S. David Smalling, Jr.
Managing Director

Houston, Texas

Phone: 713-600-7525
Email: dsmalling@cedarcreekma.com

June 30, 2026

City of New Braunfels
550 Landa Street
New Braunfels, TX 78130

RE: Comal County Water Improvement District No. 3 Master District
$7,200,000 Contract Revenue Road Bonds, Series 2026

To Whom It May Concern:

The Board of Directors of Comal County Water Improvement District No. 3 Master District (the "District") has authorized the sale of Bonds to reimburse the developers in the District for the construction of road improvements pursuant to an agreement between the District and the developers. The District met on June 12, 2026, to authorize its consultants to proceed with the issuance of its Contract Revenue Road Bonds, Series 2026 (the "Bonds"). The Bonds are the second installment of bonds and the first installment of contract revenue road bonds issued by the District.

Under the terms of the Development Agreement between the District and the City, Bonds may be sold by the District only with the approval of the City. Below are conditions of the Development Agreement for the District to sell Bonds:

1. **Maximum Aggregate Amount of Bonds:** The proposed sale, which is the third bond issuance under the Development Agreement, does not exceed the $620,000,000 maximum par amount of bonds set forth in the Development Agreement. Please see below for the total amount of bonds sold, including the Bonds:

Comal WID 3 Master District:	$ 21,100,000;
Comal WID 3A:	5,000,000;
Total:	**$ 26,100,000**

2. **Cash Flow:** A cash flow showing feasibility of the Bonds at a tax rate less than $1.50 per $100 assessed valuation is attached.
3. **Optional Redemption:** The bonds are subject to optional redemption beginning December 1, 2031, which is not more than ten years from the date of issuance.
4. **Competitive Bidding:** The District intends to take public bids at a competitive sale for the Bonds.
5. **Minimum Purchase Price of 95%:** The District intends to take bids for the Bonds at a sales price of 97% or higher.
6. **Interest Rate Limit:** No bids will be accepted that exceeds 2% above the Bond Buyer 20 Index for the preceding 45 days before the sale.
7. **Maturity Limit:** The final maturity for the Bonds will be December 1, 2050, which is less than 25 years after the date of issuance.
8. **Level Debt Service:** The Bonds will be structured so that the maximum debt year will not exceed the average debt year by more than 5%.
9. **There have been no defaults of the Development Agreement related to the District bond conditions.**

It is anticipated that the Bonds will be sold on or about August 13, 2026. Thank you very much for your consideration of our request. If you have any questions, please do not hesitate in telephoning me at 713.600.7525.

Sincerely,
Cedar Creek Municipal Advisors, LLC

S. David Smalling, Jr.
Managing Directo

Comal County Water Improvement District No. 3 Master District

Master District - Tax Rate Analysis

Includes Proposed $7,200,000 Contract Revenue Road Bonds, Series 2026 - 4.75% Estimated Interest Rate

