OFFICIAL STATEMENT DATED NOVEMBER 18, 2020

IN THE OPINION OF BOND COUNSEL, THE BONDS ARE VALID OBLIGATIONS OF GENERATION PARK MANAGEMENT DISTRICT, AND INTEREST ON THE BONDS IS EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAXATION UNDER STATUTES, REGULATIONS, PUBLISHED RULINGS AND COURT DECISIONS EXISTING ON THE DATE OF SUCH OPINION. SEE "LEGAL MATTERS" FOR A DISCUSSION OF THE OPINION OF BOND COUNSEL.

The Bonds have NOT been designated as "qualified tax-exempt obligations" for financial institutions. See "LEGAL MATTERS – NOT Qualified Tax-Exempt Obligations."

NEW ISSUE – Book-Entry-Only

S&P Global Ratings (BAM Insured) .... "AA/Stable"
Moody's Investors Service, Inc. (Underlying) .... "Baa1/Stable"

$7,985,000

GENERATION PARK MANAGEMENT DISTRICT

(A Political Subdivision of the State of Texas, located within Harris County)

UNLIMITED TAX BONDS

SERIES 2020A

Dated: December 1, 2020 **Due: September 1, as shown on the inside cover**

The $7,985,000 Generation Park Management District Unlimited Tax Bonds, Series 2020A (the "Bonds") are solely obligations of Generation Park Management District (the "District") and are not obligations of the State of Texas ("Texas"); Harris County, Texas (the "County"); the City of Houston, Texas (the "City"); or any political subdivision or entity other than the District.

Principal of the Bonds is payable at maturity or earlier redemption by the paying agent/registrar, initially Regions Bank, an Alabama banking corporation (the "Paying Agent/Registrar"). Interest accrues from December 1, 2020, and is payable on March 1, 2021 (three months interest), and on each September 1 and March 1 thereafter until the earlier of maturity or redemption, and will be calculated on the basis a 360-day year consisting of twelve 30-day months. The Bonds are fully registered bonds in the denomination of $5,000 or any integral multiple thereof.

The Bonds will be registered and delivered only 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 (herein defined under "THE BONDS – Book-Entry-Only System") of the Bonds will not receive physical certificates representing the Bonds, but will receive a credit balance on the books of the DTC participants. 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. See "THE BONDS – Book-Entry-Only System."

See "MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL REOFFERING YIELDS AND CUSIPS" on the inside cover.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by **BUILD AMERICA MUTUAL ASSURANCE COMPANY**.

BAM
BUILD AMERICA MUTUAL

The Bonds, when issued, will constitute valid and binding obligations of the District and will be payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within the District, as further described herein. The Bonds are obligations solely of the District and are not obligations of Texas; the County; the City; or any political subdivision or entity other than the District. Investment in the Bonds is subject to special investment considerations described herein. See "INVESTMENT CONSIDERATIONS."

The Bonds are offered when, as and if issued by the District, subject, among other things, to the approval of the Bonds by the Attorney General of Texas and the approval of certain legal matters by Schwartz, Page & Harding, L.L.P., Bond Counsel. Delivery of the Bonds in book-entry form through DTC is expected on or about December 22, 2020.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL REOFFERING YIELDS AND CUSIPS

$7,985,000 Unlimited Tax Bonds, Series 2020A

$4,955,000 Serial Bonds

Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 37149A (b)	Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 37149A (b)
2022	$ 240,000	4.500%	0.700%	HB0	2031 (c)	$ 305,000	2.000%	1.950%	HL8
2023	240,000	4.500%	0.800%	HC8	–	–	–	–	–
2024	255,000	4.500%	0.900%	HD6	2034 (c)	345,000	2.000%	2.100%	HP9
2025	255,000	4.500%	1.000%	HE4	2035 (c)	355,000	2.000%	2.150%	HQ7
2026 (c)	265,000	4.500%	1.050%	HF1	2036 (c)	370,000	2.000%	2.200%	HR5
2027 (c)	270,000	3.250%	1.200%	HG9	2037 (c)	385,000	2.125%	2.250%	HS3
2028 (c)	280,000	2.000%	1.500%	HH7	2038 (c)	400,000	2.125%	2.300%	HT1
2029 (c)	285,000	2.000%	1.650%	HJ3	2039 (c)	410,000	2.250%	2.350%	HU8
2030 (c)	295,000	2.000%	1.850%	HK0					

$3,030,000 Term Bonds

$650,000 Term Bonds Due September 1, 2033 (c)(d), Interest Rate: 2.000% (Price: $99.442) (a), CUSIP No. 37149A HN4 (b)

$2,380,000 Term Bonds Due September 1, 2044 (c)(d), Interest Rate: 2.375% (Price: $99.548) (a), CUSIP No. 37149A HZ7 (b)

(a) Information with respect to the initial reoffering yields of the Bonds is the responsibility of the Initial Purchaser (herein defined). Initial reoffering yields represent the initial offering price, which may be changed for subsequent purchasers. The initial yield indicated above represents the lower of the yields resulting when priced to maturity or to the first call date. Accrued interest from December 1, 2020, to the date of delivery is to be added to the price.

(b) CUSIP numbers will be assigned to the Bonds by CUSIP Global Services, managed by S&P Global Market Intelligence LLC on behalf of the American Bankers Association and are included solely for the convenience of the owners of the Bonds.

(c) Bonds maturing on September 1, 2026, and thereafter shall be subject to redemption and payment at the option of the District, in whole, or from time to time in part, on September 1, 2025, or on any date thereafter, at a price of par plus accrued interest to the date fixed for redemption. See "THE BONDS – Redemption Provisions – *Optional Redemption*."

(d) Subject to mandatory redemption by lot or other customary method of random selection on September 1 in the years and in the amounts set forth herein under "THE BONDS – Redemption Provisions – *Mandatory Redemption*."

USE OF INFORMATION IN OFFICIAL STATEMENT

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

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

All of the summaries of the statutes, resolutions, contracts, audited financial statements, engineering and other related reports set forth in this Official Statement are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents, copies of which are available from the District c/o Schwartz, Page & Harding, L.L.P., 1300 Post Oak Blvd., Suite 1400, Houston, Texas 77056, upon payment of the costs for duplication thereof.

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

Build America Mutual Assurance Company ("BAM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under "MUNICIPAL BOND INSURANCE" and "APPENDIX B."

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SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Bonds, the District has accepted the lowest bid, which was tendered by SAMCO Capital Markets, Inc. (the "Initial Purchaser"). The Initial Purchaser has agreed to purchase the Bonds, bearing the interest rates on the inside cover of this Official Statement, at a price of 97.004532% of the principal amount thereof plus accrued interest to the date of delivery, which resulted in a net effective interest rate of 2.535250%, calculated pursuant to Chapter 1204, Texas Government Code, as amended.

Prices and Marketability

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

The delivery of the Bonds is conditioned upon the receipt by the District of a certificate executed and delivered by the 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. Otherwise, the District has no understanding with the Initial Purchaser regarding the reoffering yields or prices of the Bonds. Information concerning reoffering yields or prices is the responsibility of the Initial Purchaser.

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 reoffering 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.

Securities Laws

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

MUNICIPAL BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, BAM will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as "APPENDIX B."

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

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of September 30, 2020, and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $505.3 million, $158.1 million and $347.2 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

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

Additional Information Available from BAM

Credit Insights Videos: For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at buildamerica.com/creditinsights/. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles: Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at buildamerica.com/obligor/. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers: The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

RATINGS

The Bonds are expected to receive an insured rating of "AA/Stable" from S&P solely in reliance upon the issuance of the municipal bond insurance policy by BAM at the time of delivery of the Bonds. An explanation of the ratings of S&P may only be obtained from S&P. S&P is located at 55 Water Street, New York, New York 10041, telephone number (212) 208-8000 and has engaged in providing ratings for corporate bonds since 1923 and municipal bonds since 1940. Long-term debt ratings assigned by S&P reflect its analysis of the overall level of credit risk involved in financings. At present, S&P assigns long-term debt ratings with symbols "AAA" (the highest rating) through "D" (the lowest rating). The ratings express only the view of S&P at the time the ratings are given. Furthermore, a security rating is not a recommendation to buy, sell or hold securities. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by S&P, if in its judgment, circumstances so warrant.

Moody's Investors Service, Inc. ("Moody's") has assigned an underlying rating of "Baa1/Stable" to the Bonds. An explanation of the ratings may be obtained from Moody's, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007. A security rating is not a recommendation to buy, sell, or hold securities. Furthermore, there is no assurance that such ratings will continue for any given period of time or that the ratings will not be revised downward or withdrawn entirely by Moody's, if, in its judgment, circumstances so warrant. Any such revisions or withdrawal of the ratings may have an adverse effect on the market price of the Bonds.

The District is not aware of any ratings assigned the Bonds other than the ratings of S&P and Moody's.

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OFFICIAL STATEMENT SUMMARY

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

THE BONDS

The Issuer	Generation Park Management District (the "District"), a political subdivision of the State of Texas ("Texas"), is located in Harris County, Texas (the "County"). See "THE DISTRICT."
Description	The $7,985,000 Generation Park Management District Unlimited Tax Bonds, Series 2020A (the "Bonds") mature on September 1 in the years and in the amounts set forth on the inside cover of this Official Statement. Interest accrues from December 1, 2020, and is payable on March 1, 2021 (three months interest), and on each September 1 and March 1 thereafter until maturity or prior redemption. See "THE BONDS – General."
Redemption Provisions	Bonds maturing on and after September 1, 2026, are subject to redemption prior to maturity at the option of the District, in whole or from time to time in part, on September 1, 2025, or on any date thereafter, at the principal amount thereof plus accrued interest to the date fixed for redemption. See "THE BONDS – Redemption Provisions – *Optional Redemption*." Bonds maturing on September 1 in the years 2033 and 2044 are term bonds that are also subject to the mandatory redemption amounts set out herein under "THE BONDS – Redemption Provisions – *Mandatory Redemption*."
Book-Entry-Only System	The Bonds will be initially registered and delivered only to Cede & Co., the nominee of DTC (herein defined), pursuant to the Book-Entry-Only System (herein defined). Beneficial ownership of the Bonds may be acquired in denominations of $5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the Beneficial Owners (herein defined) thereof. Principal of and interest on the Bonds will be payable by the Paying Agent/Registrar (herein defined) to Cede & Co., which will make distribution of the amounts so paid to the DTC participants for subsequent payment to the Beneficial Owners of the Bonds. See "THE BONDS – Book-Entry-Only System."
Source of Payment	Principal of and interest on the Bonds are payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District. The Bonds are obligations solely of the District and are not obligations of Texas; the County; the City of Houston, Texas (the "City"); or any political subdivision or entity other than the District. See "THE BONDS – Source of Payment."
Use of Proceeds	Proceeds of the sale of the Bonds will be used by the District to finance, in part or in whole, the following projects: (a) South Regional Detention Pond – initial excavation (clearing and grubbing); (b) South Regional Detention Pond – Phase 1; (c) Strom Water Pollution Prevention Plans (SWPPP) and erosion control for item (b); (d) Legal costs for item (b); (e) Engineering costs for item (b); (f) South Pond Non-Potable Water Pump Station; (g) Engineering costs for item (f); and (h) Contingency for item (f). Additionally, proceeds of the sale of the Bonds will be used by the District to pay for the following: (i) interest on certain funds advanced on the District's behalf by MDI (herein defined) and the Other Developers (herein defined) and (ii) certain other costs related to the issuance of the Bonds. See "THE BONDS – Use and Distribution of Bonds Proceeds."
NOT Qualified Tax-Exempt Obligations	The District has NOT designated the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended. See "LEGAL MATTERS – NOT Qualified Tax-Exempt Obligations."

Municipal Bond Insurance	Build America Mutual Assurance Company. See "MUNICIPAL BOND INSURANCE."
Ratings	S&P Global Ratings (BAM Insured): "AA/Stable." Moody's Investors Service, Inc. (Underlying): "Baa1/Stable." See "RATINGS."
Outstanding Bonds	The District has previously issued its Unlimited Tax Bonds, Series 2015 (the "Series 2015 Bonds"); Unlimited Tax Bonds, Series 2016 (the "Series 2016 Bonds"); Unlimited Tax Road Bonds, Series 2016A (the "Series 2016A Bonds"); Unlimited Tax Park Bonds, Series 2016B (the "Series 2016B Bonds"); Unlimited Tax Bonds, Series 2017 (the "Series 2017 Bonds"); Unlimited Tax Bonds, Series 2019 (the "Series 2019 Bonds"); and Unlimited Tax Road Bonds, Series 2020 (the "Series 2020 Bonds"). $68,070,000 principal amount of such previously issued debt remains outstanding as of November 1, 2020 (the "Outstanding Bonds"). See THE BONDS – Outstanding Bonds."
Payment Record	The District has made timely payment of the principal and interest on its previously issued bonds.
Legal Opinion	Schwartz, Page & Harding, L.L.P.
Disclosure Counsel	McCall, Parkhurst & Horton L.L.P.
Financial Advisor	Robert W. Baird & Co. Incorporated
Engineer	IDS Engineering Group, Inc.

THE DISTRICT

Description .... The District is located entirely within the County, approximately 14 miles northeast of the central business district of the City, along Sam Houston Tollway (Beltway 8). Access to the District from the City is provided via U.S. Highway 90 or Interstate Highway (IH) 10 east, then north on Beltway 8 or via U.S. Highway 59/IH 69 north then east and south on Beltway 8. The District is located wholly within the extraterritorial jurisdiction of the City. Approximately 1,220 acres within the District are located within the boundaries of Sheldon Independent School District and San Jacinto Community College District ("San Jacinto"), and approximately 180 acres within the District are located within the boundaries of Humble Independent School District and Lone Star College System ("Lone Star").

At the time of creation, the District contained approximately 316.448 acres and Harris County Municipal Utility District No. 402 ("MUD 402") contained approximately 601.584 acres. Prior to consolidation, MUD 402 annexed an additional approximate 487.421 acres on September 29, 2006, increasing the total area of MUD 402 to approximately 1,089.005 acres. After consolidating with MUD 402, the District's current total area is approximately 1,405.445 acres.

The District was created pursuant to Chapter 1112, Acts of the 83rd Legislature of the State of Texas, Regular Session, 2013, (codified as Chapter 3916, Special District Local Laws Code, as amended) (the "District Act"). Subsequent to creation, the District and MUD 402 entered into the "Consolidation Agreement By and Between Harris County Municipal Utility District No. 402 and Generation Park Management District" (the "Consolidation Agreement") to consolidate the two districts into one district to be named Generation Park Management District, operating under the provisions of the District Act. At elections held on November 4, 2014, within the District and MUD 402, the voters of each district authorized the consolidation of the districts and the assumption by each of the other's prior voted bond authorizations. Accordingly, all authorizations and agreements presented herein in the name of MUD 402 have since been assumed by the District by operation of law. MUD 402 was created by order of the Texas Commission on Environmental Quality (the "TCEQ") on February 16, 2005. See "THE DISTRICT – General" and "THE DISTRICT – Description."

