areas of the State, has experienced extreme drought conditions. The District has not implemented any water restrictions. The City is the retail water provider so any restrictions or conservation measures would be handled by the City. The City provides water to the District in amounts sufficient to service the residents of the District, however, as drought conditions emerge water usage, rates and water revenues could be impacted.

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

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

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THE DISTRICT

GENERAL . . . Pursuant to Article XVI, Section 59 of the Texas Constitution and Chapters 49 and 54 of the Texas Water Code, as amended, the District is subject to the continuing supervision of the TCEQ. The District was created for the purposes of providing, operating, and maintaining facilities to control storm water, distribute potable water, and to collect and treat wastewater. The District is empowered, among other things, to 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; the control and diversion of storm water and the operation of park and recreational facilities. The District also has road powers under Article III, Section 52 of the Texas Constitution pursuant to the Enabling Legislation. Pursuant to Article XVI, Section 59 of the Texas Constitution and Chapter 49 of the Texas Water Code, certain districts, such as the District, may issue bonds, subject to voter approval and the approval of the TCEQ and the City, payable from ad valorem taxes to pay for the development and maintenance of water, wastewater, drainage, park and recreational facilities. The District may also establish, operate and maintain a fire department, independently or with one or more other conservation and reclamation districts, if approved by the voters of the District and the TCEQ, and is located entirely within the extraterritorial jurisdiction of the City.

MANAGEMENT . . . ***Board of Directors.*** The District is governed by a Board, consisting of five directors, which has control over and management supervision of all affairs of the District. As required by the Enabling Legislation and the Consent Agreement, four of the Directors are elected for four-year staggered terms with elections held within the District on the first Tuesday after the first Monday in November in each even numbered year, and one Director is appointed by the governing body of the City. Except for the Director appointed by the governing body of the City, all of the directors listed below reside or own property in the District.

Name	Title	Term Expires
Parker McCollum	President	2028
David Glenn	Vice President	2026
Nancy Stroder	Secretary	2028
Patrick Ley	Assistant Secretary	2026
David Forester	Assistant Secretary	2028

Consultants:

Tax Assessor/Collector . . . Land and improvements in the District are being appraised by the Travis Central Appraisal District ("TCAD"). The Tax Assessor/Collector is appointed by the Board of Directors of the District. The Travis County Tax Assessor/Collector, Ms. Celia Israel, currently serves the District in this capacity under contract.

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

Bookkeeper . . . Bott & Douthitt, PLLC ("B&D") is charged with the responsibility of providing bookkeeping services for the District. B&D serves in a similar capacity for over 140 other special districts.

Engineer . . . The District's consulting engineer is Jones-Heroy & Associates, Inc. (the "Engineer").

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

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

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

LOCATION . . . The District, which currently contains approximately 557.187 acres of land, is located within the extraterritorial jurisdiction of the City in southeast Travis County, Texas. The District is located approximately eight miles southeast of the downtown portion of the City, about 1 mile east of McKinney Falls Parkway, about a half mile west of U.S. Highway 183, and just west of FM 1625. An extension of William Cannon Drive, the initial phases of which are complete, bisects the District in an east-west direction. North Fork Dry Creek traverses the northern part of the District in a west to east direction. South Fork Dry Creek traverses the southern part of the District in a west to east direction. The Austin-Bergstrom International Airport is located approximately four miles to the northeast of the District. See "LOCATION MAP."

CURRENT STATUS OF DEVELOPMENT . . . All of the 557.187 acres within the District, are developable under current land development regulations. As of August 1, 2026, the development in the District consisted of 1,379 developed single-family lots (193 within Easton Park 2B.2; 94 within Easton Park 2C.1; 8 within Easton Park 2C.2; 98 within Easton Park 3A.1; 41 within Easton Park 3A.2; 784 within Easton Park 3B.1 and 3B.2; and 61 within Easton Park 3B.3a, and 100 within Easton Park 4B). There are 915 completed homes (193 within Easton Park 2B.2; 94 within Easton Park 2C.1; 8 within Easton Park 2C.2; 98 within Easton

Park 3A.1; 41 within Easton Park 3A.2; 412 within Easton Park 3B.1 and 3B.2; and 28 within Easton Park 3B.3a; and 41 within Easton Park 4B). There are 134 homes under construction (98 within Easton Park 3A.1; 14 within Easton Park 3B.1 and 3B.2; and 22 within Easton Park 3B.3a and 14 within Easton Park 4B). There are 330 vacant single-family lots.

To date, the developer has advanced funds in the approximate amount of $79,865,555 to construct water, wastewater, and drainage and roads facilities to serve the property within the District. Following the issuance of the 2026 Bonds, the District will still owe the developer approximately $50,946,505 for additional water, wastewater, and drainage facilities which have been constructed to date.

The chart below reflects the status of development as of August 1, 2026:

	Net Acreage
A. Sections Developed with Utility Facilities	
Easton Park 2B.2, 2C. 1-2, 3A. 1-2, 4A.3, and Prospect Park 1A, 1B, & 2	372.79
Total Developed with Utility Facility or Under Construction	372.79
B. Remaining Developable Acreage	184.40
Total Developable Acreage	557.19
C. Undevelopable Acreage	0.00
Total	557.19

FUTURE DEVELOPMENT . . . The remaining undeveloped but developable 184.4 acres in the District are expected to be developed primarily as single family residential, with some neighborhood commercial and civic uses. The initiation of any new development beyond that described in this Official Statement will be dependent on several factors including, to a great extent, general and economic conditions which would affect any party's ability to sell lots and/or other property and of any home builder to sell completed homes as described in this Official Statement under the caption "INVESTMENT CONSIDERATIONS." If the undeveloped portion of the District is eventually developed, additions to the District's utility systems required to service such undeveloped acreage may be financed by future issues of the District's bonds. The District's Engineer estimates that the $118,936,509 remaining principal amount of voted utility bonds which are authorized to be issued should be sufficient to reimburse the Developer for the existing utility facilities and provide utility service to remaining undeveloped but potentially developable acreage within the District. See "THE BONDS – Issuance of Additional Debt." The Developer is under no obligation to complete any development, if begun, and may modify or discontinue development plans in its sole discretion. Accordingly, the District makes no representation that any future development will occur.