Eighteen (18) Months of Capitalized Interest

No Growth Beyond June 1, 2026 - Estimate of Value

Year Ending 12/31	Beginning Fund Balance as of 11/12/2025	Fund Interest Earnings @ 2.000%	Proposed Capitalized Interest	Prior Year AV	AV Growth Percentage	Tax Rate / $100 of AV	Tax Collections @ 98.00%	Total Funds Available	Current Debt Service	Proposed 2026 Debt Service	Total Debt Service	Ending Balance	Debt Service Coverage %
2025	-	-	-	47,095,168			-	-	-	-	-	-	
2026	-	-	513,000	236,015,705	401.146%	0.175000	404,767	917,767	-	-	-	917,767	178.547%
2027	917,767	18,355	-	273,329,554	15.810%	0.175000	468,760	1,404,882	-	514,019	514,019	890,864	174.336%
2028	890,864	17,817	-	273,329,554		0.175000	468,760	1,377,441	-	511,003	511,003	866,438	168.959%
2029	866,438	17,329	-	273,329,554		0.175000	468,760	1,352,527	-	512,809	512,809	839,718	163.325%
2030	839,718	16,794	-	273,329,554		0.175000	468,760	1,325,272	-	514,141	514,141	811,132	157.502%
2031	811,132	16,223	-	273,329,554		0.175000	468,760	1,296,114	-	514,997	514,997	781,117	153.065%
2032	781,117	15,622	-	273,329,554		0.175000	468,760	1,265,500	-	510,319	510,319	755,181	147.941%
2033	755,181	15,104	-	273,329,554		0.175000	468,760	1,239,045	-	510,463	510,463	728,583	141.420%
2034	728,583	14,572	-	273,329,554		0.175000	468,760	1,211,914	-	515,191	515,191	696,724	135.511%
2035	696,724	13,934	-	273,329,554		0.175000	468,760	1,179,418	-	514,147	514,147	665,272	129.777%
2036	665,272	13,305	-	273,329,554		0.175000	468,760	1,147,337	-	512,628	512,628	634,709	124.298%
2037	634,709	12,694	-	273,329,554		0.175000	468,760	1,116,163	-	510,634	510,634	605,529	117.985%
2038	605,529	12,111	-	273,329,554		0.175000	468,760	1,086,400	-	513,225	513,225	573,175	112.378%
2039	573,175	11,463	-	273,329,554		0.175000	468,760	1,053,398	-	510,044	510,044	543,355	106.239%
2040	543,355	10,867	-	273,329,554		0.175000	468,760	1,022,982	-	511,447	511,447	511,535	99.882%
2041	511,535	10,231	-	273,329,554		0.175000	468,760	990,526	-	512,138	512,138	478,389	93.414%
2042	478,389	9,568	-	273,329,554		0.175000	468,760	956,716	-	512,116	512,116	444,601	86.941%
2043	444,601	8,892	-	273,329,554		0.175000	468,760	922,253	-	511,381	511,381	410,872	80.573%
2044	410,872	8,217	-	273,329,554		0.175000	468,760	887,849	-	509,934	509,934	377,915	73.691%
2045	377,915	7,558	-	273,329,554		0.175000	468,760	854,234	-	512,834	512,834	341,399	66.319%
2046	341,399	6,828	-	273,329,554		0.175000	468,760	816,987	-	514,784	514,784	302,203	59.171%
2047	302,203	6,044	-	273,329,554		0.175000	468,760	777,007	-	510,725	510,725	266,282	52.109%
2048	266,282	5,326	-	273,329,554		0.175000	468,760	740,368	-	511,013	511,013	229,356	44.941%
2049	229,356	4,587	-	273,329,554		0.175000	468,760	702,703	-	510,350	510,350	192,353	37.438%
2050	192,353	3,847	-	273,329,554		0.175000	468,760	664,960	-	513,797	513,797	151,163	
Totals		**280,313**	**513,000**				**12,123,772**		**-**	**12,294,138**	**12,294,138**		
					Average Tax Rate:	**0.175000**							

CEDAR CREEK MUNICIPAL ADVISORS

Comal County Water Improvement District No. 3 Master District

Combined Tax Rate Analysis (Includes Internal District Bonds)

Includes $7,200,000 Contract Revenue Road Bond, Series 2026 - 4.75% Estimated Interest Rate