Authority	The rights, powers, privileges, authority and functions of the District are established by the District Act and include, among others, the power to provide water, sanitary sewer, and drainage facilities, road facilities, and recreational facilities. See "THE DISTRICT – General." The Bonds are issued pursuant to (i) the Bond Order (the "Bond Order") adopted by the Board of Directors of the District on the date of the sale of the Bonds; (ii) an order of the TCEQ; (iii) the Constitution and general laws of Texas, particularly the District Act; and (iv) various elections held within the District. See "THE BONDS – Authority for Issuance."
The Developer	The current principal developer of the District is McCord Development, Inc. ("MDI"). Other current developers include Lake Houston Beltway Associates, LLC, an affiliate of Fidelis Realty Partners, Ltd. ("Fidelis"); Licata Stone Creek, LLC ("Licata"); TechnipFMC plc ("FMC"); and GP Industrial JV LLC, an affiliate of Lincoln Property Company (collectively, the "Other Developers"). See "THE PRINCIPAL DEVELOPER AND LANDOWNER," "THE OTHER DEVELOPERS" and "THE OTHER LANDOWNERS."
Status of Development	As of October 1, 2020, completed development in the District includes Humble Independent School District's Summer Creek High School constructed on approximately 67 acres and opened in August 2009; a Memorial Hermann Convenient Care Center constructed on approximately 2.8 acres and opened January 2013; a CVS Pharmacy; a Chevron Gas Station; a Whataburger Restaurant; West Lake Marketplace, constructed on approximately 59.32 acres comprising approximately 452,320 square feet of gross leasable space which is approximately 96% leased; West Lake Village retail center constructed on approximately 4.18 acres comprising approximately 32,025 square feet of gross leasable area which is approximately 84% leased; 250 Assay Street, LLC, an approximate 86,523 square foot Net Rentable Area Class-A office/mixed-use building which is approximately 84% leased; 255 Assay Street, LLC, a 251-unit luxury apartment complex, which is approximately 43% leased, with approximately 18,000 square feet of retail space on the ground floor, which is approximately 32% leased; and a Texas Bay Area Credit Union. In addition, FMC Technologies, Inc. purchased approximately 173 acres in 2012 for the construction of a campus including their corporate headquarters. The first phase of construction with an approximate 365,000 square foot office building, approximate 2,000 space parking garage, plus additional office, industrial and manufacturing buildings comprising a total of approximately 1,000,000 usable square feet of office and shop space is complete. In January 2017, FMC Technologies, Inc. completed a merger with Technip, a French based construction/engineering firm. The combined company, TechnipFMC plc, has approximately 2,000 employees currently occupying the Generation Park (herein defined) campus of FMC. MDI has sold land and partnered with other parties for the development of the initial phase of the approximate 52-acre mixed-use urban center within the District named "Redemption Square." Redemption Square is an urban center development specifically for corporate users, hotels, multifamily apartments and a mix of restaurants and lifestyle amenities. See "THE DISTRICT – Future Development." Tenants within the approximate 547,854 square foot Westlake Marketplace, a retail center developed by Fidelis, include: Kroger Marketplace (the approximate 123,000 square-foot signature model); Old Navy; Ross; Marshalls; Ulta; PetsMart; MOD Pizza; Michaels; OshKosh; Carter's Kids; Burlington; Momma Fu's; T-Mobile; Mattress Firm; Signature Smiles; The Pho; Summer China Diner; Famous Footwear; Nails of America; Dick's Sporting Goods; Five Below; Chick-fil-a; Taco Bell; Wendy's; Fix My Phone; Menchies's; Verizon; Five Guys; Sprint; Sport Clips; Crown Liquors; Salata; UPS Store; James Avery Jewelry; America's Best GNC; Message Heights; Amazing Lash; and GCEF Credit Union, all of which have opened for business.

Phase I of Westlake Marketplace is completed and approximately 84% leased. Lowe's constructed a retail store within Westlake Marketplace; however, Lowe's declined to open the store upon completion. Fidelis is in the process of designing and constructing a 340-unit multi-family development on the tract.

Licata has developed an approximate 32,025 square foot retail and restaurant center on approximately 4.19 acres located on the south side of West Lake Houston Parkway across from the Fidelis tract. The project is approximately 84% leased.

In May 2015, San Jacinto acquired an approximate 56.9-acre parcel at the southwest corner of Lockwood Road and the future extension of W. Lake Houston Parkway for a future campus within Generation Park. San Jacinto, one of the largest community colleges in Texas, completed construction of phase 1 of an approximate 8,000 student campus, ultimately, in August 2020 and opened for the Fall 2020 semester.

In July 2015, Lone Star acquired an approximate 8.29-acre parcel along Lockwood Road at the northern portion of the District. Lone Star has completed construction of an approximate 50,000 square-foot advanced technology center focused on training the downstream energy workforce.

In June 2016, an approximate 0.98-acre site was sold to Houston GP Hotel Group LLC for an urban-style 140-key Courtyard by Marriott that will serve FMC and the area's lodging needs. The hotel started construction in 2018 and is anticipated to be completed in the first quarter of 2021. The developer is a privately held national real estate development, construction and management company with experience developing more than 20 hotel assets with leading brands including InterContinental Hotels Group, Hilton and Marriott.

In July 2017, Lockwood BP1, LLC acquired an approximate 10.535-acre parcel, being the initial phase of an approximate 25-acre industrial business park on Lockwood Drive. Construction on the approximate 148,500 square foot industrial office warehouse, which is a build-to-suit for GHX Industrial, LLC, is complete and fully occupied.

In February 2019, Lockwood BP2, LLC purchased an approximate 9.026-acre parcel, being the second phase of the aforementioned industrial park. Construction of the building was completed in December 2019. The building is approximately 80% leased.

250 Assay Street, LLC acquired an approximate 0.87-acre tract in 2016 and commenced construction of an approximate 86,523 square foot Net Rentable Area Class-A, 5-story office building with ground floor retail space within Redemption Square. The building is approximately 84% leased with the first tenants having taken occupancy on September 1, 2017.

In 2018, 255 Assay Street, LLC started construction on a 251-unit luxury apartment complex. It was completed in December 2019 and is approximately 43% leased with approximately 18,000 square feet of retail space on the ground floor, which is approximately 32% leased.

In November 2018, IKEA Property Inc. purchased an approximate 163.7-acre parcel of land along West Lake Houston Parkway for the design and construction of a regional distribution/fulfillment center. Construction of the improvements is expected to start in 2021.

In August 2019, Service Wire Company purchased an approximate 22.48-acre parcel along West Lake Houston Parkway for a manufacturing/distribution center. In December 2019, Service Wire Company purchased an additional approximate 5-acre parcel abutting the previously acquired site. Construction of the project is anticipated to start before the end of 2020.

In September 2019, GP Industrial JV, LLC, an affiliate of Lincoln Property Company, purchased an approximate 37.07-acre parcel along West Lake Houston Parkway for the design and construction of an approximate 650,000 square foot industrial distribution building. Construction of the project is anticipated to be complete by the end of 2020.

There are approximately 762 acres of undeveloped but developable land in the District and approximately 187 acres of land that are undevelopable. See "THE DISTRICT – Status of Development."

INFECTIOUS DISEASE OUTLOOK (COVID-19)

Infectious Disease Outlook (COVID-19) .... The World Health Organization has declared a pandemic following the outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus (the "Pandemic"), which is currently affecting many parts of the world, including the United States and Texas. As described under "INVESTMENT CONSIDERATIONS – Infectious Disease Outlook (COVID-19)," federal, state and local governments have all taken actions to respond to the Pandemic, including disaster declarations by both the President of the United States and Governor of Texas. Such actions are focused on limiting instances where the public can congregate or interact with each other, which affects economic growth within Texas.

Since the disaster declarations were made, the Pandemic has negatively affected travel, commerce, and financial markets locally and globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide and within Texas.

Such adverse economic conditions, if they continue, could result in declines in the demand for residential and commercial property in the City area and could reduce or negatively affect property values within the District. The Bonds are secured by an unlimited ad valorem tax, and a reduction in property values may require an increase in the ad valorem tax rate required to pay the Bonds as well as the District's share of operations and maintenance expenses payable from ad valorem taxes.

While the potential impact of the Pandemic on the District cannot be quantified at this time, the continued outbreak of COVID-19 could have an adverse effect on the District's operations and financial condition. The financial and operating data contained herein are the latest available, but are as of dates and for periods prior to the economic impact of the Pandemic and measures instituted to slow it. Accordingly, they are not indicative of the economic impact of the Pandemic on the District's financial condition.

INVESTMENT CONSIDERATIONS

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

SELECTED FINANCIAL INFORMATION
(UNAUDITED)

2020 Certified Assessed Valuation	$ 852,660,017	(a)
See "TAX DATA" and "TAXING PROCEDURES."		
Estimate of Assessed Valuation as of September 1, 2020	$ 892,296,723	(b)
See "TAX DATA" and "TAXING PROCEDURES."		
Direct Debt:		
The Outstanding Bonds (as of November 1, 2020)	$ 68,070,000	
The Bonds	7,985,000	
Total	$ 76,055,000	
Estimated Overlapping Debt	$ 73,022,891	(c)
Total Direct and Estimated Overlapping Debt	$ 149,077,891	
Direct Debt Ratios as a Percentage of:		
The 2020 Certified Assessed Valuation ($852,660,017)	8.92 %	
The Estimate of Assessed Valuation as of September 1, 2020 ($892,296,723)	8.52 %	
Ratio of Direct and Estimated Overlapping Debt as a Percentage of:		
The 2020 Certified Assessed Valuation ($852,660,017)	17.48 %	
The Estimate of Assessed Valuation as of September 1, 2020 ($892,296,723)	16.71 %	
Debt Service Fund Balance (as of September 30, 2020)	$ 2,859,176	(d)
Operating Fund Balance (as of September 30, 2020)	$ 6,926,652	
Capital Projects Fund Balance (as of September 30, 2020)	$ 4,069,379	(e)
2020 Tax Rate:		
Water, Sewer, Drainage and Recreational Facility Debt Service	$ 0.39	
Road Debt Service	0.20	
Maintenance & Operations	0.74	
Total	$ 1.33	(f)
Average Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2021-2045)	$ 4,379,094	(g)
Maximum Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2040)	$ 5,016,815	(g)
Debt Service Tax Rate per $100 of Taxable Assessed Valuation Required to Pay the Average Annual Debt Service Requirement on the Outstanding Bonds and the Bonds ($4,379,094) at 95 % Tax Collections Based on:		
The 2020 Certified Assessed Valuation ($852,660,017)	$ 0.55	
The Estimate of Assessed Valuation as of September 1, 2020 ($892,296,723)	$ 0.52	
Debt Service Tax Rate per $100 of Assessed Valuation Required to Pay the Maximum Annual Debt Service Requirement on the Outstanding Bonds and the Bonds ($5,016,815) at 95% Tax Collections Based on:		
The 2020 Certified Assessed Valuation ($852,660,017)	$ 0.62	
The Estimate of Assessed Valuation as of September 1, 2020 ($892,296,723)	$ 0.60	

(a) Represents the assessed valuation of all taxable property within the District as of January 1, 2020, as provided by the Harris County Appraisal District (the "Appraisal District"). Such amount includes $43,700,882 of assessed valuation assigned to properties that remain under review by the Harris County Appraisal Review Board (the "Appraisal Review Board"). Such amount represents the estimated minimum amount of assessed valuation that will ultimately be approved by the Appraisal Review Board, upon which the District will levy its tax.

(b) Provided by Appraisal District for informational purposes only. This amount is an estimate of the assessed valuation of all taxable property within the District as of September 1, 2020, and includes an estimate of assessed valuation resulting from the construction of taxable improvements from January 1, 2020, through September 1, 2020. No taxes will be levied against such amount.

(c) See "DISTRICT DEBT – Estimated Overlapping Debt."

(d) Balance gives effect to payment of all debt service due on the Outstanding Bonds in 2020: approximately $2,097,639 is allocated to pay debt service on bonds issued for the purpose of financing water, sewer and drainage and recreational facilities or to refund such bonds ("WSD&R Bonds") and approximately $761,538 is allocated to pay debt service on bonds issued for the purpose of financing road facilities or to refund such bonds ("Road Bonds"). Neither the Bond Order nor Texas law requires that the District maintain any particular balance in such fund. Although all of the District's debt, including the Outstanding Bonds and the Bonds, is payable from an unlimited tax pledge, portions of the District's ad valorem tax revenue will be allocated on a pro rata basis between debt service on WSD&R Bonds and Road Bonds, and deposited into separate sub-accounts within the District's debt service fund. Such balance does not reflect funds held for the purpose of paying debt service on the District's outstanding sales tax revenue bonds. See "THE BONDS – Funds."

(e) Represents surplus construction funds, and interest thereon, derived from the Outstanding Bonds. The Bonds, if, as and when issued, may produce additional surplus funds. Surplus funds for construction may be expended for any lawful purpose for which surplus funds may be used, limited, however, to the purpose for which the issue of the Outstanding Bonds which produced the surplus funds were issued. Under certain circumstances, the approval of the TCEQ is required for the use of surplus funds derived from WSD&R Bonds. Of such amount, approximately $1,391,086 may be used to finance water, wastewater and storm drainage facilities with the approval of the TCEQ and approximately $2,678,292 may be used to finance road facilities.

(f) The District is authorized to levy separate debt service taxes for road debt and water and sewer debt, both of which are unlimited as to rate or amount. See "THE BONDS – Authority for Issuance."

(g) See "DISTRICT DEBT – Debt Service Requirements."

$7,985,000

GENERATION PARK MANAGEMENT DISTRICT

(A Political Subdivision of the State of Texas, located within Harris County, Texas)

UNLIMITED TAX BONDS

SERIES 2020A

This Official Statement provides certain information in connection with the issuance of $7,985,000 Generation Park Management District Unlimited Tax Bonds, Series 2020A (the "Bonds") by Generation Park Management District (the "District").

The Bonds are issued pursuant to (i) the Bond Order (the "Bond Order") adopted by the Board of Directors of the District (the "Board") on the date of the sale of the Bonds; (ii) an order of the Texas Commission on Environmental Quality (the "TCEQ"); (iii) the Constitution and general laws of the State of Texas ("Texas"), particularly Chapter 1112, Acts of the 83rd Legislature of the State of Texas, Regular Session, 2013 (codified as Chapter 3916, Special District Local Laws Code) (the "District Act"); and (iv) various elections held within the District.

Certain capitalized terms used in this Official Statement have the same meanings assigned to such terms in the Bond Order, except as otherwise indicated herein.

This Official Statement also includes information about the District and certain reports and other statistical data. The summaries and references to all documents, statutes, reports and other instruments referred to herein do not purport to be complete, comprehensive or definitive and each summary and reference is qualified in its entirety by reference to each such document, statute, report or instrument.

THE BONDS

General

The following is a description of some of the terms and conditions of the Bonds, which description is qualified in its entirety by reference to the Bond Order, a copy of which is available from Bond Counsel (herein defined) upon payment of the costs of duplication therefor. The Bond Order authorizes the issuance and sale of the Bonds and prescribes the terms, conditions and provisions for the payment of the principal of and interest on the Bonds by the District.