ANNEXATION OF THE DISTRICT . . . The District lies within the extraterritorial jurisdiction of the City. See "THE BONDS – Annexation" for a discussion of the ability of the City to annex the District.

AGREEMENTS WITH THE CITY OF AUSTIN

The District, the Developer, and the City have entered into a Consent Agreement dated April 13, 2012 (as amended, the "Consent Agreement"), which, among other things, outlines the development of the land within the District and specific facilities to be built that will serve the District and Pilot Knob Municipal Utility Districts No. 1, 3, 4, and 5 (the "Other Pilot Knob Districts") as well as a larger geographic area as outlined in the Consent Agreement. The District, the Developer, and the City have entered into a Strategic Partnership Agreement dated June 4, 2012 (as amended, the "SPA") which sets forth the terms and conditions of the City's annexation of land within the District and on which the District will continue to exist as a limited district in accordance with Section 43.0751, Texas Local Government Code, and the Enabling Legislation following the City's full purpose annexation of the land within the District. In accordance with the Consent Agreement, the District and the City have entered into, or will enter into, an Interlocal Agreement for Solid Waste Service setting forth the terms and conditions of the City's provision of residential solid waste services within the District.

In accordance with the Consent Agreement, the Developer submitted an application for, and on December 17, 2015 the City adopted an ordinance creating, a Planned Unit Development (as amended, "PUD") establishing the planning and zoning for the land within the District as well the remainder of the Easton Park development. The PUD ordinance incorporated, among other matters, certain affordable housing requirements to meet the City's affordable housing goals and also waived certain development and water impact fees in order to redirect such fees go towards subsidizing such affordable housing.

In February 2016, a lawsuit was filed against the City alleging a violation of the Texas Open Meetings Act in adopting the PUD ordinance due to lack of clarity of the agenda item related to waiver of fees. On October 14, 2016, the judge presiding over the lawsuit granted the plaintiff's motion for summary judgment and declared the City's action adopting the PUD ordinance void. On November 10, 2016, the City adopted a new PUD ordinance for the Easton Park development, which did not include any fee waivers, but maintains the affordable housing requirement within the District and the remainder of the Easton Park development

that at least 10% of the total number of owner-occupied residential housing will be made available at a price affordable to households with incomes at 80% or below the median family income in the Austin metro area.

According to the Developer, the implementation of the affordable housing requirement is currently expected to be further documented in an affordable housing agreement to be entered into by the City and the Developer, and the affordable housing initiative is not currently anticipated to have any adverse material impact on the District's ad valorem tax values or the ability of the Developer to continue development within the District. Additionally, neither the District nor the Developer currently anticipate any additional litigation regarding development of the District or the PUD ordinance, but no assurances are given regarding any future litigation regarding such matters.

THE DEVELOPER

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

DESCRIPTION OF DEVELOPER . . . The Developer currently active within the District is NASH Brookfield Easton Park LLC, a Delaware limited liability company and successor in limited liability company interests to Carma Easton LLC, a Texas limited liability company ("Carma") (a land holding entity of Brookfield Residential Properties ULC) ("Brookfield").

On January 8, 2025, Brookfield and North America Sekisui House, LLC, a Delaware limited liability company, agreed to transfer 100% of the outstanding and issued limited liability company interest in Carma, the prior developer of the Easton Park development, through a Membership Interest Purchase Agreement (the "Strategic Venture"). Pursuant to the Strategic Venture, NASH Brookfield Easton Park LLC directly owns (by way of its ownership of 100% of the outstanding and issued limited liability company interests in Carma) the real property along with certain rights with respect to the real property pursuant to contractual arrangements (together with improvements located thereon) of the Easton Park development and Brookfield maintains oversight of the development of Easton Park which includes development personnel and management.

Brookfield is a leading land developer and homebuilder in North America. Brookfield entitles and develops land to create master-planned communities, builds and sells lots to third-party builders, and conducts its own homebuilding operations. Brookfield's participation in select strategic real estate opportunities includes infill projects, mixed-use developments, and joint ventures.

North America Sekisui House, LLC is the U.S. business arm of Sekisui House, Ltd., one of the world's largest homebuilders and a leader in sustainable residential development. As of 2025, Brookfield and NASH America Sekisui House, LLC have a combined managed portfolio of approximately 30,000 total single-family lots under management covering 11 states.

ACQUISITION AND DEVELOPMENT FINANCING . . . Acquisition of the property within the District was self-financed by Carma. The Developer is funding the development of the property within the District via construction financing with NASH Financing, LLC, who is the present owner and holder of a lien against the property, secured by a Deed of Trust.

HOMEBUILDERS WITHIN THE DISTRICT . . . According to the Developer, the following seven homebuilders are active within the District: Taylor Morrison Homes, David Weekley Homes, Perry Homes, Highland Homes, Newmark Homes, Brookfield Residential, and Pacesetter Homes. The homes range in lot sizes from 40' to 70'. The homes range in price from $500,000 to $1,000,000, with square footage ranging from 1,300 to 3,520.

UTILITY DEVELOPMENT AGREEMENT . . . The Developer and the District have entered into a Utility and Park Facility Construction Agreement dated March 27, 2014 (as amended, the "Construction Agreement"). The Construction Agreement governs the development of water, wastewater, drainage and recreational facilities in the District and the reimbursement of certain costs of such development through the District's issuance of bonds. The Developer and the District have also entered into a Road Improvements Construction and Reimbursement Agreement dated March 27, 2014 (as amended, the "Road Improvements Agreement"). The Road Improvements Agreement governs the construction of roads and improvements in aid of such roads (the "Road Improvements") and the reimbursement of certain costs of such Road Improvements through the District's issuance of bonds.

AGRICULTURAL WAIVER . . . The Developer has executed an agreement, which is recorded in the Official Public Records of Travis County, Texas and is a covenant running with the land, waiving the right to have the land located within the District classified as agricultural, open-space or timberland for purposes of the District's taxes. The Developer has also waived the right to have the lots and houses (if any) in the District classified as business inventory for purposes of the District's taxes. The agreement may not be modified without the approval of the TCEQ and is binding on purchasers of land from the Developer.