Includes Eighteen (18) Months of Capitalized Interest

No Growth Beyond June 1, 2026 - Estimate of Value

Year Ending 12/31	Beginning Fund Balance as of 11/12/2025	Fund Interest Earnings @ 2.000%	Contract Revenue Bonds, Series 2026 Capitalized Interest	Proposed Capitalized Interest	Prior Year AV	AV Growth Percentage	Tax Rate / $100 of AV	Tax Collections @ 98.00%	Total Funds Available	Current Internal Debt Service	Current Master Debt Service	Proposed Road Debt Service Series 2026	Total Debt Service	Ending Balance	Debt Service Coverage %
2025	393,750	1,057	-	-	47,095,168		-	-	394,807	-	-	-	-	394,807	
2026	394,807	7,896	969,597	513,000	236,015,705	401.146%	0.625000	1,445,596	3,330,897	191,056	280,494	-	471,550	2,859,347	157.167%
2027	2,859,347	57,187	-	-	273,329,554	15.810%	0.625000	1,674,144	4,590,677	347,994	957,294	514,019	1,819,306	2,771,371	153.200%
2028	2,771,371	55,427	-	-	273,329,554		0.625000	1,674,144	4,500,942	345,844	952,144	511,003	1,808,991	2,691,951	148.957%
2029	2,691,951	53,839	-	-	273,329,554		0.625000	1,674,144	4,419,934	343,369	951,019	512,809	1,807,197	2,612,737	145.289%
2030	2,612,737	52,255	-	-	273,329,554		0.625000	1,674,144	4,339,135	340,569	943,594	514,141	1,798,303	2,540,832	141.343%
2031	2,540,832	50,817	-	-	273,329,554		0.625000	1,674,144	4,265,792	342,444	940,194	514,997	1,797,634	2,468,158	138.312%
2032	2,468,158	49,363	-	-	273,329,554		0.625000	1,674,144	4,191,665	338,669	935,494	510,319	1,784,481	2,407,183	135.271%
2033	2,407,183	48,144	-	-	273,329,554		0.625000	1,674,144	4,129,470	339,569	929,494	510,463	1,779,525	2,349,945	132.600%
2034	2,349,945	46,999	-	-	273,329,554		0.625000	1,674,144	4,071,088	334,819	922,194	515,191	1,772,203	2,298,885	129.583%
2035	2,298,885	45,978	-	-	273,329,554		0.625000	1,674,144	4,019,006	338,619	921,294	514,147	1,774,059	2,244,947	125.941%
2036	2,244,947	44,899	-	-	273,329,554		0.625000	1,674,144	3,963,989	342,019	927,894	512,628	1,782,541	2,181,448	122.268%
2037	2,181,448	43,629	-	-	273,329,554		0.625000	1,674,144	3,899,221	340,019	933,494	510,634	1,784,147	2,115,074	117.888%
2038	2,115,074	42,301	-	-	273,329,554		0.625000	1,674,144	3,831,519	342,819	938,094	513,225	1,794,138	2,037,382	113.380%
2039	2,037,382	40,748	-	-	273,329,554		0.625000	1,674,144	3,752,273	345,219	941,694	510,044	1,796,956	1,955,316	108.165%
2040	1,955,316	39,106	-	-	273,329,554		0.625000	1,674,144	3,668,566	346,969	949,294	511,447	1,807,709	1,860,857	102.519%
2041	1,860,857	37,217	-	-	273,329,554		0.625000	1,674,144	3,572,218	348,044	954,956	512,138	1,815,138	1,757,080	96.324%
2042	1,757,080	35,142	-	-	273,329,554		0.625000	1,674,144	3,466,365	353,419	958,606	512,116	1,824,141	1,642,225	89.960%
2043	1,642,225	32,844	-	-	273,329,554		0.625000	1,674,144	3,349,213	353,138	960,981	511,381	1,825,500	1,523,713	83.076%
2044	1,523,713	30,474	-	-	273,329,554		0.625000	1,674,144	3,228,330	357,113	967,081	509,934	1,834,128	1,394,202	75.606%
2045	1,394,202	27,884	-	-	273,329,554		0.625000	1,674,144	3,096,230	360,413	970,800	512,834	1,844,047	1,252,183	67.690%
2046	1,252,183	25,044	-	-	273,329,554		0.625000	1,674,144	2,951,370	358,038	977,050	514,784	1,849,872	1,101,498	59.462%
2047	1,101,498	22,030	-	-	273,329,554		0.625000	1,674,144	2,797,672	360,213	981,500	510,725	1,852,438	945,234	50.768%
2048	945,234	18,905	-	-	273,329,554		0.625000	1,674,144	2,638,282	366,713	984,150	511,013	1,861,875	776,407	41.580%
2049	776,407	15,528	-	-	273,329,554		0.625000	1,674,144	2,466,079	366,913	990,000	510,350	1,867,263	598,817	31.791%
2050	598,817	11,976	-	-	273,329,554		0.625000	1,674,144	2,284,936	371,419	998,400	513,797	1,883,616	401,321	
Totals		**944,716**	**969,597**	**513,000**				**43,299,184**		**8,575,412**	**23,167,206**	**12,294,138**	**44,036,756**		
						Average Tax Rate:	**0.601852**								