Description

The Bonds will be dated December 1, 2020, with interest payable on March 1, 2021 (three months interest), and on each September 1 and March 1 thereafter (each an "Interest Payment Date") until the earlier of maturity or redemption. Interest on the Bonds initially accrues from December 1, 2020, and thereafter, from the most recent Interest Payment Date. The Bonds mature on September 1 of the years and in the amounts shown under "MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL REOFFERING YIELDS AND CUSIPS" on the inside cover of this Official Statement. The Bonds are issued in fully registered form only in denominations of $5,000 or any integral multiple of $5,000 for any one maturity. The Bonds will be registered and delivered only to The Depository Trust Company, New York, New York ("DTC"), in its nominee name of Cede & Co., pursuant to the book-entry system described herein (the "Registered Owners"). No physical delivery of the Bonds will be made to the purchasers thereof. See "THE BONDS – Book-Entry-Only System." Interest calculations are based upon a three hundred sixty (360) day year comprised of twelve (12) thirty (30) day months.

Source and Security for Payment

The Bonds, together with the Outstanding Bonds (herein defined) and any additional bonds payable from ad valorem taxes, are secured by and payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property located within the District (see "TAXING PROCEDURES"). Investment in the Bonds involves certain elements of risk, and all prospective purchasers are urged to examine carefully this Official Statement with respect to the investment security of the Bonds. See "INVESTMENT CONSIDERATIONS." The Bonds are obligations solely of the District and are not obligations of Texas; Harris County, Texas (the "County"); the City of Houston, Texas (the "City"); or any political subdivision or entity other than the District.

Authority for Issuance

At elections held within the District on May 10, 2008, and May 10, 2014, voters of the District authorized a total of $873,250,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing water, sanitary sewer and drainage facilities and $215,000,000 principal amount of unlimited tax bonds for the purposed of refunding such bonds. The Bonds constitute the fifth issuance of bonds from such authorization. Following the issuance of the Bonds, a total of $828,835,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing water, sanitary sewer and drainage facilities and $215,000,000 principal amount of unlimited tax bonds for the purposed of refunding such bonds will remain authorized but unissued.

The Bonds are issued pursuant to (i) the Bond Order adopted by the Board on the date of the sale of the Bonds; (ii) an order of the TCEQ; (iii) the Constitution and general laws of Texas, particularly the District Act; and (iv) various elections held within the District.

At the above-described elections, voters in the District also authorized a total of $167,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing recreational facilities and $48,000,000 principal amount of unlimited tax bonds for the purposed of refunding such bonds; $1,511,198,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing road facilities and $431,000,000 principal amount of unlimited tax bonds for the purposed of refunding such bonds; $611,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing electrical conduit facilities and $183,000,000 principal amount of unlimited tax bonds for the purposed of refunding such bonds; $24,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing rail facilities and $7,200,000 principal amount of unlimited tax bonds for the purposed of refunding such bonds; $2,219,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing parking facilities and $665,000,000 principal amount of unlimited tax bonds for the purposed of refunding such bonds; $57,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing public transit facilities and $17,000,000 principal amount of unlimited tax bonds for the purposed of refunding such bonds; and $51,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing facilities for an economic development program and $15,000,000 principal amount of unlimited tax bonds for the purposed of refunding such bonds. See "THE BONDS – Financing Recreational Facilities." The amount of bonds issued and the remaining authorized but unissued bonds following the issuance of the Bonds are as follows:

Election Date	Amount Authorized	Purpose	Issued to Date	The Bonds	Remaining Unissued
May 10, 2014	$ 718,600,000	Water, Sewer and Drainage	$ 36,430,000	$ 7,985,000	$ 674,185,000
May 10, 2008	154,650,000	Water, Sewer and Drainage	-0-	-0-	154,650,000
	$ 873,250,000		$ 36,430,000	$ 7,985,000	$ 828,835,000
May 10, 2014	$ 160,000,000	Recreation Facilities	$ 8,150,000	$ -0-	$ 151,850,000
May 10, 2008	7,000,000	Recreation Facilities	-0-	-0-	7,000,000
	$ 167,000,000		$ 8,150,000	$ -0-	$ 158,850,000
May 10, 2014	$1,437,000,000	Road Facilities	$ 27,815,000	$ -0-	$ 1,409,185,000
May 10, 2008	74,198,000	Road Facilities	-0-	-0-	74,198,000
	$1,511,198,000		$ 27,815,000	$ -0-	$ 1,483,383,000
May 10, 2014	$ 611,000,000	Conduit Facilities	$ -0-	$ -0-	$ 611,000,000
May 10, 2014	24,000,000	Rail Facilities	-0-	-0-	24,000,000
May 10, 2014	2,219,000,000	Parking Facilities	-0-	-0-	2,219,000,000
May 10, 2014	57,000,000	Public Transit Facilities	-0-	-0-	57,000,000
May 10, 2014	51,000,000	Economic Development	-0-	-0-	51,000,000
Totals	$5,513,448,000		$ 72,395,000	$ 7,985,000	$ 5,433,068,000
May 10, 2014	$ 215,000,000	Water, Sewer and Drainage Refunding	$ -0-	$ -0-	$ 215,000,000
May 10, 2014	48,000,000	Recreation Facilities Refunding	-0-	-0-	48,000,000
May 10, 2014	431,000,000	Road Facilities Refunding	-0-	-0-	431,000,000
May 10, 2014	183,000,000	Electrical Conduit Facilities Refunding	-0-	-0-	183,000,000

Election Date	Amount Authorized	Purpose	Issued to Date	The Bonds	Remaining Unissued
May 10, 2014	7,200,000	Rail Facilities Refunding	$ -0-	$ -0-	$ 7,200,000
May 10, 2014	665,000,000	Parking Facilities Refunding	-0-	-0-	665,000,000
May 10, 2014	17,000,000	Public Transit Facilities Refunding	-0-	-0-	17,000,000
May 10, 2014	15,000,000	Economic Development Refunding	-0-	-0-	15,000,000
Totals	$1,581,200,000		$ -0-	$ -0-	$ 1,581,200,000

The City has issued its consent for the District to annex approximately 2,954 additional acres. This acreage currently consists of the land within Harris County Municipal Utility District No. 403 ("No. 403"), Harris County Municipal Utility District No. 425, Harris County Municipal Utility District No. 426, Harris County Municipal Utility District No. 427, Harris County Municipal Utility District No. 428 and Harris County Municipal Utility District No. 429, as well as some additional tracts. The District intends to annex some or all of this property, but the District makes no representation when or if this acreage will eventually be annexed into the District.

Outstanding Bonds

The District has previously issued its Unlimited Tax Bonds, Series 2015 (the "Series 2015 Bonds"); Unlimited Tax Bonds, Series 2016 (the "Series 2016 Bonds"); Unlimited Tax Road Bonds, Series 2016A (the "Series 2016A Bonds"); Unlimited Tax Park Bonds, Series 2016B (the "Series 2016B Bonds"); Unlimited Tax Bonds, Series 2017 (the "Series 2017 Bonds"); Unlimited Tax Bonds, Series 2019 (the "Series 2019 Bonds"); and Unlimited Tax Road Bonds, Series 2020 (the "Series 2020 Bonds"). $68,070,000 principal amount of such previously issued debt remains outstanding as of November 1, 2020 (the "Outstanding Bonds").

Funds

The Bond Order confirms the prior creation of the District's Debt Service Fund, including the sub-accounts which are used to separate funds received to pay debt service on bonds issued to finance water, wastewater and storm drainage, and recreational facilities or to refund such bonds ("WSD&R Bonds") from funds received to pay debt service on bonds issued to finance road facilities or to refund such bonds ("Road Bonds"). The Bond Order also confirms the District's Construction Fund, including the sub-accounts which are used to separate proceeds from WSD&R Bonds and Road Bonds. Accrued interest on the Bonds will be deposited from the proceeds from sale of the Bonds into the sub-account of the Debt Service Fund created in respect of WSD&R Bonds. All remaining proceeds of the Bonds will be deposited in the sub-account of the Construction Fund created in respect of WSD&R Bonds.

The proceeds from all taxes levied, assessed and collected for and on account of the Bonds authorized by the Bond Order shall be deposited, as collected, into the sub-account of the Debt Service Fund created in respect of WSD&R Bonds. The Debt Service Fund, which constitutes a trust fund for the benefit of the owners of the Outstanding Bonds, the Bonds and any additional tax bonds issued by the District, is to be kept separate from all other funds of the District, and funds in the sub-account created in respect of WSD&R Bonds are to be used for payment of debt service on the Bonds and any of the District's duly authorized WSD&R Bonds, whether heretofore, hereunder, or hereafter issued, payable in whole or part from taxes. Amounts on deposit in the sub-account of the Debt Service Fund created in respect of WSD&R Bonds may also be used to pay the fees and expenses of the Paying Agent/Registrar (herein defined), to defray the expenses of assessing and collecting taxes levied for payment of interest on and principal of the Bonds and any of the District's duly authorized WSD&R Bonds, whether heretofore, hereunder, or hereafter issued, payable in whole or in part from taxes, and to pay any tax anticipation notes issued in respect of debt service due or to become due on WSD&R Bonds, together with interest thereon, as such tax anticipation notes become due. Funds otherwise on deposit in the Debt Service Fund, including funds in the sub-account created in respect of Road Bonds, will not be allocated to the payment of the Bonds.

Record Date

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

Redemption Provisions

Mandatory Redemption

Bonds maturing on September 1 in the years 2033 and 2044 are term bonds (the "Term Bonds") and shall be redeemed, at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption, on September 1 in each of the years and in the principal amounts set forth in the following schedule (with each such scheduled principal amount reduced by the principal amount as may have been previously redeemed through the exercise of the District's reserved right of optional redemption, as provided under "*Optional Redemption*" below):

$650,000 Term Bonds Maturing on September 1, 2033

Mandatory Redemption Date	Principal Amount
September 1, 2032	$ 320,000
September 1, 2033 (Maturity)	330,000

$2,380,000 Term Bonds Maturing on September 1, 2044

Mandatory Redemption Date	Principal Amount
September 1, 2040	$ 430,000
September 1, 2041	460,000
September 1, 2042	480,000
September 1, 2043	495,000
September 1, 2044 (Maturity)	515,000

Notice of the mandatory redemption of Term Bonds will be provided at least thirty (30) calendar days prior to the date fixed for redemption, with the particular portions of the Term Bonds to be redeemed to be selected by lot or other customary method in accordance with the procedures of DTC so long as the Bonds are registered in accordance with the Book-Entry-Only System (herein defined). See "THE BONDS – Book-Entry-Only System."

Optional Redemption

The District reserves the right, at its option, to redeem the Bonds (including any Term Bonds) maturing on or after September 1, 2026, prior to their scheduled maturities, in whole or from time to time in part, in integral multiples of $5,000, on September 1, 2025, or any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption. If fewer than all of the Bonds are to be redeemed, the particular maturity or maturities and the amounts thereof to be redeemed shall be determined by the District. if fewer than all of the Serial Bonds of the same maturity are to be redeemed, the particular Bonds shall be selected by DTC in accordance with its procedures, so long as the Bonds are registered in accordance with the Book-Entry-Only System. See "THE BONDS – Book-Entry-Only System." If less than all of the entire outstanding principal amount of a Term Bond is to be redeemed, the District will notify the Paying Agent/Registrar of the reductions in the remaining mandatory redemption amounts to result from the optional redemption. Notice of each exercise of the reserved right of optional redemption shall be given at least thirty (30) calendar days prior to the date fixed for redemption, in the manner specified in the Bond Order.

Effects of Redemption

By the date fixed for redemption, due provision shall be made with the Paying Agent/Registrar for payment of the principal of the Bonds (including any Term Bonds) or portions thereof to be redeemed, plus accrued interest to the date fixed for redemption. When Bonds have been called for redemption in whole or in part and due provision has been made to redeem the same as herein provided, the Bonds or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Registered Owners to collect interest which would otherwise accrue after the redemption date on any Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

Method of Payment of Principal and Interest

The Board has appointed Regions Bank, an Alabama banking corporation, as the initial paying agent/registrar for the Bonds (the "Paying Agent/Registrar"). The principal of and interest on the Bonds shall be paid to DTC, which will make distribution of the amounts so paid. See "THE BONDS – Book-Entry-Only System."

Registration

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 Bonds) be in registered form in order for the interest payable on such obligations to be excludable from a Beneficial Owner's income for federal income tax purposes. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. pursuant to the Book-Entry-Only System. One fully-registered Bond will be issued for each maturity of the Bonds and will be deposited with DTC. See "THE BONDS – Book-Entry-Only System." So long as any Bonds remain outstanding, the District will maintain at least one paying agent/registrar in Texas for the purpose of maintaining the register on behalf of the District.

Replacement of Paying Agent/Registrar

Provision is made in the 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 be required to accept the previous Paying Agent/Registrar's records and act in the same capacity as the previous Paying Agent/Registrar. Any paying agent/registrar selected by the District shall be a duly qualified and competent trust or banking corporation or organization organized and doing business under the laws of the United States of America or of any State thereof, with a combined capital and surplus of at least $25,000,000, which is subject to supervision of or examination by federal or state banking authorities, and which is a transfer agent duly registered with the United States Securities and Exchange Commission (the "SEC").

Legal Investment and Eligibility to Secure Public Funds in Texas

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

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

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

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

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

Issuance of Additional Debt

Voters of the District have authorized the issuance of a total of $873,250,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing water, sanitary sewer and drainage facilities and could authorize additional amounts. Following the issuance of the Bonds, the District will have a total of $828,835,000 principal amount of unlimited tax bonds authorized but unissued for said improvements and facilities. Voters of the District have also authorized the issuance, in total, of (i) $167,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing recreational facilities; (ii) $1,511,198,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing road facilities; (iii) $611,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing electrical conduit facilities; (iv) $24,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing rail facilities; (v) $2,219,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing parking facilities; (vi) $57,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing public transit facilities; and (vii) $51,000,000 principal amount of unlimited tax bonds for the purpose of economic development, and could authorize additional amounts. The District voters have also authorized a total of $1,581,200,000 principal amount of unlimited tax refunding bonds for the purpose of refunding outstanding bonds of the District and could authorize additional amounts. To date, four series of unlimited bonds for water, sanitary sewer and drainage facilities aggregating $36,430,000 in principal amount, one series of unlimited tax bonds for recreational facilities aggregating $8,150,000 in principal amount, and two series of unlimited tax bonds for road facilities aggregating $27,815,000 in principal amount have been issued from said authorizations. No bonds have been issued from said unlimited tax conduit facilities authorization, unlimited tax rail facilities authorization, unlimited tax parking facilities authorization, unlimited tax public transit facilities authorization, unlimited tax economic development authorization and unlimited tax refunding authorizations. See "THE BONDS – Financing Recreational Facilities."

The Bond Order imposes no limitation on the amount of additional parity bonds which may be authorized for issuance by the District's voters or the amount ultimately issued by the District. Bonds issued for water, sewer, and drainage purposes are required to be approved by the TCEQ.