THE SYSTEM

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

Operation of the City's waterworks and wastewater facilities providing service to the District is subject to regulation by, among others, the U.S. Environmental Protection Agency and the TCEQ.

WATER SUPPLY AND DISTRIBUTION . . . The District's water supply is provided by the City pursuant to the Consent Agreement. The Consent Agreement states that the City will be the sole provider of retail water and wastewater services to the District in the same manner and rates as customers inside the City limits, and agrees to provide sufficient water and wastewater service for full development of the District. The City's plants, Davis, Ulrich and Handcox, have capacities of 118, 167 and 50 million gallons per day ("MGD") respectively, for a total of 335 MGD. City records indicate peak day use of 247 MGD.

The District does not have an emergency interconnect.

The District's contractual water capacity appears adequate to serve the 488 ESFCs upon which the feasibility of this bond issue is based.

WASTEWATER COLLECTION AND TREATMENT . . . The District's wastewater treatment is provided by the City's 75 MGD South Austin Regional plant, pursuant to the Consent Agreement. The City shall supply the District all of its wastewater requirements at City customer rates and for full development of the District. The South Austin Regional plant, under Texas Pollutant Discharge Elimination System permit no. WQ0010543012, is authorized to discharge a final flow of 75 MGD. The plant can serve 306,122 ESFCs based on the City's design criteria of 245 gpd/ESFC.

The District's contractual wastewater treatment capacity appears adequate to serve the 488 ESFCs upon which the feasibility of this bond issue is based.

STORM WATER DRAINAGE . . . Storm water from the undeveloped portions of the District generally drains by way of sheet flow to North Fork Dry Creek or one of its tributaries, a tributary of South Fork Dry Creek, or Cottonmouth Creek then into Onion Creek and/or to North and South Fork Dry Creek then into Dry Creek, and through underground lines from developed portions of the District to detention/water quality facilities and then ultimately outfall into the Colorado River.

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DRAINAGE OPERATIONS . . . The Board of Directors of the District established a fee for drainage service, which is subject to change from time to time. The current fee for the District's drainage service, which has been in effect since October 23, 2017, is $1,500 per fee unit equivalent under the following schedule:

Water Meter Size	Fee Unit Equivalent
5/8" simple	1
3/4" simple	1
1" simple	2.5
1-1/2" simple	5
2" simple	8
2" compound	8
2" turbine	10
3" compound	16
3" turbine	24
4" compound	25
4" turbine	42
6" compound	50
6" turbine	92
8" compound	80
8" turbine	160
10" compound	115
10" turbine	250
12" turbine	330

100-YEAR FLOOD PLAIN . . . A portion of the District is affected by the 100-year flood plain, as identified by the Federal Flood Insurance Administration Rate Map No. 48453C0615J for Travis County, Texas, dated January 6, 2016. No lots are developed nor are any expected to be developed on land that is located within the boundary of the 100-year Flood Plain.

"Flood Insurance Rate Map" or "FIRM" means an official map of a community on which the Federal Emergency Management Agency ("FEMA") has delineated the appropriate areas of flood hazards. The 1% chance of probable inundation, also known as the 100-year flood plain, is depicted on these maps. The "100-year flood plain" (or 1% chance of probable inundation) as shown on the FIRM is the estimated geographical area that would be flooded by a rain storm of such intensity to statistically have a one percent chance of occurring in any given year. Generally speaking, homes must be built above the 100-year flood plain in order to meet local regulatory requirements and to be eligible for federal flood insurance. The Flood Insurance Rate Map associated with the District indicates that 38.6 acres of the land in the District is located within the 100-year flood plain. See "THE DISTRICT – Land Use."

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TABLE 1 – OPERATING REVENUES AND EXPENSES STATEMENT

The following statement sets forth in condensed form the historical operations of the District. Accounting principles customarily employed in the determination of net revenues have been observed and in all instances exclude depreciation. Such summary has been prepared from information obtained from the District's financial statements and records. Reference is made to such statements for further and more complete information. Also see "APPENDIX A – Excerpts from the Annual Financial Report."

	Fiscal Year Ending September 30,				
	2025	2024	2023	2022	2021
Revenues:					
Property Taxes and Penalties	$ 342,184	$ 381,962	$ 261,668	$ 182,447	$ 53,504
Drainage Fees	297,000	126,000	520,500	634,500	57,000
Other	126,034	88,793	50,492	4,901	270
Total Revenues	$ 765,218	$ 596,755	$ 832,660	$ 821,848	$ 110,774
Expenditures:					
Repairs and Maintenance	$ 360,800	$ 53,371	$ 150,541	$ -	$ -
Legal Fees	72,197	51,822	65,603	62,705	55,660
Engineering Fees	55,736	36,024	50,071	44,413	25,468
Accounting Fees	24,273	22,300	20,913	14,450	14,000
Audit Fees	14,750	13,500	11,500	10,750	8,250
Financial Advisor Fees	430	627	716	1,105	1,421
Tax Appraisal/Collection Fees	2,196	2,578	1,784	916	505
Public Notices	2,937	2,515	-	-	4,300
Director Fees/Payroll Taxes	11,420	6,424	4,249	6,298	5,167
Insurance	4,950	3,754	2,034	1,924	1,810
Election Expense	40	989	-	-	-
Other	4,392	4,185	6,166	4,310	707
Total Expenditures	$ 554,121	$ 198,089	$ 313,577	$ 146,871	$ 117,288
Excess (Deficiency) of Revenues Over Expenditures	$ 211,097	$ 398,666	$ 519,083	$ 674,977	$ (6,514)
Beginning Fund Balance	$ 1,901,374	$ 1,381,151	$ 862,068	$ 187,091	$ 193,605
Transfers In/Developer Advances	-	121,557	-	-	-
Ending Fund Balance	$ 2,112,471	$ 1,901,374	$ 1,381,151	$ 862,068	$ 187,091

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DEBT INFORMATION

TABLE 2 – PROJECTED DEBT SERVICE SCHEDULE

Year Ending 9/30	Outstanding Debt			The 2026 Bonds[a]			The 2026A Bonds[a]			Total Debt Service
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	
2026	$ 760,000	$ 1,474,856	$ 2,234,856	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,234,856
2027	975,000	1,563,281	2,538,281	-	85,196	85,196	-	91,863	91,863	2,715,340
2028	1,020,000	1,508,416	2,528,416	50,000	120,750	170,750	55,000	130,200	185,200	2,884,366
2029	1,065,000	1,451,279	2,516,279	55,000	118,125	173,125	55,000	127,313	182,313	2,871,716
2030	1,125,000	1,396,816	2,521,816	55,000	115,238	170,238	60,000	124,425	184,425	2,876,479
2031	1,180,000	1,347,659	2,527,659	60,000	112,350	172,350	65,000	121,275	186,275	2,886,284
2032	1,245,000	1,299,984	2,544,984	60,000	109,200	169,200	65,000	117,863	182,863	2,897,046
2033	1,305,000	1,253,806	2,558,806	65,000	106,050	171,050	70,000	114,450	184,450	2,914,306
2034	1,380,000	1,206,066	2,586,066	70,000	102,638	172,638	75,000	110,775	185,775	2,944,479
2035	1,450,000	1,155,066	2,605,066	70,000	98,963	168,963	75,000	106,838	181,838	2,955,866
2036	1,520,000	1,101,266	2,621,266	75,000	95,288	170,288	80,000	102,900	182,900	2,974,454
2037	1,605,000	1,044,667	2,649,667	80,000	91,350	171,350	85,000	98,700	183,700	3,004,717
2038	1,685,000	984,497	2,669,497	85,000	87,150	172,150	90,000	94,238	184,238	3,025,885
2039	1,765,000	920,886	2,685,886	90,000	82,688	172,688	95,000	89,513	184,513	3,043,086
2040	1,865,000	853,114	2,718,114	90,000	77,963	167,963	100,000	84,525	184,525	3,070,601
2041	1,950,000	780,924	2,730,924	95,000	73,238	168,238	105,000	79,275	184,275	3,083,436
2042	2,055,000	704,970	2,759,970	100,000	68,250	168,250	110,000	73,763	183,763	3,111,982
2043	2,175,000	624,225	2,799,225	110,000	63,000	173,000	115,000	67,988	182,988	3,155,212
2044	2,280,000	537,556	2,817,556	115,000	57,225	172,225	120,000	61,950	181,950	3,171,731
2045	2,405,000	446,675	2,851,675	120,000	51,188	171,188	130,000	55,650	185,650	3,208,512
2046	2,525,000	349,494	2,874,494	125,000	44,888	169,888	135,000	48,825	183,825	3,228,206
2047	2,250,000	247,344	2,497,344	130,000	38,325	168,325	145,000	41,738	186,738	2,852,406
2048	1,665,000	150,850	1,815,850	140,000	31,500	171,500	150,000	34,125	184,125	2,171,475
2049	1,240,000	79,469	1,319,469	145,000	24,150	169,150	160,000	26,250	186,250	1,674,869
2050	595,000	26,775	621,775	155,000	16,538	171,538	165,000	17,850	182,850	976,163
2051	-	-	-	160,000	8,400	168,400	175,000	9,188	184,188	352,588
	$ 39,085,000	$ 22,509,942	$ 61,594,942	$ 2,300,000	$ 1,879,646	$ 4,179,646	$ 2,480,000	$ 2,031,476	$ 4,511,476	$ 70,286,064

(a) Interest calculated at an assumed rate for purposes of illustration only. Preliminary, subject to change.

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FINANCIAL STATEMENT
(Unaudited as August 24, 2026)

TABLE 3 – ASSESSED VALUE

2023 Certified Taxable Assessed Valuation	$ 191,029,997	(a)
2024 Certified Taxable Assessed Valuation	$ 265,305,555	(a)
2025 Certified Taxable Assessed Valuation	$ 360,335,554	(a)
2026 Certified Taxable Assessed Valuation	$ 436,759,911	(a)
Estimated Taxable Assessed Valuation (as of March 25, 2026)	$ 414,073,357	(b)

Gross Direct Debt Outstanding	$ 43,865,000	(c)
Estimated Overlapping Debt	11,200,113	(d)
Gross Direct Debt and Estimated Overlapping Debt	$ 55,065,113	

Ratio of Gross Direct Debt Outstanding to 2026 Certified Assessed Valuation	12.61%
Ratio of Gross Direct Debt Outstanding to Estimated Assessed Valuation (as of March 25, 2026)	13.30%

Estimated Population as of August 1, 2026: 3,203[(e)]

(a) Certified Assessed Valuation of the District as certified by the Travis Central Appraisal District ("TCAD"). See "TAXING PROCEDURES."
(b) Estimated Taxable Assessed Valuation as provided by TCAD is shown for purposes of illustration only as of March 25, 2026. Taxes are levied based on value as certified by TCAD as of January 1 of each year. Consequently, this estimate will not be used to produce tax revenues for the District.
(c) Includes the Bonds. See "DEBT INFORMATION."
(d) See "FINANCIAL STATEMENT – Estimated Overlapping Debt Statement."
(e) Based upon 3.5 residents per completed and sold single family home.

TABLE 4 – UNLIMITED TAX BONDS AUTHORIZED BUT UNISSUED

Purpose	Date Authorized	Amount Authorized	Amount Heretofore Issued	Amount Being Issued	Unissued Balance
Water, Sewer, Drainage	5/10/2014	$ 149,121,509	$ 30,185,000	$ 2,300,000	$ 116,636,509
Road	5/10/2014	62,232,304	9,755,000	2,480,000	49,997,304
Parks and Recreational	5/10/2014	9,020,627	-	-	9,020,627
Total		$ 220,374,440	$ 39,940,000	$ 4,780,000	$ 175,654,440

TABLE 5 – CASH AND INVESTMENT BALANCES[(a)]

Operating Fund	$ 2,237,620	
Debt Service Fund	$ 3,170,289	(b)
Capital Project Fund	$ 243,490	

(a) Unaudited as of August 24, 2026.
(b) The District will capitalize six (6) months of interest from the 2026A Bond proceeds. Neither the Bond Resolution nor Texas law requires that the District maintain any particular balance in the Road Debt Service Fund.