The District also is authorized by statute to engage in fire-fighting activities, including the issuing of bonds payable from taxes for such purpose. Before the District could issue fire-fighting bonds payable from taxes, the following actions would be required: (a) authorization of a detailed master plan and bonds for such purpose by the qualified voters in the District; (b) approval of the master plan and issuance of bonds by the TCEQ; and (c) approval of bonds by the Attorney General of Texas. The District does not provide fire protection service, and the Board has not considered calling such an election for approval of bonds for fire-fighting activities at this time. The District has contracted with Harris County Emergency Services District No. 60 to provide fire protection service within the boundaries of the District. Issuance of bonds for fire-fighting activities could dilute the investment security for the Bonds.

Financing Recreational Facilities

The District is authorized to issue bonds payable from an ad valorem tax and/or levy a maintenance tax to pay for the development and maintenance of recreational facilities if (i) the bonds are authorized at an election; (ii) the District obtains any necessary governmental consents allowing the issuance of such bonds; and (iii) the bonds are approved by the Attorney General of Texas. The District may issue bonds for such purposes payable solely from net operating revenues without an election.

At elections held within the District on May 10, 2008, and May 10, 2014, voters of the District authorized a total of $167,000,000 in principal amount of unlimited tax bonds for financing and constructing recreational facilities. The District has issued an aggregate of $8,150,000 principal amount of unlimited tax bonds for financing and constructing recreational facilities from said authorizations and could issue additional amounts.

Issuance of additional bonds for recreational facilities could dilute the investment security for the Bonds.

Annexation

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City, the District may be annexed for full purposes by the City, subject to compliance by the City with various requirements of Chapter 43 of the Texas Local Government Code, as amended. Such requirements may include the requirement that the City hold an election in the District whereby the qualified voters of the District approve the proposed annexation. If the District is annexed, the City must assume the District's assets and obligations (including the Bonds and the Outstanding Bonds) and abolish the District within ninety (90) days of the date of annexation. 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 attempt to 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.

Consolidation

Pursuant to the District Act, the District has the legal authority to consolidate with other municipal management districts and municipal utility districts and, in connection therewith, to provide for the consolidation of its water and wastewater systems with the water and wastewater systems of the district or districts with which it is consolidating, subject to voter approval. In their consolidation agreement, the consolidating districts may agree to assume each other's bonds, notes and other obligations. If each district assumes the other's bonds, notes and other obligations, taxes may be levied uniformly on all taxable property within the consolidated district in payment of same. If the districts do not assume each other's bonds, notes and other obligations, each district's taxes are levied on property in each of the original districts to pay said debts created by the respective original district as if no consolidation had taken place. The District has heretofore consolidated with Harris County Municipal Utility District No. 402 ("MUD 402"), and the District and MUD 402 entered into a Consolidation Agreement whereby each of them assumed the other's rights, titles, property, obligations, and voted but unissued bonds payable in whole or in part from taxation. No representation is made concerning whether the District will further consolidate with any other district, but the District currently has no plans to do so.

Remedies in Event of Default

If the District defaults in the payment of principal, interest, or redemption price on the Bonds when due, or if it fails to make payments into any fund or funds created in the Bond Order, or defaults in the observance or performance of any other covenants, conditions, or obligations set forth in the Bond Order, the Registered Owners have the right to seek a writ of mandamus issued by a court of competent jurisdiction requiring the District and its officials to observe and perform the covenants, obligations, or conditions prescribed in the Bond Order. Except for mandamus, the Bond Order does not specifically provide for remedies to protect and enforce the interests of the Registered Owners. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Further, there is no trust indenture or trustee, and all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the Registered Owners. Certain traditional legal remedies also may not be available. See "INVESTMENT CONSIDERATIONS – Registered Owners' Remedies."

Defeasance

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

Upon such deposit as described above, such Bonds shall no longer be regarded to be outstanding or unpaid. After firm banking and financial arrangements for the discharge and final payment or redemption of the Bonds have been made as described above, all rights of the District to initiate proceedings to call the Bonds for redemption or take any other action amending the terms of the Bonds are extinguished; provided, however, that the right to call the Bonds for redemption is not extinguished if the District: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption; (ii) gives notice of the reservation of that right to the owners of the Bonds immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

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

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 DTC while the Bonds are registered in its nominee name. The information in this section concerning DTC and the book-entry-only system (the "Book-Entry-Only System") has been *provided by DTC for use in disclosure documents such as this Official Statement. The District and the Financial Advisor (herein defined) believe the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.*

The District and the Financial Advisor cannot and do not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to Direct and Indirect Participants (herein defined), (2) Direct and Indirect 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 Registered Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the United States Securities and Exchange Commission (the "SEC"), and the current procedures of DTC to be followed in dealing with Direct and Indirect Participants are on file with DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be required by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each of the Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (the "Direct Participants") deposit with DTC.

DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants," and together with the Direct Participants, the "Direct and Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC rules applicable to its Direct and Indirect Participants are on file with the SEC. 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 holder of ownership interest of each actual purchase of each Bond (the "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.

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issue 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).

Redemption proceeds, principal, and interest 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 Direct and Indirect 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 Direct and Indirect Participant and not of DTC, Paying Agent/Registrar or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

The information in the section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

Use of Certain Terms in Other Sections of this Official Statement

In reading this Official Statement it should be understood that while the Bonds are in the book-entry form, references in other sections of this Official Statement to Registered Owners should be read to include the person for which the Direct and Indirect Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the book-entry system, and (ii) except as described above, notices that are to be given to Registered Owners under the Bond Resolutions will be given only to DTC.

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Use and Distribution of Bond Proceeds

The construction costs below were compiled by the Engineer (herein defined). Non-construction costs are based upon either contract amounts, or estimates of various costs by the Engineer and the Financial Advisor. The actual amounts to be reimbursed by the District and the non-construction costs will be finalized after the sale of the Bonds and completion of agreed-upon procedures by the District's auditor. The surplus funds, if any, may be expended for any lawful purpose for which surplus construction funds may be used, limited, however, to the purposes for which the Bonds were issued.

CONSTRUCTION COSTS	
A. Developer Contribution Items	
1. South Regional Detention Pond – Initial Excavation (Clearing and Grubbing)	$ 2,233,232
2. South Regional Detention Pond – Phase 1	1,375,524
3. SWPPP and Erosion Control (Item No. 2)	3,610
4. Legal (Item No. 2)	3,079
5. Engineering (Item No. 2)	208,960
Total Developer Contribution Items	$ 3,824,405
B. Developer Contribution Items	
1. South Pond Non-Potable Water Pump Station	$ 2,493,000
2. Engineering	389,000
3. Contingency (10%)	250,000
Total District Items	$ 3,132,000
TOTAL CONSTRUCTION COSTS	**$ 6,956,405**
NON-CONSTRUCTION COSTS	
Bond Discount	$ 239,188
Developer Interest	318,235
Contingency (a)	362
TOTAL NON-CONSTRUCTION COSTS	**$ 557,785**
ISSUANCE COSTS AND FEES	
Issuance Costs and Professional Fees	$ 462,825
State Regulatory Fees	7,985
TOTAL ISSUANCE COSTS AND FEES	**$ 470,810**
TOTAL BOND ISSUE REQUIREMENT	**$ 7,985,000**

(a) Represents the difference between the estimated and actual amounts of Bond Discount.

The Engineer has advised the District that proceeds of the sale of the Bonds should be sufficient to pay the costs of the above-described facilities. However, the District cannot and does not guarantee the sufficiency of such funds for such purposes.

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THE DISTRICT

General

The District is a special district created pursuant to the District Act. Subsequent to creation, the District and MUD 402 entered into the Consolidation Agreement to consolidate the two districts into one district to be named Generation Park Management District, operating under the provisions of the District Act. At elections held on November 4, 2014 within the District and MUD 402, the voters of each district authorized the consolidation of the districts and the assumption by each of the other's prior voted bond authorizations. Accordingly, all authorizations and agreements presented in this report in the name of MUD 402 have since been assumed by the District by operation of law. MUD 402 was created by order of TCEQ on February 16, 2005. The District, which lies wholly within the extraterritorial jurisdiction of the City, is subject to the continuing supervisory jurisdiction of the TCEQ with respect to water, sewer and drainage facilities.

The District is empowered, among other things, to finance, purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply and distribution of water; the collection, transportation and treatment of wastewater; and the control and diversion of storm water. The District may issue bonds and other forms of indebtedness to purchase or construct such facilities. The District is also empowered to finance certain road improvements, provide solid waste collection and disposal service, finance, operate, maintain and construct recreational facilities, and establish, operate and maintain fire-fighting facilities, separately or jointly with one or more conservation and reclamation districts, municipalities or other political subdivisions, after approval by the City, the TCEQ, and the voters of the District. The District is also empowered, under the District Act, to undertake public parking facilities, electrical conduit facilities, rail facilities, and public transit facilities and economic development projects. See "THE BONDS – Issuance of Additional Debt" and "THE BONDS – Financing Recreational Facilities."

The District is required to observe certain requirements of the City which limit the purposes for which the District may sell bonds to the purposes set forth in the District Act; limit the net effective interest rate on such bonds and other terms of such bonds; require approval by the City of certain District construction plans; permit connections only to lots and reserves described in a plat that has been approved by the City and filed in the real property records of the County, as applicable; and, either obtain the approval of the City with respect to the issuance of certain bonds or a capital improvements budget for a period not to exceed ten (10) years. Construction and operation of the District's water, sewer, and drainage system is subject to the regulatory jurisdiction of additional Texas and local agencies. See "THE WATER, SEWER AND DRAINAGE SYSTEM."

Description

The District is located entirely within the County, approximately 14 miles northeast of the central business district of the City, in the northeastern part of the County, along the Sam Houston Tollway (Beltway 8). Access to the District from the City is provided via U.S. Highway 90 or Interstate Highway (IH) 10 east, then north on Beltway 8 or via U.S. Highway 59/IH 69 north then east and south on Beltway 8. The District lies entirely within the exclusive extraterritorial jurisdiction of the City. Approximately 1,220 acres within the District are located within the boundaries of Sheldon Independent School District and San Jacinto Community College District ("San Jacinto"), and approximately 180 acres within the District are located within the boundaries of Humble Independent School District and Lone Star College System ("Lone Star").

At the time of creation, the District contained approximately 316.448 acres and MUD 402 contained approximately 601.584 acres. Prior to consolidation, MUD 402 annexed an additional approximate 487.421 acres on September 29, 2006, increasing the total area of MUD 402 to approximately 1,089.005 acres. After consolidating with MUD 402, the District's current total area is approximately 1,405.445 acres.

The City has issued its consent for the District to annex approximately 2,954 additional acres. This acreage currently consists of the land within Harris County Municipal Utility District No. 403 ("No. 403"), Harris County Municipal Utility District No. 425, Harris County Municipal Utility District No. 426, Harris County Municipal Utility District No. 427, Harris County Municipal Utility District No. 428 and Harris County Municipal Utility District No. 429, as well as some additional tracts. The District intends to annex some or all of this property, but the District makes no representation when or if this acreage will eventually be annexed into the District.

Generation Park

The District is primarily located within an approximate 4,350-acre commercial enterprise park known as "Generation Park" being developed by MDI (herein defined). Located in the City's northeast corridor, Generation Park, a master-planned development is projected to consist of approximately 40,000,000 square feet of office buildings, warehouses, mixed-use retail centers, multifamily properties, restaurants, medical office buildings, hotels and academic institutions. Spanning approximately 2.5 miles on Beltway 8, Generation Park is located approximately 10 minutes from George Bush Intercontinental Airport, approximately 15 minutes from the Port of Houston, Texas, approximately 20 minutes from the central business district of the City and approximately 25 minutes from William P. Hobby Airport. Access is provided by five interchanges direct to Beltway 8 and it is approximately 15 minutes or less to Interstates 45 and 10 and Highway 59. A portion of Generation Park, approximately 200 acres, is a subzone of Foreign Trade Zone 84, providing tax advantages for companies that import and export goods through the port and airport. Generation Park fronts approximately 2.5 miles of Union Pacific Railroad mainline, providing opportunity for both unit train and manifest service to a planned storage-and-transit yard and rail-served real estate. In addition, there are an estimated 11,000 homes being constructed within approximately 7 miles of Generation Park, providing both a large workforce for companies locating at Generation Park and housing opportunities for their employees that locate there.

Status of Development

As of October 1, 2020, completed development in the District includes Humble Independent School District's Summer Creek High School constructed on approximately 67 acres and opened in August 2009; a Memorial Hermann Convenient Care Center constructed on approximately 2.8 acres and opened January 2013; a CVS Pharmacy; a Chevron Gas Station; a Whataburger Restaurant; West Lake Marketplace, constructed on approximately 59.32 acres comprising approximately 452,320 square feet of gross leasable space which is approximately 96% leased; West Lake Village retail center constructed on approximately 4.18 acres comprising approximately 32,025 square feet of gross leasable area which is approximately 84% leased; 250 Assay Street, LLC, an approximate 86,523 square foot Net Rentable Area Class-A office/mixed-use building which is approximately 84% leased; 255 Assay Street, LLC, a 251-unit luxury apartment complex, which is approximately 43% leased, with approximately 18,000 square feet of retail space on the ground floor, which is approximately 32% leased; and a Texas Bay Area Credit Union.

In addition, FMC Technologies, Inc. purchased approximately 173 acres in 2012 for the construction of a campus including their corporate headquarters. The first phase of construction with an approximate 365,000 square foot office building, approximate 2,000 space parking garage, plus additional office, industrial and manufacturing buildings comprising a total of approximately 1,000,000 usable square feet of office and shop space is complete. In January 2017, FMC Technologies, Inc. completed a merger with Technip, a French based construction/engineering firm. The combined company, TechnipFMC plc ("FMC"), has approximately 2,000 employees currently occupying the Generation Park (herein defined) campus of FMC.

MDI has developed, on behalf of the District, the major infrastructure which serves the FMC campus as well as the initial phase of Generation Park. This infrastructure includes the extension of W. Lake Houston Parkway, over the Harris County Flood Control District ("HCFCD") channel westward to Lockwood Road. Additionally, Subsea Lane has been constructed along the eastern edge of the FMC campus from W. Lake Houston Parkway to the intersection of Beltway 8 frontage road. These are public, four lane divided, concrete paved streets with water, sanitary and storm sewer within the right-of-way.

North of West Lake Houston Parkway, MDI has developed an approximate 19.79-acre detention pond and park with associated water quality features, sidewalks, trails and bridges for pedestrian and bike connectivity within the development. MDI has also developed the initial phase of an approximate 56-acre detention pond and channel which accommodates surface water runoff as well as overflow from the HCFCD ditch P-127-00 providing detention for approximately 940 acres within the District.

Harris County Precinct 1 has expanded Lockwood Road from North Lake Houston Parkway north to the Union Pacific Railroad ("UPRR") crossing to a 4-lane divided boulevard. The capital improvement project was completed in mid-2016. Harris County Precinct 4 is currently in the design phase on a capital improvement project to expand Lockwood Road from the UPRR crossing north to the intersection with Beltway 8. The District has completed construction of its Water Well No. 1 to supplement surface water purchased from the City and the expansion of the existing water plant to increase storage capacity and processing ability.