INVESTMENT AUTHORITY AND INVESTMENT PRACTICES OF THE DISTRICT . . . Under Texas law, the District is authorized to invest in (1) obligations of the United States or its agencies and instrumentalities, including letters of credit; (2) direct obligations of the State of Texas or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation (the "FDIC") or by explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the FDIC or the National Credit Union Share Insurance Fund or their respective successors; (8) certificates of deposit and share certificates meeting the requirements of the Texas Public Funds Investment Act (Chapter 2256, Texas Government Code, as amended) (the "PFIA") (i) that are issued by or

through an institution that has its main office or a branch office in Texas and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or are secured as to principal by obligations described in clauses (1) through (6) or in any other manner and amount provided by law for District deposits; or (ii) that are invested by the District through a depository institution that has its main office or a branch office in the State of Texas and otherwise meets the requirements of the PFIA; (9) fully collateralized repurchase agreements that (i) have a defined termination date, (ii) are secured by a combination of cash and/or obligations described in clause (1) above, (iii) requires the securities being purchased by the District or cash held by the District to be pledged to the District either directly or through a joint account (an account maintained by a custodian bank and established on behalf of two or more parties to engage in aggregate repurchase agreement transactions) approved by the District held in the District's name either directly or through a joint account approved by the District and deposited at the time the investment is made with the District or with a third party selected and approved by the District, (iv) are placed through a primary government securities dealer (as defined by the Federal Reserve) or a financial institution doing business in the State, and (v) collateralized in accordance with the District's investment policy; (10) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least "A-1" or "P-1" or the equivalent by at least one nationally recognized credit rating agency; (11) commercial paper with a stated maturity of 270 days or less that is rated at least "A-1" or "P-1" or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank; (12) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission that complies with Securities and Exchange Commission Rule 2a-7; (13) no-load mutual funds registered with the Securities and Exchange Commission that have an average weighted maturity of less than two years, and either has a duration of one year or more and is invested exclusively in obligations described in the this paragraph, or has a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities; (14) local government investment pools organized in accordance with the Interlocal Cooperation Act (Chapter 791, Texas Government Code) as amended, whose assets consist exclusively of the obligations that are described above. A public funds investment pool must be continuously ranked no lower than "AAA," "AAA-m" or at an equivalent rating by at least one nationally recognized rating service. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described below.

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

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

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

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

Under Texas law, the District's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment considering the probable safety of capital and the probable income to be derived." At least quarterly the District's investment officers must submit an investment report to the Board of Directors detailing: (1) the investment position of the District,

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

Under Texas law, the District is additionally required to: (1) annually review its adopted policies and strategies, (2) require any investment officers with personal business relationships or family relationships with firms seeking to sell securities to the District to disclose the relationship and file a statement with the Texas Ethics Commission and the District, (3) require the registered principal of firms seeking to sell securities to the District to: (a) receive and review the District's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude imprudent investment activities, and (c) deliver a written statement attesting to these requirements; (4) in conjunction with its annual financial audit, perform a compliance audit of the management controls on investments and adherence to the District's investment policy, (5) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse repurchase agreement, (6) restrict the investment in non-money market mutual funds in the aggregate to no more than 15% of the District's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service and (7) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements.

CURRENT INVESTMENTS . . . On August 24, 2026, the District had $5,651,399 being held at ABC Bank and TexPool.

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

Taxing Jurisdiction	Total Tax Supported Debt	Estimated % Applicable	District's Overlapping Tax Supported Debt as of 7/31/2026
Travis County	$ 1,202,190,000	0.11%	$ 1,322,409
Travis County ESD No. 11	-	0.49%	-
Travis County Healthcare District	398,205,000	0.11%	438,026
Del Valle ISD	574,530,000	1.54%	8,847,762
Austin Community College District	657,685,000	0.09%	591,917
Pilot Knob MUD #2	43,865,000 [(a)]	100.00%	43,865,000
Total Direct and Overlapping Tax Supported Debt			$ 55,065,113
Ratio of Direct and Overlapping Tax Supported Debt to 2026 Certified TAV			12.61%

(a) Includes the Bonds.

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TAX DATA

TABLE 6 – TAX COLLECTIONS

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

Fiscal Year Ended 9/30	Tax Rate	Maintenance and Operations	Debt Service	Tax Levy	% Total Collections
2023	$ 0.7672	$ 0.1832	$ 0.5840	$ 1,097,853	100.00%
2024	0.8258	0.1725	0.6533	1,828,507	100.00%
2025	0.8258	0.1184	0.7074	2,190,893	99.90%
2026	0.8258	0.1331	0.6927	2,975,651	99.48% [(a)]
2027	0.8600	0.1556	0.7044		N/A

(a) Collections as of July 31, 2026.

TABLE 7 – DISTRICT TAX RATES

	Tax Rates per $100 Assessed Valuation Tax Year				
	2026	2025	2024	2023	2022
Debt Service	$ 0.7044	$ 0.6927	$ 0.7074	$ 0.6533	$ 0.5840
Maintenance	0.1556	0.1331	0.1184	0.1725	0.1832
Total	$ 0.8600	$ 0.8258	$ 0.8258	$ 0.8258	$ 0.7672

TAX RATE LIMITATION . . . The District's tax rate for debt service on the Bonds is legally unlimited as to rate and amount.

MAINTENANCE TAX . . . The District has the statutory authority to levy and collect an annual ad valorem tax for maintaining, repairing and operating the District's facilities and for paying administrative expenses of the District, if such maintenance tax is authorized by the District's voters. The District levied a 2026 maintenance tax of $0.1556 in September 2026.

TABLE 8 – PRINCIPAL TAXPAYERS

The following list of principal taxpayers was provided by the Travis Central Appraisal District based on the 2026 tax rolls of the District, which reflect ownership as of January 1 of 2026.

Taxpayer	Taxable Assessed Value	% of 2026 Taxable Assessed Valuation
Easton Park Build to Rent LLC	$ 27,440,940	6.28%
RLS Easton Park I LLC	3,627,720	0.83%
Taylor Morrison of Texas Inc.	2,486,887	0.57%
Carma Easton LLC	1,694,231	0.39%
Taylor Morrison of Texas Inc.	1,634,828	0.37%
Brookfield Residential Texas	1,541,228	0.35%
Newmark Homes Austin LLC	1,450,936	0.33%
Highland Homes - Austin LLC	1,421,167	0.33%
KL LB Buy 7 LLC	1,255,488	0.29%
Brookfield Residential Texas	1,093,613	0.25%
	$ 43,647,038	9.99%

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TAXING PROCEDURES

AUTHORITY TO LEVY TAXES . . . The Board of Directors of the District is authorized to levy an annual ad valorem tax on all taxable property within the District in an amount sufficient to pay the principal of and interest on the Bonds, their pro rata share of debt service on any contract tax bonds and any additional bonds or obligations payable from taxes which the District may hereafter issue (see "INVESTMENT CONSIDERATIONS – Future Debt") and to pay the expenses of assessing and collecting such taxes. The District agrees in the Bond Order to levy such a tax from year-to-year as described more fully herein under "THE BONDS – Source of and Security for Payment." Under Texas law, the Board of Directors of the District is also authorized to levy and collect an ad valorem tax for the operation and maintenance of the District and its water and wastewater system and for the payment of certain contractual obligations, if authorized by its voters. See "TAX DATA – District Bond Tax Rate Limitation," and "TAX DATA – Maintenance Tax."

PROPERTY TAX CODE AND COUNTY-WIDE APPRAISAL DISTRICT . . . The Texas Property Tax Code (the "Property Tax Code") specifies the taxing procedures of all political subdivisions of the State of Texas, including the District. Provisions of the Property Tax Code are complex and are not fully summarized herein.

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 the county and an appraisal review board with responsibility for reviewing and equalizing the values established by the appraisal district. TCAD has the responsibility for appraising property for all taxing units within Travis County, including the District. Such appraisal values are subject to review and change by the Travis Central Appraisal Review Board (the "Appraisal Review Board"). The appraisal roll as approved by the Appraisal Review Board must be used by the District in establishing its tax roll and tax rate.

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, mobile homes and certain categories of intangible personal property with a tax situs in the District 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; travel trailers; and most individually owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons sixty-five (65) years of age or older and of 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 previous 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, of between $5,000 and $12,000 of taxable valuation depending upon the disability rating of the veteran claiming the exemption, and qualifying surviving spouses of persons 65 years of age or older will be entitled to receive a residential homestead exemption equal to the exemption received by the deceased spouse if such rating is less than 100%. A veteran who receives a disability rating of 100% is entitled to an exemption for the full amount of the veteran's residential homestead. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran who is entitled to an exemption for the full value of the veteran's residence homestead is also entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if the residence homestead was donated by a charitable organization. Also, the surviving spouse of a member of the armed forces who was killed in action or fatally injured in the line of duty is, subject to certain conditions, entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse. The surviving spouse of a first responder who was killed or fatally injured in the line of duty is, subject to certain conditions, also entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and, subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse. A person who owns property located in an area declared by the Governor to be a disaster area following a disaster is entitled to a temporary exemption from ad valorem taxation by the District of a portion of the appraised value of that property. State law requires such exemption adopted by the District to specify the disaster to which the exemption pertains and be adopted not later than the 60th day after the date the Governor first declares territory in the taxing unit to be a disaster area as a result of the disaster, amongst other requirements.

Residential Homestead . . . The Board of Directors of the District may exempt up to 20% of the market value of residential homesteads from ad valorem taxation. Such exemption would be in addition to any other applicable exemptions provided by law. However, if ad valorem taxes have previously been pledged for the payment of debt, then the Board may continue to levy and collect taxes against the exempted value of the homesteads until the debt is discharged if the cessation of the levy would impair the obligation of the contract by which the debt was created. The District has never adopted a general homestead exemption.

Tax Abatement . . . Travis County and the District may enter into tax abatement agreements with owners of real property within such zone. The tax abatement agreements may exempt from ad valorem taxation by the applicable taxing jurisdiction for a period

of up to ten years, all or any part of 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. To date, the District has not executed any abatement agreements.

Goods-in-Transit . . . Article VIII, Section 1-n of the Texas Constitution provides for the exemption from taxation of "goods-in-transit." "Goods-in-transit" is defined by a provision of the Tax Code, which is effective for tax years 2008 and thereafter, as personal property acquired or imported into Texas and transported to another location in the State or outside the State within 175 days of the date the property was acquired or imported into Texas. The exemption excludes oil, natural gas, petroleum products, aircraft and special inventory, including motor vehicle, vessel and out-board motor, heavy equipment and manufactured housing inventory. The Tax Code provisions permit local governmental entities, on a local option basis, to take official action by January 1 of the year preceding a tax year, after holding a public hearing, to tax goods-in-transit during the following tax year. A taxpayer may receive only one of the freeport exemptions or the goods-in-transit exemptions for items of personal property. In February, 2008, the Board conducted a public hearing on the question of whether to provide for taxation of goods-in-transit and adopted a Resolution Providing for Taxation of Goods-in-Transit, by which the District took official action to tax goods-in-transit.

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

The Property Tax Code permits land designated for agricultural use, open space or timberland to be appraised at its value based on the land's capacity to produce agricultural or timber products rather than at its fair market value. The Property Tax Code permits under certain circumstances that residential real property inventory held by a person in the trade or business be valued at the price that such property would bring if sold as a unit to a purchaser who would continue the business. Landowners wishing to avail themselves of the agricultural use, open space or timberland 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 as to another. If a claimant receives the agricultural use designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use, including taxes for the previous three years for agricultural use and taxes for the previous five years for open space land and timberland.

The Property Tax Code requires the TCAD to implement a plan for periodic reappraisal of property. The plan must provide for appraisal of all real property in the TCAD at least once every three (3) years. It is not known what frequency of reappraisal will be utilized by the TCAD or whether reappraisals will be conducted on a zone or county-wide basis. The District, however, at its expense has the right to obtain from the Appraisal District a current estimate of appraised values within the District or an estimate of any new property or improvements within the District. While such current estimate of appraised values may serve to indicate the rate and extent of growth of taxable values within the District, it cannot be used for establishing a tax rate within the District until such time as the TCAD chooses formally to include such values on its appraisal roll.