MDI has developed, on behalf of the District, an approximate 2.2-mile extension of West Lake Houston Parkway from Lockwood Road, west and south to North Lake Houston Parkway. This project includes water, sanitary and storm sewer lines, underground electric distribution, a new lift station, street lighting, sidewalk and a Storm Water Quality feature. The project was completed in March 2020.

Future Development

There are approximately 762 undeveloped but developable acres in the District and there are approximately 187 acres of land that are undevelopable. MDI is the current owner of approximately 528 of such undeveloped but developable acres. The District can make no representation that any future development will occur within the District. In the event that future development does occur within the District, it is anticipated that the development costs will be financed through the sale of future bond issues.

<u>Redemption Square</u>

MDI has sold land and partnered with other parties for the development of the initial phase of the approximate 52-acre mixed-use urban center known as "Redemption Square" within the District. Redemption Square is an urban center development specifically for corporate users, hotels, multifamily apartments and a mix of restaurants and lifestyle amenities.

The following initial phase of Redemption Square is either existing or under construction:

Courtyard by Marriott Hotel

In June 2016, an approximate 0.98-acre site was sold to Houston GP Hotel Group LLC for an urban-style 140-key Courtyard by Marriott that will serve FMC and the area's lodging needs. The hotel started construction in 2018 and is anticipated to be completed in the first quarter of 2021. The developer is a privately held national real estate development, construction and management company with experience developing more than 20 hotel assets with leading brands including InterContinental Hotels Group, Hilton and Marriott.

Urban Adaptive Mixed-Use Office Building

Adjacent to the Courtyard by Marriott, 250 Assay Street, LLC acquired an approximate 0.87-acre tract in 2016 and commenced construction of an approximate 86,523 square foot Net Rentable Area Class-A, 5-story office building with ground floor retail space within Redemption Square. The building is approximately 84% leased with the first tenants having taken occupancy on September 1, 2017.

On the ground floor, three restaurant spaces have been leased and are open for operation. The initial tenants have moved into the second, fourth and fifth floors of the building. Lease proposals are out on the remaining third floor space. Construction for an approximate 711-car parking garage, which is owned by the District and serving the office building, hotel and the public, has been completed.

Multi-Family Development

In 2018, 255 Assay Street, LLC started construction on a 251-unit luxury apartment complex. It was completed in December 2019 and is approximately 43% leased with approximately 18,000 square feet of retail space on the ground floor, which is approximately 32% leased.

Class A Medical Office Building

MDI is in preliminary design of and pre-leasing an approximate 100,000 square foot, 5-story class A medical office building to be located at one of the corners of Redemption Square.

Redemption Square: Linear Park

The initial phase of Redemption Square's Linear Park and plaza was completed in 2018 and includes an array of amenities and multiple event spaces. The District is under design of the next phase of the Linear Park and plaza.

<u>Westlake Marketplace</u>

Tenants within the approximate 547,854 square foot Westlake Marketplace, a retail center developed by Fidelis, include: Kroger Marketplace (the approximate 123,000 square-foot signature model); Old Navy; Ross; Marshalls; Ulta; PetsMart; MOD Pizza; Michaels; OshKosh; Carter's Kids; Burlington; Momma Fu's; T-Mobile; Mattress Firm; Signature Smiles; The Pho; Summer China Diner; Famous Footwear; Nails of America; Dick's Sporting Goods; Five Below; Chick-fil-a; Taco Bell; Wendy's; Fix My Phone; Menchies's; Verizon; Five Guys; Sprint; Sport Clips; Crown Liquors; Salata; UPS Store; James Avery Jewelry; America's Best GNC; Message Heights; Amazing Lash; and GCEF Credit Union, all of which have opened for business. Phase I of Westlake Marketplace is completed and approximately 84% leased. Lowe's constructed a retail store within Westlake Marketplace; however, Lowe's declined to open the store upon completion. Fidelis is in the process of designing and constructing a 340-unit multi-family development on the tract.

Other Development

Licata Stone Creek, LLC ("Licata") has developed an approximate 32,025 square foot retail and restaurant center on approximately 4.19 acres located on the south side of West Lake Houston Parkway across from the Fidelis tract. The project is approximately 84% leased.

In May 2015, San Jacinto acquired an approximate 56.9-acre parcel at the southwest corner of Lockwood Road and the future extension of W. Lake Houston Parkway for a future campus within Generation Park. San Jacinto, one of the largest community colleges in Texas, completed construction of phase 1 of an approximate 8,000 student campus, ultimately, in August 2020 and opened for the Fall 2020 semester.

In July 2015, Lone Star acquired an approximate 8.29-acre parcel along Lockwood Road at the northern portion of the District. Lone Star has completed construction of an approximate 50,000 square-foot advanced technology center focused on training the downstream energy workforce.

In July 2017, Lockwood BP1, LLC acquired an approximate 10.535-acre parcel, being the initial phase of an approximate 25-acre industrial business park on Lockwood Drive. ("Lockwood Business Park"). Construction on the approximate 148,500 square foot industrial office warehouse, which is a build-to-suit for GHX Industrial, LLC, is complete and fully occupied.

In February 2019, Lockwood BP2, LLC purchased an approximate 9.026-acre parcel, being the second phase of the aforementioned industrial park. Construction of the building was completed in December 2019. The building is approximately 80% leased.

In November 2018, IKEA Property Inc. purchased an approximate 163.7-acre parcel of land along West Lake Houston Parkway for the design and construction of a regional distribution/fulfillment center. Construction of the improvements is expected to start in 2021.

In August 2019, Service Wire Company purchased an approximate 22.48-acre parcel along West Lake Houston Parkway for a manufacturing/distribution center. In December 2019, Service Wire Company purchased an additional approximate 5-acre parcel abutting the previously acquired site. Construction of the project is anticipated to start before the end of 2020.

In September 2019, GP Industrial JV, LLC, an affiliate of Lincoln Property Company, purchased an approximate 37.07-acre parcel along West Lake Houston Parkway for the design and construction of an approximate 650,000 square foot industrial distribution building. Construction of the project is anticipated to be complete by the end of 2020.

Management of the District

The District is governed by the Board, consisting of five directors, which has control over and management and supervision of all affairs of the District. All directors serve four-year staggered terms and all elections are held the first Saturday in May in even-numbered years.

Name	Position	Term Expires May
Charles W. Neuhaus	President	2022
John R. Deboben III	Vice President	2022
Davis K. Rushing	Secretary	2022
Brent C. Hodges	Assistant Secretary	2024
Jonathan C. Tauber	Director	2024

The District employs the following companies and individuals to operate its utility facilities:

Tax Assessor/Collector – The District's tax assessor/collector is Michael R. Arterburn of Utility Tax Service, LLC (the "Tax Assessor/Collector").

Bookkeeper – The District's bookkeeper is Municipal Accounts & Consulting, L.P.

Utility System Operator – The District's operator is Environmental Development Partners, LLC (the "Operator").

Auditor – The financial statements of the District as of April 30, 2020, and for the year then ended, included in this offering document have been audited by BKD, LLP, independent auditors, as stated in their report appearing herein. See "APPENDIX A."

Engineer – The consulting engineers retained by the District in connection with the design and construction of the District's facilities is IDS Engineering Group, Inc. (the "Engineer").

Bond Counsel and General Counsel – Schwartz, Page & Harding, L.L.P. ("Bond Counsel") serves as bond counsel to the District. The fee to be paid Bond Counsel for services rendered in connection with the issuance of the Bonds is contingent upon the sale and delivery of the Bonds. In addition, Schwartz, Page & Harding, L.L.P. serves as general counsel to the District on matters other than the issuance of bonds.

Disclosure Counsel – McCall, Parkhurst & Horton L.L.P. ("Disclosure Counsel") serves as disclosure counsel in relation to the issuance of the Bonds. The fee to be paid Disclosure Counsel for services rendered in connection with the issuance of the Bonds is contingent on the issuance, sale and delivery of the Bonds.

Financial Advisor – Robert W. Baird & Co. Incorporated (the "Financial Advisor") serves as financial advisor to the District. 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. See "PREPARATION OF OFFICIAL STATEMENT – Consultants."

THE PRINCIPAL DEVELOPER AND LANDOWNER

The Role of a Developer

In general, the activities of a developer in a municipal management district such as the District include purchasing the land within the District, designing the utilities and streets to be constructed in the community, designing any community facilities to be built, defining a marketing program and building schedule, securing necessary governmental approvals and permits for development, arranging for the construction of roads and the installation of utilities (including, in some cases, water, wastewater, and drainage facilities pursuant to the rules of the TCEQ, as well as gas, telephone and electric service) and selling commercial reserves to builders, developers, or other third parties. In certain instances, the developer will be required to pay up to thirty percent of the cost of constructing certain of the water, wastewater and drainage facilities in a municipal management district pursuant to the rules of the TCEQ. The relative success or failure of a developer to perform such activities in development of its property within a municipal management district may have a profound effect on the security of the unlimited tax bonds issued by a district. A developer is generally under no obligation to a district to develop the property which it owns in a district. Furthermore, there is no restriction on a developer's right to sell any or all of the land which it owns within a district. In addition, a developer is ordinarily a major taxpayer within a municipal management district during the development phase of the property.

McCord Development, Inc.

McCord Development, Inc., through multiple affiliated companies, MRA GP West, L.P., MRA GP S&U, L.P. and MRA Northeast #2, L.P. (collectively, "MDI"), is currently the principal landowner within the District, in terms of acreage owned, with approximately 582.86 acres. MDI currently owns land constituting approximately 2.35% of the District's 2020 certified assessed valuation. MDI is a real estate company based in the City engaged in the acquisition, development and management of office, industrial, land, single family and multifamily assets. Founded in 1973, MDI has acquired or developed more than $2 billion in projects across the United States over its 40-year history. As the principal developer, MDI is funding the development of major facilities to serve the District, with the intention of selling tracts of land to other developers (the "Other Developers") which will be responsible for providing infrastructure for their tracts. Neither MDI nor its affiliates sell improved tracts within the District. The District cautions that the foregoing development experience was gained in different markets and under different circumstances than exist today, and any prior success is no indication or guarantee of success in the development of land within the District.

Developer Financing

In April 2014, MDI obtained an infrastructure development loan from the International Bank of Commerce ("IBC Bank"). MDI entered into a Fourth Restated Development Loan Agreement on September 8, 2020, with a maximum principal balance of $36,404,846 maturing on September 1, 2027. The loan is secured by an assignment of MDI's

Facilities Reimbursement Agreement and a first lien deed of trust on approximately 440 acres owned by MDI in the Generation Park development. The outstanding balance as of October 1, 2020, was $14,010,296, and, according to MDI, they are in compliance with all material conditions of the loan.

MDI is not responsible for, liable for, and has not made any commitment for payment of the Bonds or other obligations of the District. MDI has no legal commitment or obligation to the District or owner of the Bonds to continue development of land within the District and may sell or otherwise dispose of its properties within the District, or any other assets, at any time. Further, no representation is made as to the financial ability of MDI or any related limited partnership to pay taxes or land which it owns in the District. Each of the limited partnerships related to MDI which own land in the District is a nominally-capitalized entity whose only assets are the land within the District. No representation is made as to the financial ability of MDI to complete any additional development within the District. Further, MDI's financial position is subject to change at any time.

THE OTHER DEVELOPERS

TechnipFMC plc

In December 2012, MDI sold approximately 173 acres to FMC Technologies, Inc., the predecessor to FMC. FMC is a publicly traded company that has approximately 20,100 employees and operates approximately 30 production facilities in approximately 17 countries. The first phase of construction with an approximate 365,000 square foot office building, approximate 2,000 space parking garage, plus additional office, industrial and manufacturing buildings comprising a total of approximately 1,000,000 usable square feet of office and shop space is substantially complete. The property owned by FMC represents approximately 42.77% of the 2020 certified assessed valuation of all taxable property located within the District.

FMC is a publicly traded company whose registration statements, periodic reports and other publicly available financial information are available at the SEC's EDGAR website at http://www.sec.gov/edgar.shtml.

On May 19, 2016, FMC Technologies, Inc. and Technip, a French based construction/engineering firm, announced their plans to merge and form a new company called TechnipFMC plc. The merger closed in the first quarter of 2017. In August 2019, TechnipFMC announced that the two companies would split operations sometime in 2020. The District makes no representation as to the timing of split or the final makeup of the two companies.

Lake Houston Beltway Associates, LLC

Tenants within the approximate 547,854 square foot Westlake Marketplace, a retail center developed by Fidelis, include: Kroger Marketplace (the approximate 123,000 square-foot signature model); Old Navy; Ross; Marshalls; Ulta; PetsMart; MOD Pizza; Michaels; OshKosh; Carter's Kids; Burlington; Momma Fu's; T-Mobile; Mattress Firm; Signature Smiles; The Pho; Summer China Diner; Famous Footwear; Nails of America; Dick's Sporting Goods; Five Below; Chick-fil-a; Taco Bell; Wendy's; Fix My Phone; Menchies's; Verizon; Five Guys; Sprint; Sport Clips; Crown Liquors; Salata; UPS Store; James Avery Jewelry; America's Best GNC; Message Heights; Amazing Lash; and GCEF Credit Union, all of which have opened for business. Phase I of Westlake Marketplace is completed and approximately 84% leased. Lowe's constructed a retail store within Westlake Marketplace; however, Lowe's declined to open the store upon completion. Fidelis is in the process of designing and constructing a 340-unit multi-family development on the tract.

Fidelis, the parent company of Lake Houston Beltway Associates, LLC, is a commercial real estate owner, developer and manager with a portfolio of over nine million square feet in approximately nine cities and approximately three states.

Licata Stone Creek LLC

Licata has developed an approximate 32,025 square foot retail and restaurant center on approximately 4.19 acres located on the south side of West Lake Houston Parkway across from the Fidelis tract. The project is approximately 84% leased.

THE OTHER LANDOWNERS

Other landowners in the District include Stolt-Nielsen USA Inc. ("Stolt"), which purchased an approximate 6-acre tract in the District with future plans to develop a new office for their company. Stolt is a global provider of integrated transportation solutions for bulk liquid chemicals, edible oils, acids and other specialty liquids. The company is publicly traded on the Oslo and Frankfurt exchange and employs more than 5,000 staff in approximately 42 offices around the world.

San Jacinto owns approximately 56.9 acres within the district. Established in 1961, San Jacinto originally consisted of the areas of Channelview Independent School District, Deer Park Independent School District, Galena Park Independent School District, La Porte Independent School District and Pasadena Independent School District. The College now also serves Sheldon Independent School District, and portions of Clear Creek Independent School District and Humble Independent School District. San Jacinto headquarters are located in Pasadena, Texas. In November 2015, San Jacinto voters approved a $425,000,000 bond issue to renovate existing facilities and construct new facilities including the initial phase within Generation Park. The land and improvements attributed to San Jacinto are exempt from ad valorem taxation.