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

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

LEVY AND COLLECTION OF TAXES . . . The District is responsible for the levy and collection of its taxes unless it elects to transfer the collection functions to another governmental entity. By September 1 of each year, or as soon thereafter as practicable, the rate of taxation is set by the Board based upon the valuation of property within the District as of the preceding January 1. Taxes are due October 1, or when billed, whichever comes later, and become delinquent after January 31 of the following year. 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 of up to fifteen percent (15%) if imposed by the District. The delinquent tax also accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code also makes provision for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes under certain circumstances.

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.

TAX PAYMENT INSTALLMENTS . . . 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 tax payer 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 tax 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 are classified as "Developing Districts" (or "Other Districts"). The impact each classification has on the ability of a district to increase its total tax rate is described for each classification below. Debt service and contract tax rates cannot be reduced by a rollback election held within any of the districts described below.

Special Taxing Units

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

Developed Districts

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

Developing Districts

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

The District

The District has been classified as a Developing District for the 2026 tax year. A determination as to the District's status after the 2026 tax year will be made by the Board of Directors of the District 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.

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DISTRICT'S RIGHTS IN THE EVENT OF TAX DELINQUENCIES . . . Taxes levied by the District are a personal obligation of the owner of the property on January 1 of the year for which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all state and local taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of the State of Texas and each local taxing unit, including the District, having power to tax the property. The District's tax lien is on a parity with tax liens of such other taxing units. See "FINANCIAL STATEMENT – Estimated Overlapping Debt Statement." A tax lien on real property takes priority over the claim of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien; however, whether a lien of the United States is on a parity with or takes priority over a tax lien of the District is determined by applicable federal law. Personal property under certain circumstances is subject to seizure and sale for the payment of delinquent taxes, penalty, and interest.

At any time after taxes on property become delinquent, the District may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the District must join other taxing units that have claims for delinquent taxes against all or part of the same property. Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, by taxpayer redemption rights (a taxpayer may redeem residential homestead property within two years after the purchaser's deed issued at the foreclosure sale is filed in the county records other property may be redeemed by a taxpayer within 180 days of such filing) or by bankruptcy proceedings which restrict the collection of taxpayer debts. See "INVESTMENT CONSIDERATIONS – Tax Collections and Foreclosure Remedies."

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

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

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

LEGAL MATTERS

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

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

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

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

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

TAX MATTERS

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

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

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

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

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

FEDERAL INCOME TAX ACCOUNTING TREATMENT OF ORIGINAL ISSUE DISCOUNT . . . The initial public offering price to be paid for one or more maturities of the Bonds may be less than the principal amount thereof or one or more periods for the payment of interest on the Bonds may not be equal to the accrual period or be in excess of one year (the "Original Issue Discount Bonds"). In such event, the difference between (i) the "stated redemption price at maturity" of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond would constitute original issue discount. The "stated redemption price at maturity" means the sum of all payments to be made on the Bonds less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

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

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

Under Existing Law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the

redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Bond.

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

COLLATERAL FEDERAL INCOME TAX CONSEQUENCES. . . The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Bonds. This discussion is based on Existing Law, which is subject to change or modification, retroactively.

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

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE BONDS.

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

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

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Bonds, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to "market discount Bonds" to the extent such gain does not exceed the accrued market discount of such Bonds; although for this purpose, a de minimis amount of market discount is ignored. A "market discount bond" is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the "revised issue price" (i.e., the issue price plus accrued original issue discount). The "accrued market discount" is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

STATE, LOCAL AND FOREIGN TAXES . . . Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the Bonds under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

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

FUTURE AND PROPOSED LEGISLATION . . . Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

QUALIFIED TAX-EXEMPT OBLIGATIONS FOR FINANCIAL INSTITUTIONS . . . Section 265(a) of the Code provides, in pertinent part, that interest paid or incurred by a taxpayer, including a "financial institution," on indebtedness incurred or continued to purchase or carry tax-exempt obligations is not deductible in determining the taxpayer's taxable income. Section 265(b) of the Code provides an exception to the disallowance of such deduction for any interest expense paid or incurred on indebtedness of a taxpayer that is

a disallowance of such deduction for any interest expense paid or incurred on indebtedness of a taxpayer that is a "financial institution" allocable to tax-exempt obligations, other than "private activity bonds," that are designated by a "qualified small issuer" as "qualified tax-exempt obligations." A "qualified small issuer" is any governmental issuer (together with any "on-behalf of" and "subordinate issuers") who issues no more than $10,000,000 of tax-exempt obligations during the calendar year. Section 265(b)(5) of the Code defines the term "financial institution" as any "bank" described in Section 585(a)(2) of the Code, or any person accepting deposits from the public in the ordinary course of such person's trade or business that is subject to federal or state supervision as a financial institution. Notwithstanding the exception to the disallowance of the deduction of interest on indebtedness related to "qualified tax-exempt obligations" provided by Section 265(b) of the Code, Section 291 of the Code provides that the allowable deduction to a "bank," as defined in Section 585(a)(2) of the Code, for interest on indebtedness incurred or continued to purchase "qualified tax-exempt obligations" shall be reduced by twenty-percent (20%) as a "financial institution preference item."

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

CONTINUING DISCLOSURE OF INFORMATION

In the Bond Order, the District has made the following agreement for the benefit of the registered and beneficial owners. The District is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the District will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified events, to the Municipal Securities Rulemaking Board ("MSRB"). This information will be available free of charge from the MSRB via its Electronic Municipal Market Access system at www.emma.msrb.org.

ANNUAL REPORTS . . . The District will provide certain updated financial information and operating data to certain information to the MSRB annually. The information to be updated includes all quantitative financial information and operating data with respect to the District of the general type included in this Official Statement under Tables 1 through 8 and in "APPENDIX A – Excerpts from the Annual Financial Report," if audited financial statements are then available. The District will update and provide this information within six months after the end of each fiscal year. The District will provide the updated information to the MSRB.

The District may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by SEC Rule 15c2-12 (the "Rule"). The updated information will include audited financial statements, if it is completed by the required time. If audited financial statements are not available within twelve months after any such fiscal year end, the District will file unaudited financial statements twelve months after any such fiscal year end and audited financial statements when the audit report becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in "APPENDIX A – Excerpts from the Annual Financial Report" or such other accounting principles as the District may be required to employ from time to time pursuant to state law or regulation.

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

NOTICE OF CERTAIN EVENTS . . . The District will provide timely notices of certain events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten business days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of Beneficial Owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District or other obligated person within the meaning of CFR § 240.15c2-12 (the "Rule"); (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person within the meaning of the Rule or the sale of all or substantially all of the assets of the District or other obligated person within the meaning of the Rule, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of an definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events

under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties. The terms "financial obligation" and "material" when used in this paragraph shall have the meanings ascribed to them under federal securities laws.

The District will also provide timely notice of any failure by the District to provide annual financial information in accordance with their agreement described above under "Annual Reports."

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

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

LIMITATIONS AND AMENDMENTS . . . The District has agreed to update information and to provide notices of specified events only as described above. The District has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The District makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The District disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although Registered Owners may seek a writ of mandamus to compel the District to comply with its agreement. The Developer has agreed to provide to the District the information that the District has agreed to provide with respect to the Developer. The District's ability to provide information about the Developer or others, as well as the accuracy and completeness of such information, is completely dependent on such persons' compliance with their contractual agreements with the District.

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

FINANCIAL ADVISOR

The Official Statement was compiled and edited under the supervision of Specialized Public Finance Inc. (the "Financial Advisor"), which firm was employed in 2013 as Financial Advisor to the District. The fees paid to the Financial Advisor for services rendered in connection with the issuance and sale of the Bonds are based on a percentage of the Bonds actually issued, sold and delivered, and therefore such fees are contingent on the sale and delivery of the Bonds.

OFFICIAL STATEMENT

PREPARATION . . . The District has no employees but engages various professionals and consultants to assist the District in the day-to-day activities of the District. See "The District." The Board of Directors in its official capacity has relied upon the below mentioned experts and sources in preparation of this Official Statement. The information in this Official Statement was compiled and edited by the Financial Advisor. In addition to compiling and editing such information, the Financial Advisor has obtained the information set forth herein under the captions indicated from sources including: Jones-Heroy & Associates, Inc.; NASH Brookfield Easton Park LLC, a Delaware limited liability company (successor in limited liability company interests to Carma Easton LLC); Bott & Douthitt, PLLC; and Armbrust & Brown, PLLC.

EXPERTS . . . In approving this Official Statement, the District has relied upon the following experts in addition to the Financial Advisor.

> The Engineer: The information contained in the Official Statement relating to engineering matters and to the description of the System and, in particular, that information included in the sections entitled "THE DISTRICT" and "THE SYSTEM," has been provided by Jones-Heroy & Associates, Inc., and has been included in reliance upon the authority of said firm as experts in the field of civil engineering.
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> Appraisal District: The information contained in this Official Statement relating to the certified assessed valuation of property in the District and, in particular, such information contained in the section captioned "FINANCIAL

STATEMENT," has been provided by the TCAD, in reliance upon their authority as experts in the field of appraising and tax assessing.

UPDATING THE OFFICIAL STATEMENT DURING UNDERWRITING PERIOD . . . If, subsequent to the date of the Official Statement to and including the date the Initial Purchaser is no longer required to provide and Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) 90 days from the "end of the underwriting period" (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from a nationally recognized repository but in no case less than 25 days after the "end of the underwriting period"), the District learns or is notified by the Initial Purchaser of any adverse event which causes any of the key representations in the Official Statement to be materially misleading, the District will promptly prepare and supply to the Initial Purchaser a supplement to the Official Statement which corrects such representation to the reasonable satisfaction of the Initial Purchaser, unless the Initial Purchaser elects to terminate its obligation to purchase the Bonds as described in the Notice of Sale under the heading "DELIVERY OF THE BONDS AND ACCOMPANYING DOCUMENTS – Delivery." The obligation of the District to update or change the Official Statement will terminate when the District delivers the Bonds to the Initial Purchaser (the "end of the underwriting period" within the meaning of the Rule), unless the Initial Purchaser provides written notice the District that less than all of the Bonds have been sold to ultimate customers on or before such date, in which case the obligation to update or change the Official Statement will extend for an additional period of time of 25 days after all of the Bonds have been sold to ultimate customers. In the event the Initial Purchaser provides written notice to the District that less than all of the Bonds have been sold to ultimate customers, the Initial Purchaser agrees to notify the District in writing following the occurrence of the "end of the underwriting period" as defined in the Rule.

CERTIFICATION AS TO OFFICIAL STATEMENT . . . The District, acting by and through its Board of Directors in its official capacity in reliance upon the experts listed above, hereby certifies, as of the date hereof, that to the best of its knowledge and belief, the information, statements and descriptions pertaining to the District and its affairs herein contain no untrue statements of a material fact and do not omit to state any material fact necessary to make the statements herein, in light of the circumstances under which they were made, not misleading. The information, description and statements concerning entities other than the District, including particularly other governmental entities, have been obtained from sources believed to be reliable, but the District has made no independent investigation or verification of such matters and makes no representation as to the accuracy or completeness thereof. Except as set forth in "CONTINUING DISCLOSURE OF INFORMATION" herein, the District has no obligation to disclose any changes in the affairs of the District and other matters described in this Official Statement subsequent to the "end of the underwriting period" which shall end when the District delivers the Bonds to the Initial Purchaser at closing, unless extended by the Initial Purchaser. All information with respect to the resale of the Bonds subsequent to the "end of the underwriting period" is the responsibility of the Initial Purchaser.

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.

The Official Statement, 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.

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

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

Secretary, Board of Directors Pilot Knob Municipal Utility District No. 2	President, Board of Directors Pilot Knob Municipal Utility District No. 2

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LOCATION MAP

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APPENDIX A

EXCERPTS FROM THE ANNUAL FINANCIAL REPORT

The information contained in this APPENDIX has been excerpted from the audited financial statements of Pilot Knob Municipal Utility District No. 2 for the fiscal year ended September 30, 2025. Certain information not considered to be relevant to this financing has been omitted; however, complete audited reports are available upon request.

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APPENDIX B

FORMS OF BOND COUNSEL'S OPINIONS

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