Lone Star owns approximately 8.29 acres within the District. Lone Star is a publicly funded, two-year community college system serving the northern portions of the greater area of the City. With more than 78,000 students in credit classes, and a total enrollment of more than 90,000, Lone Star is the largest institution of higher education in the City and surrounding area. The headquarters of the Lone Star are located in The Woodlands, an unincorporated area of Montgomery County, Texas. Lone Star has completed construction of an approximate 50,000 square foot advanced technology center focused on training the downstream energy workforce. The land and improvements attributed to Lone Star are exempt from ad valorem taxation.

In July 2017, Lockwood BP1, LLC acquired an approximate 10.535-acre parcel, being the initial phase of an approximate 25-acre industrial business park on Lockwood Drive. Construction on the approximate 148,500 square foot industrial office warehouse, which is a build-to-suit for GHX Industrial, LLC, is complete and fully occupied.

In February 2019, Lockwood BP2, LLC purchased an approximate 9.026-acre parcel, being the second phase of the aforementioned industrial park. Construction of the building was completed in December 2019. The building is approximately 80% leased.

250 Assay Street, LLC acquired an approximate 0.87-acre tract in 2016 and commenced construction of an approximate 86,523 square foot Net Rentable Area Class-A, 5-story office building with ground floor retail space within Redemption Square. The building is approximately 84% leased with the first tenants having taken occupancy on September 1, 2017.

In 2018, 255 Assay Street, LLC started construction on a 251-unit luxury apartment complex. It was completed in December 2019 and is approximately 43% leased with approximately 18,000 square feet of retail space on the ground floor, which is approximately 32% leased.

In November 2018, IKEA Property Inc. purchased an approximate 163.7-acre parcel of land along West Lake Houston Parkway for the design and construction of a regional distribution/fulfillment center. Construction of the improvements is expected to start in 2021.

In August 2019, Service Wire Company purchased an approximate 22.48-acre parcel along West Lake Houston Parkway for a manufacturing/distribution center. In December 2019, Service Wire Company purchased an additional approximate 5-acre parcel abutting the previously acquired site. Construction of the project is anticipated to start before the end of 2020.

In September 2019, GP Industrial JV, LLC, an affiliate of Lincoln Property Company, purchased an approximate 37.07-acre parcel along West Lake Houston Parkway for the design and construction of an approximate 650,000 square foot industrial distribution building. Construction of the project is anticipated to be complete by the end of 2020.

THE ROAD SYSTEM

The road system serves the District by providing access within Generation Park and the surrounding area. The major thoroughfares and collector streets serving the District include Lockwood Road, West Lake Houston Parkway, Generation Parkway and Subsea Lane. All roads provide access to Beltway 8/Sam Houston Tollway. The District will finance, design and construct the road system in phases as development progresses. The major thoroughfares and collectors and a portion of the local streets will be owned, operated and maintained by the County as the component portions are completed and accepted by the County. A portion of the existing road system consists of local streets that will not only be financed and constructed by the District, but also owned and maintained by the District. These roads include Redemption Square Road, North Redemption Square Road and Assay Street.

THE PARK SYSTEM

The park system for the District includes West Lake Park, the Redemption Square Linear Park and plaza, and landscaped streets with pedestrian and bike trails. West Lake Park is an approximate 20-acre park comprised of an approximate 17-acre lake surrounded by a heavily landscaped pedestrian trail, approximately 3/4 miles in length, a performance lawn, and activity area. The lake is accented by a pedestrian bridge connecting one side to the other as well as a boardwalk pier viewing area of the cascading fountain on the opposite side of the lake. The major collector streets are lined with trees shading the pedestrian trails allowing connectivity away from the automotive traffic. The Linear Park and urban plaza is being designed as part of Redemption Square to facilitate public activity and gathering as well as landscaping within the highly urbanized mixed-use portion of the development. Additional public spaces within the District include pedestrian and bike trails connecting the multiple areas within the development.

THE WATER, SEWER AND DRAINAGE SYSTEM

Regulation

According to the Engineer, the water distribution and wastewater collection lines constructed by the District (the "Water, Sewer and Drainage System") have been designed in accordance with accepted engineering practices and the requirements of all governmental agencies having regulatory or supervisory jurisdiction over the construction and operation of such facilities including, among others, the TCEQ, the City, and the County. According to the District's Engineer, the design of all such completed facilities has been approved by all required governmental agencies and inspected by the TCEQ.

Operation of the District's waterworks and sewer treatment facilities is subject to regulation by, among others, the Environmental Protection Agency and the TCEQ.

The District lies in Zone 2 and Zone 3 of the Harris-Galveston Subsidence District (the "Subsidence District"). The District currently receives its water supply from the City. On October 15, 2015, the District entered into a Groundwater Reduction Plan Participation Agreement with the City. This agreement allows the District to pump up to 1.2 billion gallons of ground water annually from the existing and future water wells.

Water Supply

Water supply for the District is provided by the District's water plant located within the District. The plant stores and distributes (i) treated surface water provided by the City pursuant to the "Treated Surface Water Supply Contract Between the City of Houston, Texas, and Marhaba Partners Limited Partnership on Behalf of the Proposed Harris County Municipal Utility District No. 402," dated June 2, 2005, which has been assigned to the District, and (ii) treated ground water supplied by the District's remote water well in accordance with District's Groundwater Reduction Plan Participation Agreement with the City. The surface water supply agreement was amended effective September 28, 2015 to allow for an increase in the delivery limits to 435,000 gallons per day. Pursuant to the "Agreement for Joint Financing, Construction and Maintenance of Water Trunkline" dated May 9, 2006, MUD 402, along with Harris County MUD No. 403 ("MUD 403") and Harris County MUD No. 148 ("MUD 148") have constructed a 24-inch water transmission line along Lockwood Drive which connects to an existing City owned 84-inch water transmission line along the Sam Houston Tollway. The shared 24-inch water transmission line delivers wholesale treated water to the District as well as continuing south along Lockwood Drive into MUD 403 and MUD 148. Ground water is conveyed to the water plant from the 2200 gpm remote water well through a 12-inch water line.

The District's water plant consists of two (2) 20,000 gallon pressure tanks, a 429,000 gallon bolted steel ground storage tank, a 1,095,000 gallon concrete ground storage tank, and four booster pumps with a total capacity of 4,000 gpm. The District's water plant is capable of serving 2,500 equivalent single family connections ("ESFCs"). This is sufficient to serve the existing 988 ESFCs within the District.

Wastewater Treatment

Wastewater treatment for the District is provided by a 375,000 gallon per day interim wastewater treatment plant leased by the District. The plant currently has an ultimate permitted capacity of 2.8 MGD. The District's wastewater capacity is capable of serving 1,250 ESFCs, which is sufficient to serve the existing development within the District.

Drainage

Drainage is conveyed from the District through HCFCD channels P127-00 and P127-03 to Greens Bayou. On October 13, 2020, Harris County Commissioners Court approved an Interlocal Agreement among the County, HCFCD and the District whereby the County and HCFCD will transfer ownership and maintenance responsibility to the District for the portion of those channels located in the District. A drainage report was prepared for the areas of the District located West of Beltway 8. This report was updated in June of 2015, and the County HCFCD issued a letter of no objection on the updated report on July 28, 2015. Currently, none of the property within the District lies within the 100-year flood plain.

HCFCD and the Federal Emergency Management Agency are partnering on a flood hazard assessment project, called the Harris County Modeling, Assessment and Awareness Project (MAPPnext), which will utilize National Oceanic and Atmospheric (NOAA) Atlas 14 rainfall data, along with updated methodologies and technologies, to produce new flood hazard maps, anticipated to be complete in 2023.

The Engineer is currently working on an update to the approved drainage study that incorporates NOAA Atlas 14 rainfall data and new requirements adopted by the Harris County Commissioners Court in July 2019.

General Fund Operating Statement

The following statement sets forth in condensed form the historical results of operation of the Water, Sewer and Drainage System. Such summary has been prepared by the Financial Advisor for inclusion herein, based upon information obtained from the District's audited financial statements. Reference is made to such statement for further and more complete information. See "APPENDIX A."

	Fiscal Year Ended April 30				
	2020	2019	2018	2017	2016
REVENUES					
Property taxes	$ 6,570,999	$ 7,917,074	$ 6,203,883	$ 1,922,321	$ 762,770
Sales and use tax rebates	2,122,493	2,160,309	1,755,393	902,720	–
Water service	678,260	659,359	593,174	532,887	302,332
Sewer service	292,261	320,427	242,317	182,235	113,511
Parking service	187,269	106,238	40,777	–	–
Penalties and interest	35,033	34,870	17,321	33,632	15,676
Tap connection and inspection	112,700	866,400	224,488	219,266	650,973
Investment income	193,933	162,866	45,245	7,755	967
TOTAL REVENUES	$ 10,192,948	$ 12,227,543	$ 9,122,598	$ 3,800,816	$ 1,846,229
EXPENDITURES					
Purchased services	$ 1,007,691	$ 1,003,643	$ 912,011	$ 546,704	$ 220,706
Professional fees	758,444	827,358	815,038	837,603	737,242
Contracted services	658,208	650,127	293,626	79,173	98,670
Utilities	87,391	75,837	54,230	35,673	26,893
Repairs and maintenance	1,064,533	1,296,572	872,504	359,838	213,621
Other expenditures	280,107	260,538	299,679	189,390	148,497
Tap connections	90,500	285,711	153,400	183,400	268,696
Capital outlay	3,108,189	2,257,621	1,127,585	87,155	1,159,733
TOTAL EXPENDITURES	$ 7,055,063	$ 6,657,407	$ 4,528,073	$ 2,318,936	$ 2,874,058
Excess revenues (expenditures)	$ 3,137,885	$ 5,570,136	$ 4,594,525	$ 1,481,880	$ (1,027,829)
Developer advances received (repaid)	$ –	$ (169,300)	$ –	$ –	$ 718,839
Other income	–	–	–	–	–
Insurance proceeds	–	13,574	13,086	–	–
Interfund transfers	(1,880,513)	(926,624)	48,666	–	(36,099)
Other sources (uses)	$ (1,880,513)	$ (1,082,350)	$ 61,752	$ –	$ 682,740
Balance, beginning of period	$ 11,083,327	$ 6,595,541	$ 1,939,264	$ 457,384	$ 802,473
Balance, end of period	$ 12,340,699	$ 11,083,327	$ 6,595,541	$ 1,939,264	$ 457,384

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DISTRICT DEBT

General

2020 Certified Assessed Valuation See "TAX DATA" and "TAXING PROCEDURES."	$ 852,660,017	(a)
Estimate of Assessed Valuation as of September 1, 2020 See "TAX DATA" and "TAXING PROCEDURES."	$ 892,296,723	(b)
Direct Debt:		
The Outstanding Bonds (as of November 1, 2020)	$ 68,070,000	
The Bonds	7,985,000	
Total	$ 76,055,000	
Estimated Overlapping Debt	$ 73,022,891	(c)
Total Direct and Estimated Overlapping Debt	$ 149,077,891	
Debt Service Fund Balance (as of September 30, 2020)	$ 2,859,176	(d)
Operating Fund Balance (as of September 30, 2020)	$ 6,926,652	
Capital Projects Fund Balance (as of September 30, 2020)	$ 4,069,379	(e)
Average Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2021-2045)	$ 4,379,094	(f)
Maximum Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2040)	$ 5,016,815	(f)
Direct Debt Ratios as a Percentage of:		
The 2020 Certified Assessed Valuation ($852,660,017)	8.92 %	
The Estimate of Assessed Valuation as of September 1, 2020 ($892,296,723)	8.52 %	
Ratio of Direct and Estimated Overlapping Debt as a Percentage of:		
The 2020 Certified Assessed Valuation ($852,660,017)	17.48 %	
The Estimate of Assessed Valuation as of September 1, 2020 ($892,296,723)	16.71 %	

(a) Represents the assessed valuation of all taxable property within the District as of January 1, 2020, as provided by the Appraisal District (herein defined). Such amount includes $43,700,882 of assessed valuation assigned to properties that remain under review by the Appraisal Review Board (herein defined). Such amount represents the estimated minimum amount of assessed valuation that will ultimately be approved by the Appraisal Review Board, upon which the District will levy its tax.

(b) Provided by Appraisal District for informational purposes only. This amount is an estimate of the assessed valuation of all taxable property within the District as of September 1, 2020, and includes an estimate of assessed valuation resulting from the construction of taxable improvements from January 1, 2020, through September 1, 2020. No taxes will be levied against such amount.

(c) See "DISTRICT DEBT – Estimated Overlapping Debt."

(d) Balance gives effect to payment of all debt service due on the Outstanding Bonds in 2020: approximately $2,097,639 is allocated to pay debt service on WSD&R Bonds and approximately $761,538 is allocated to pay debt service on Road Bonds. Neither the Bond Order nor Texas law requires that the District maintain any particular balance in such fund. Although all of the District's debt, including the Outstanding Bonds and the Bonds, is payable from an unlimited tax pledge, portions of the District's ad valorem tax revenue will be allocated on a pro rata basis between debt service on WSD&R Bonds and Road Bonds, and deposited into separate sub-accounts within the District's debt service fund. Such balance does not reflect funds held for the purpose of paying debt service on the District's outstanding sales tax revenue bonds. See "THE BONDS – Funds."

(e) Represents surplus construction funds, and interest thereon, derived from the Outstanding Bonds. The Bonds, if, as and when issued, may produce additional surplus funds. Surplus funds for construction may be expended for any lawful purpose for which surplus funds may be used, limited, however, to the purpose for which the issue of the Outstanding Bonds which produced the surplus funds were issued. Under certain circumstances, the approval of the TCEQ is required for the use of surplus funds derived from WSD&R Bonds. Of such amount, approximately $1,391,086 may be used to finance water, wastewater and storm drainage facilities with the approval of the TCEQ and approximately $2,678,292 may be used to finance road facilities.

(f) See "DISTRICT DEBT – Debt Service Requirements."

Estimated Overlapping Debt

The following table indicates the indebtedness, defined as outstanding bonds payable from ad valorem taxes, of governmental entities overlapping the District and the estimated percentages and amounts of such indebtedness attributable to property within the District. This information is based upon data secured from the individual jurisdictions and/or the Texas Municipal Reports prepared by the Municipal Advisory Council of Texas. Such figures do not indicate the tax burden levied by the applicable taxing jurisdictions for operation and maintenance or for other purposes.

Taxing Jurisdiction	Debt as of September 30, 2020	Percent Overlapping	Overlapping Amount
Harris County	$ 1,867,957,125	0.16%	$ 2,988,731
Harris County Department of Education	6,320,000	0.16%	10,112
Harris County Flood Control District	334,270,000	0.16%	534,832
Harris County Toll Road Authority (a)	191,020,000	–	–
Port of Houston Authority	514,174,397	0.16%	822,679
Harris County Hospital District	86,050,000	0.16%	137,680
Sheldon Independent School District	391,829,996	13.11%	51,368,913
Humble Independent School District	938,535,000	1.10%	10,323,885
Lone Star College System	542,290,000	0.10%	542,290
San Jacinto Community College District	480,440,414	1.31%	6,293,769
Total Estimated Overlapping Debt			$ 73,022,891
The District (b)			$ 76,055,000
Total Direct & Estimated Overlapping (b)			$ 149,077,891

(a) Debt is considered self-supported.
(b) Includes the Bonds.

Debt Ratios

	2020 Certified Assessed Valuation	Estimate of Assessed Valuation as of September 1, 2020
Direct Debt (a)	8.92%	8.52%
Total Direct and Estimated Overlapping Debt (a)	17.48%	16.71%

(a) Includes the Bonds.

Debt Service Requirements

The following schedules set forth the current total debt service requirements of the District, plus the principal and interest requirements on the Bonds. Totals may not sum due to rounding.

Year	Outstanding	The Bonds		Total
Ending	Debt (a)	Principal	Interest	Debt Service
2021	$ 3,977,545	$ –	$ 154,036	$ 4,131,581
2022	4,468,630	240,000	205,381	4,914,011
2023	4,468,675	240,000	194,581	4,903,256
2024	4,460,703	255,000	183,781	4,899,484
2025	4,463,900	255,000	172,306	4,891,206
2026	4,457,963	265,000	160,831	4,883,794
2027	4,466,141	270,000	148,906	4,885,048
2028	4,469,254	280,000	140,131	4,889,385
2029	4,472,848	285,000	134,531	4,892,379
2030	4,472,373	295,000	128,831	4,896,204
2031	4,476,335	305,000	122,931	4,904,266
2032	4,474,948	320,000	116,831	4,911,779
2033	4,472,320	330,000	110,431	4,912,751
2034	4,473,989	345,000	103,831	4,922,820
2035	4,475,223	355,000	96,931	4,927,154
2036	4,487,660	370,000	89,831	4,947,491
2037	4,500,798	385,000	82,431	4,968,229
2038	4,512,985	400,000	74,250	4,987,235
2039	4,526,265	410,000	65,750	5,002,015
2040	4,530,290	430,000	56,525	5,016,815
2041	3,308,685	460,000	46,313	3,814,998
2042	2,191,500	480,000	35,388	2,706,888
2043	1,509,700	495,000	23,988	2,028,688
2044	1,523,000	515,000	12,231	2,050,231
2045	1,189,650	–	–	1,189,650
Total	$ 98,831,376	$ 7,985,000	$ 2,660,980	$ 109,477,356

(a) Outstanding debt as of November 1, 2020.

Average Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2021-2045)	$	4,379,094
Maximum Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2040)	$	5,016,815

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INVESTMENT CONSIDERATIONS

General

The Bonds are obligations of the District and are not obligations of Texas; the County; the City; or any political subdivision or entity other than the District. The Bonds are secured by an annual ad valorem tax, without legal limitation as to rate or amount, on all taxable property located within the District. See "THE BONDS – Source of Payment." The ultimate security for payment of the principal of and interest on the Bonds depends upon the ability of the District to collect from the property owners within the District taxes levied against all taxable property located within the District or, in the event taxes are not collected and foreclosure proceedings are instituted by the District, upon the value of the taxable property with respect to taxes levied by the District and by other taxing authorities. The District makes no representations that over the life of the Bonds the property within the District will maintain a value sufficient to justify continued payment of taxes by the property owners. The potential increase in taxable valuation of District property is directly related to the economics of the industrial and commercial industries, not only due to general economic conditions, but also due to the particular factors discussed below.

Factors Affecting Taxable Values and Tax Payments

Economic Factors: The rate of development within the District is directly related to the vitality of the commercial and industrial development industry in the City's metropolitan area. New construction can be significantly affected by factors such as interest rates, construction costs, and consumer demand. New construction can also be affected by energy availability and costs, including the price of oil and gasoline prices. Declines in the price of oil could adversely affect demand for commercial and industrial development. Decreased levels of such construction activity would restrict the growth of property values in the District. The District cannot predict the pace or magnitude of any future development in the District. See "THE DISTRICT – Status of Development."

Location and Access: The District is located in an outlying area of the City's metropolitan area, approximately 14 miles northeast from the central business district of the City. As a result, particularly during times of increased competition, the developers within the District may be at a competitive disadvantage to the developers in other projects located closer to major urban centers or in a more developed state. See "THE DISTRICT – Status of Development."

Principal Landowners' Obligations to the District: The District's tax base is concentrated in a small number of taxpayers. As reflected in this Official Statement under the caption "TAX DATA – Principal Taxpayers," the District's ten principal taxpayers owned approximately 84.97% of the 2020 certified assessed valuation of all taxable property, including personal property, located within the District. The District cannot represent that its tax base will in the future be (i) distributed among a significantly larger number of taxpayers, or (ii) less concentrated in property owned by a relatively small number of property owners, than it is currently. FMC, the District's top taxpayer, owns approximately 42.77% of the 2020 certified assessed valuation of all taxable property, including personal property, located within the District. Failure by FMC or one or more of the District's principal property owners to make full and timely payments of taxes due may have an adverse effect on the investment quality or security of the Bonds. If any one or more of the principal District taxpayers did not pay taxes due, the District might need to levy additional taxes or use other debt service funds available to meets its debt service requirements. Further, if FMC were to vacate its facilities, there may be a limited market for such facilities and the assessed value thereof may decrease as a result.

The District can make no representation that the taxable property values in the District will increase in the future or will maintain a value sufficient to support the proposed District tax rate or to justify continued payment of taxes by property owners. For the 2020 tax year, the District levied a maintenance tax of $0.74 per $100 of assessed valuation; a water, sewer, drainage and recreational facility debt service tax rate of $0.39 per $100 of assessed valuation; and a road debt service tax of $0.20 per $100 assessed valuation. See "TAX DATA – Principal Taxpayers" and "TAX DATA – Tax Rate Distribution."

Dependence on Personal Property Tax Collections: Approximately 50.32% ($407,059,858) of the 2020 certified assessed valuation of all taxable property located within the District is personal property. Most other special purpose districts Texas are not dependent to such an extent on taxes levied on personal property, and collection of personal property taxes is less reliable than collection of taxes on real property. See "TAX DATA – Tax Roll Information" and "TAXING PROCEDURES – Property Subject to Taxation by the District."

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

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

The statute of limitations for collection of personal property taxes is four years from the date of delinquency, which is shorter than the 20-year statute of limitations for real property. Personal property may not be seized, and a suit may not be filed to collect delinquent personal property taxes if the tax has been delinquent for more than four years. A tax and any penalty and interest on the tax that is delinquent longer than the limitation period is presumed paid unless a suit to collect such personal property tax is pending. As with real property taxes, ad valorem taxes levied on personal property are the personal obligation of the taxpayer. See "TAXING PROCEDURES."

Heretofore, the District has been successful in collecting its ad valorem tax levies, including ad valorem taxes levied on personal property located in the District. However, no representation can be made by the District regarding future tax collections. See "TAX DATA – Historical Tax Collections."

Developers' Obligations to the District: There is no commitment by or legal requirement of MDI or the Other Developers or any other landowner to the District to proceed at any particular rate or according to any specified plan with the development of land in the District, or of any owner of commercial property to proceed at any particular pace with the construction of homes or commercial improvements in the District. Moreover, there is no restriction on any landowner's right to sell its land. Therefore, the District can make no representation about the probability of future development, if any, in the District. Failure to construct taxable improvements would restrict the rate of growth of taxable values in the District and result in higher tax rates. See "THE DISTRICT – Status of Development," "THE PRINCIPAL DEVELOPER AND LANDOWNER" and "THE OTHER DEVELOPERS."

Maximum Impact on District Tax Rate: Assuming no further development or construction of taxable improvements, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of property owners within the District to pay their taxes. The 2020 certified assessed valuation of taxable property located within the District is $852,660,017 and the estimate of assessed valuation as of September 1, 2020, of all taxable property located within the District is $892,296,723 (see "TAX DATA"). After issuance of the Bonds, the maximum annual debt service requirement for the Outstanding Bonds and the Bonds will be $5,016,815 (2040) and the average annual debt service requirement for the Outstanding Bonds and the Bonds will be $4,379,094 (2021-2045). Based on the 2020 certified assessed valuation of all taxable property located within the District and no use of funds on hand, a tax rate of $0.62 per $100 of assessed valuation at a 95% collection rate would be necessary to pay the maximum annual debt service requirement on the Outstanding Bonds and the Bonds of $5,016,815 (2040) and a tax rate of $0.55 per $100 of assessed valuation at a 95% collection rate would be necessary to pay the average annual debt service requirement on the Outstanding Bonds and the Bonds of $4,379,094 (2021-2045). Based on the estimate of assessed valuation as of September 1, 2020, of all taxable property located within the District and no use of funds on hand, a tax rate of $0.60 per $100 of assessed valuation at a 95% collection rate would be necessary to pay the maximum annual debt service requirement on the Outstanding Bonds and the Bonds of $5,016,815 (2040) and a tax rate of $0.52 per $100 of assessed valuation at a 95% collection rate would be necessary to pay the average annual debt service requirement on the Outstanding Bonds and the Bonds of $4,379,094 (2021-2045). See "DISTRICT DEBT – Debt Service Requirements" and "TAX DATA – Tax Rate Calculations."

The District can make no representation that the taxable property values in the District will increase in the future or will maintain a value sufficient to support the proposed District tax rate or to justify continued payment of taxes by property owners.

Increases in the District's tax rate to rates substantially higher than the levels discussed above may have an adverse impact upon future development of the District, the sale and construction of property within the

District, and the ability of the District to collect, and the willingness of owners of property located within the District to pay ad valorem taxes levied by the District.

Tropical Weather Events; Hurricane Harvey

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

The City and surrounding area, including the District, has experienced four storms exceeding a 0.2% probability (i.e. "500-year flood" events) since 2015, one of which was Hurricane Harvey, which struck the City and surrounding area on August 27, 2017, resulting in historic levels of rainfall. However, according to the District's Operator and Engineer, the Water, Sewer and Drainage System did not sustain any material damage and there was no interruption of water and sewer service. Further, according to the District's Engineer, after investigation, although the District experienced street flooding, there was no apparent material wind or water damage to structures within the District.

If a hurricane (or any other natural disaster) significantly damaged all or part of the improvements within the District, the assessed value of property within the District could be substantially reduced, which could result in a decrease in tax revenues and/or necessitate an increase in the District's tax rate. Further, there can be no assurance that a casualty loss to taxable property within the District will be covered by insurance (or that property owners will even carry flood or other casualty insurance), that any insurance company will fulfill its obligation to provide insurance proceeds, or that insurance proceeds will be used to rebuild or repair any damaged improvements within the District. Even if insurance proceeds are available and improvements are rebuilt, there could be a lengthy period in which assessed values within the District would be adversely affected and, therefore, the District's ability to pay its obligations, including the Bonds, could be adversely impacted.

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

Reappraisal of Property

On November 5, 2019, a Texas Constitutional amendment, effective January 1, 2020, passed and the prior process that gave local taxing jurisdictions the option to request a reappraisal following a disaster was repealed and replaced with an exemption for qualified property that is in a Governor-declared disaster area and at least 15% damaged. Qualified property includes tangible personal property, improvements to real property, and manufactured homes. Eligible individuals must apply within a specified time frame and, if the disaster occurs after taxes are levied, the taxing unit must take action to authorize the exemption. The amount of the exemption is determined by the percentage level of damage and is prorated based on the date of the disaster. The applicable appraisal district must perform a damage assessment and assign a percentage rating to determine the amount of the exemption. Any exemption granted under the new provisions expires the first year the property is reappraised

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 taxing authorities on the property against which taxes are levied, and such lien may be enforced by foreclosure. The District’s ability to collect ad valorem taxes through such foreclosure may be impaired by (a) cumbersome, time consuming and expensive collection procedures, (b) a bankruptcy court’s stay of tax collection procedure against a taxpayer, or (c) market conditions limiting the proceeds from a foreclosure sale of taxable property. While the District has a lien on taxable property within the District for taxes levied against such property, such lien can be foreclosed only in a judicial proceeding. Attorney’s fees and other costs of collecting any such taxpayer’s delinquencies could substantially reduce the net proceeds to the District from a tax foreclosure sale. Finally, a bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the District pursuant to the Federal Bankruptcy Code could stay any attempt by the District to collect delinquent ad valorem taxes against such taxpayer. In addition to the automatic stay against collection of delinquent taxes afforded a taxpayer during the pendency of a bankruptcy, a bankruptcy could affect payment of taxes in two other ways: first, a debtor’s confirmation plan may allow a debtor to make installment payments on delinquent taxes for up to six years; and, second, a debtor may challenge, and a bankruptcy court may reduce, the amount of any taxes assessed against the debtor, including taxes that have already been paid.

Registered Owners' Remedies

If the District defaults in the payment of principal, interest, or redemption price on the Bonds when due, or if it fails to make payments into any fund or funds created in the Bond Order, or defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Bond Order, the Registered Owners have the right to seek of a writ of mandamus issued by a court of competent jurisdiction requiring the District and its officials to observe and perform the covenants, obligations, or conditions prescribed in the Bond Order. Except for mandamus, the Bond Order does not specifically provide for remedies to protect and enforce the interests of the Registered Owners. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Further, there is no trust indenture or trustee, and all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the Registered Owners.

Statutory language authorizing local governments such as the District to sue and be sued does not waive the local government's sovereign immunity from suits for money damages, so that in the absence of other waivers of such immunity by Texas Legislature, a default by the District in its covenants in the Bond Order may not be reduced to a judgment for money damages. If such a judgment against the District were 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. The enforceability of the rights and remedies of the Registered Owners may further be limited by Texas statute reasonably required to attain an important public purpose or by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions, such as the District.

Bankruptcy Limitation to Registered Owners' Rights

The enforceability of the rights and remedies of 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. Texas law requires a district, such as the District, to obtain the approval of the TCEQ as a condition to seeking relief under the Federal Bankruptcy Code.

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

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

The District may not be placed into bankruptcy involuntarily.

Future Debt

Following the issuance of the Bonds, the District will have the following total amounts remaining authorized but unissued: $828,835,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing water, sanitary sewer and drainage facilities and $215,000,000 principal amount of unlimited tax bonds for the purposed of refunding such bonds; $158,850,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing recreational facilities and $48,000,000 principal amount of unlimited tax bonds for the purposed of refunding such bonds; $1,483,383,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing road facilities and $431,000,000 principal amount of unlimited tax bonds for the purposed of refunding such bonds; $611,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing electrical conduit facilities and $183,000,000 principal amount of unlimited tax bonds for the purposed of refunding such bonds; $24,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing rail facilities and $7,200,000 principal amount of unlimited tax bonds for the purposed of refunding such bonds; $2,219,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing parking facilities and $665,000,000 principal amount of unlimited tax bonds for the purposed of refunding such bonds; $57,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing public transit facilities and $17,000,000 principal amount of unlimited tax bonds for the purposed of refunding such bonds; and $51,000,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing facilities for an economic development program and $15,000,000 principal amount of unlimited tax bonds for the purposed of refunding such bonds, and could authorize additional amounts (see "THE BONDS – Issuance of Additional Debt").

Additional bonds may hereafter be approved by the voters of the District. If additional bonds are issued in the future and property values have not increased proportionately, such issuance may increase gross debt to property valuation ratios and thereby adversely affect the investment quality or security of the Bonds. After the issuance of the Bonds, the District will owe MDI and the Other Developers approximately $22,990,000 for construction of facilities on behalf of the District. Additional bonds will be necessary to finance the ultimate development of the remaining lands within the District.

Future and Proposed Legislation

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The disclosures and opinions expressed herein are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and no opinion is expressed as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Collection of Taxes

The District's ability to pay debt service on the Bonds may be adversely affected by its ability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien on the property in favor of the District on a parity with the lien of all other authorities. Such lien can be foreclosed in judicial proceedings. The District's ability to collect ad valorem taxes through such foreclosure may be impaired by (a) collection procedures, (b) a bankruptcy court's stay of a tax collection procedure against a taxpayer or (c) market conditions limiting the proceeds from a foreclosure sale of taxable property including the taxpayer's right to redeem property for a specified period of time after foreclosure at the foreclosure sale price. See "TAXING PROCEDURES – Levy and Collection of Taxes."

Marketability of the Bonds

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 may be greater than the difference between the bid and asked price of bonds of comparable maturity and quality issued by more traditional issuers, since such bonds are more generally bought, sold and traded in the secondary market.

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:

Certain governmental entities regulate groundwater usage in the HGB Area. A municipal utility district or other type of special purpose district that (i) is located within the boundaries of such an entity that regulates groundwater usage, and (ii) relies on local groundwater as a source of water supply, may be subject to requirements and restrictions on the drilling of water wells and/or the production of groundwater that could affect both the engineering and economic feasibility of district water supply projects.

Pursuant to the federal Safe Drinking Water Act ("SDWA") and the EPA's National Primary Drinking Water Regulations ("NPDWRs"), which are implemented by the TCEQ's Water Supply Division, a municipal utility district's provision of water for human consumption is subject to extensive regulation as a public water system. Municipal utility districts must generally provide treated water that meets the primary and secondary drinking water quality standards adopted by the TCEQ, the applicable disinfectant residual and inactivation standards, and the other regulatory action levels established under the agency's rules. The EPA has established NPDWRs for more than ninety (90) contaminants and has identified and listed other contaminants which may require national drinking water regulation in the future.

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), with an effective date of March 5, 2018, which is a general permit authorizing the discharge of stormwater runoff associated with small and large construction sites and certain nonstormwater discharges into surface water in the state. It has a 5-year permit term, and is then subject to renewal. Moreover, the Clean Water Act ("CWA") and Texas Water Code require municipal wastewater treatment plants to meet secondary treatment effluent limitations and more stringent water quality-based limitations and requirements to comply with the Texas water quality standards. Any water quality-based limitations and requirements with which a municipal utility district must comply may have an impact on the municipal utility district's ability to obtain and maintain compliance with TPDES permits.

The TCEQ issued the General Permit for Phase II (Small) Municipal Separate Storm Sewer Systems (the "MS4 Permit") on January 24, 2019. The MS4 Permit authorizes the discharge of stormwater to surface water in the state from small municipal separate storm sewer systems. While the District is currently not subject to the MS4 Permit, if the District's inclusion were required at a future date, the District could incur substantial costs to develop, implement, and maintain the necessary plans as well as to install or implement best management practices to minimize or eliminate unauthorized pollutants that may otherwise be found in stormwater runoff in order to comply with the MS4 Permit.

In 2015, the EPA and USACE promulgated a rule known as the Clean Water Rule ("CWR") aimed at redefining "waters of the United States" over which the EPA and USACE have jurisdiction under the CWA. The CWR significantly expanded the scope of the federal government's CWA jurisdiction over intrastate water bodies and wetlands. The CWR was challenged in numerous jurisdictions, including the Southern District of Texas, causing significant uncertainty regarding the ultimate scope of "waters of the United States" and the extent of EPA and USACE jurisdiction.

On September 12, 2019, the EPA and USACE finalized a rule repealing the CWR, thus reinstating the regulatory text that existed prior to the adoption of the CWR. This repeal officially became final on December 23, 2019, but the repeal has itself become the subject of litigation in multiple jurisdictions.

On January 23, 2020, the EPA and USACE released the Navigable Waters Protection Rule ("NWPR"), which contains a new definition of "waters of the United States." The stated purpose of the NWPR is to restore and maintain the integrity of the nation's waters by maintaining federal authority over the waters Congress has determined should be regulated by the federal government, while preserving the states' primary authority over land and water resources. The new definition outlines four categories of waters that are considered "waters of the United States," and thus federally regulated under the CWA: (i) territorial seas and traditional navigable waters; (ii) perennial and intermittent tributaries to territorial seas and traditional navigable waters; (iii) certain lakes, ponds, and impoundments of jurisdictional waters; and (iv) wetlands adjacent to jurisdictional waters. The new rule also identifies certain specific categories that are not "waters of the United States," and therefore not federally regulated under the CWA: (a) groundwater; (b) ephemeral features that flow only in direct response to precipitation; (c) diffuse stormwater runoff and directional sheet flow over upland; (d) certain ditches; (e) prior converted cropland; (f) certain artificially irrigated areas; (g) certain artificial lakes and ponds; (h) certain water-filled depressions and certain pits; (i) certain stormwater control features; (j) certain groundwater recharge, water reuse, and wastewater recycling structures; and (k) waste treatment systems. The NWPR went into effect on June 20, 2020, and is the subject of ongoing litigation.

Due to existing and possible future litigation, there remains uncertainty regarding the ultimate scope of "waters of the United States" and the extent of EPA and USACE jurisdiction. Depending on the final outcome of such proceedings, operations of municipal utility districts, including the District, could potentially be subject to additional restrictions and requirements, including additional permitting requirements.

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 "LEGAL MATTERS – Tax Exemption."

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, however, does not pass upon or guarantee the safety of the Bonds as an investment or the adequacy or accuracy of the information contained in this Official Statement.

Infectious Disease Outlook (COVID-19)

The World Health Organization has declared a pandemic following the outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus (the "Pandemic"), which is currently affecting many parts of the world, including the United States and Texas. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States in connection with COVID-19. On March 13, 2020, the President of the United States (the "President") declared the Pandemic a national emergency and the Texas Governor (the "Governor") declared COVID-19 an imminent threat of disaster for all counties in Texas (collectively, the "disaster declarations"). On March 25, 2020, in response to a request from the Governor, the President issued a Major Disaster Declaration for Texas.

Pursuant to Chapter 418 of the Texas Government Code, the Governor has broad authority to respond to disasters, including suspending any regulatory statute prescribing the procedures for conducting state business or any order or rule of a state agency that would in any way prevent, hinder, or delay necessary action in coping with the disaster, and issuing executive orders that have the force and effect of law. The Governor has issued a series of executive orders relating to COVID-19 preparedness and mitigation. Additional information regarding executive orders issued by the Governor is accessible on the website of the Governor at https://gov.texas.gov/. Neither the information on (nor accessed through) such website of the Governor is incorporated by reference, either expressly or by implication, into this Official Statement.

Since the disaster declarations were made, the Pandemic has negatively affected travel, commerce, and financial markets locally and globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide and within Texas. Stock values and crude oil prices, in the U.S. and globally, have seen significant declines attributed to COVID-19 concerns. Texas may be particularly at risk from any global slowdown, given the prevalence of international trade in the state and the risk of contraction in the oil and gas industry and spillover effects into other industries.

Such adverse economic conditions, if they continue, could result in declines in the demand for residential and commercial property in the City area and could reduce or negatively affect property values within the District. The Bonds are secured by an unlimited ad valorem tax, and a reduction in property values may require an increase in the ad valorem tax rate required to pay the Bonds as well as the District's share of operations and maintenance expenses payable from ad valorem taxes.

While the potential impact of the Pandemic on the District cannot be quantified at this time, the continued outbreak of COVID-19 could have an adverse effect on the District's operations and financial condition. The financial and operating data contained herein are the latest available but are as of dates and for periods prior to the economic impact of the Pandemic and measures instituted to slow it. Accordingly, they are not indicative of the economic impact of the Pandemic on the District's financial condition.

Potential Effects of Oil Price Declines on the City Area

The recent declines in oil prices in the U.S. and globally, which at times have led to the lowest such prices in three decades, may lead to adverse conditions in the oil and gas industry, including but not limited to reduced revenues, declines in capital and operating expenditures, business failures, and layoffs of workers. The economy of the City area has, in the past, been particularly affected by adverse conditions in the oil and gas industry, and such conditions and their spillover effects into other industries could result in declines in the demand for residential and commercial property in the City area and could reduce or negatively affect property values within the District. As previously stated, the Bonds are secured by an unlimited ad valorem tax, and a reduction in property values may require an increase in the ad valorem tax rate required to pay the Bonds as well as the District's share of operations and maintenance expenses payable from ad valorem taxes.

Bond Insurance Risk Factors

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

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

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

The long-term ratings on the Bonds are dependent in part on the financial strength of the bond insurer and its claim paying ability. The bond insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the bond insurer and of the ratings on the Bonds insured by the bond insurer will not be subject to downgrade and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds. See "RATINGS."

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

Neither the District or Initial Purchaser has made independent investigation into the claims paying ability of the bond insurer and no assurance or representation regarding the financial strength or projected financial strength of the bond insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal and interest on the Bonds and the claims paying ability of the bond insurer, particularly over the life of the investment. See "MUNICIPAL BOND INSURANCE" for further information provided by the bond insurer and the Policy, which includes further instructions for obtaining current financial information concerning the bond insurer.

TAXING PROCEDURES

Property Tax Code and County-Wide Appraisal District

The Texas Tax Code (the "Property Tax Code") requires, among other matters, county-wide appraisal and equalization of taxable property values and establishes in each county of Texas a single appraisal district with the responsibility for recording and appraising property for all taxing units within a county and a single appraisal review board with the responsibility for reviewing and equalizing the values established by the appraisal district. The Harris County Appraisal District (the "Appraisal District") has the responsibility for appraising property for all taxing units wholly within the County, including the District. Such appraisal values are subject to review and change by the Harris County Appraisal Review Board (the "Appraisal Review Board"). Under certain circumstances, taxpayers and taxing units (such as the District) may appeal the orders of the Appraisal Review Board by filing a 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. Absent any such appeal, the appraisal roll, as prepared by the Appraisal District and approved by the Appraisal Review Board, must be used by each taxing jurisdiction in establishing its tax roll and tax rate. The District is eligible, along with all other conservation and reclamation districts within the County, to participate in the nomination of and vote for a member of the board of directors of the Appraisal District.

Property Subject to Taxation by the District

Except for certain exemptions provided by Texas law, all real property and tangible personal property in the District are subject to taxation by the District; however, it is expected that no effort will be made by the District to collect taxes on personal property other than on personal property rendered for taxation, business inventories and the property of privately owned utilities. Principal categories of exempt property include: property owned by 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; farm products owned by the producer; all oil, gas and mineral interests owned by an institution of higher education; certain property owned by exclusively charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; solar and wind-powered energy devices; and most individually owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons sixty-five (65) years or older or under a disability for purposes of payment of disability insurance under the Federal Old-Age Survivors and Disability Insurance Act to the extent deemed advisable by the Board. The District would be required to call an election on such residential homestead exemption upon petition by at least twenty percent (20%) of the number of qualified voters who voted in the District's preceding election and would be required to offer such an exemption if a majority of voters approve it at such election. For the 2020 tax year, the District has not granted any such exemptions. 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 assessed valuation depending upon the disability rating of the veteran, if such rating is less than 100%. A veteran who receives a disability rating of 100% is entitled to an exemption for the full value of the veteran's residence 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 (i) the residence homestead was donated by a charitable organization at no cost to the disabled veteran or, (ii) the residence was donated by a charitable organization at some cost to the disabled veteran if such cost is less than or equal to fifty percent (50%) of the total good faith estimate of the market value of the residence as of the date the donation is made. Also, the surviving spouse of (i) a member of the armed forces or, (ii) a first responder as defined under Texas law, who was killed in action is, subject to certain conditions, entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse.

A "Freeport Exemption" applies to goods, wares, merchandise, other tangible personal property and ores, other than oil, natural gas, and petroleum products (defined as liquid and gaseous materials immediately derived from refining petroleum or natural gas), and to aircraft or repair parts used by a certified air carrier acquired in or imported into the Texas which are destined to be forwarded outside of Texas and which are detained in Texas for assembling, storing, manufacturing, processing or fabricating for less than 175 days. Although certain taxing units may take official action to tax such property in transit and negate such exemption, the District does not have such an option. A "Goods-in-Transit" Exemption is applicable to certain tangible personal property, as defined by the Property Tax Code, acquired in or imported into Texas for storage purposes and which is stored under a contract of bailment by a public warehouse operator at one or more public warehouse facilities in Texas that are not in any way owned or controlled by the owner of such property for the account of the person who acquired or imported such property. The exemption excludes oil, natural gas, petroleum products, aircraft and certain special inventory including dealer's motor vehicles, dealer's vessel and outboard motor vehicle, dealer's heavy equipment and retail manufactured housing inventory. The exemption applies to covered property if it is acquired in or imported into Texas for assembling, storing, manufacturing, processing, or fabricating purposes and is subsequently forwarded to another location inside or outside of Texas not later than 175 days after acquisition or importation. A property owner who receives the Goods-in-Transit Exemption is not eligible to receive the Freeport Exemption for the same property. Local taxing units such as the District may, by official action and after public hearing, tax goods-in-transit personal property. A taxing unit must exercise its option to tax goods-in-transit property before January 1 of the first tax year in which it proposes to tax the property at the time and in the manner prescribed by applicable law. However, taxing units who took official action as allowed by prior law before October 1, 2011, to tax goods-in-transit property, and who pledged such taxes for the payment of debt, may continue to impose taxes against the goods-in-transit property until the debt is discharged without further action, if cessation of the imposition would impair the obligations of the contract by which the debt was created. The District has not exercised its option to tax goods-in-transit personal property but may choose to do so in the future. Currently, the District has no intention of taxing goods-in-transit personal property.

General Residential Homestead Exemption

Texas law authorizes the governing body of each political subdivision in Texas to exempt up to twenty percent (20%) of the appraised value of residential homesteads, but not less than $5,000 if any exemption is granted, from ad valorem taxation. The law provides, however, that where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. For the 2020 tax year, the District has not granted a general residential homestead exemption.

Valuation of Property for Taxation

Generally, property in the District must be appraised by the Appraisal District at market value as of January 1 of each year. Assessments under the Property Tax Code are to be based upon one hundred percent (100%) of market value. The appraised value of residential homestead property may be limited to the lesser of the market value of the property, or the sum of the appraised value of the property for the last year in which it was appraised, plus ten percent (10%) of such appraised value multiplied by the number of years since the last appraisal, plus the market value of all new improvements to the property. Once an appraisal roll is prepared and approved by the Appraisal Review Board, it is used by the District in establishing its tax rate. The Property Tax Code requires the Appraisal District to implement a plan for periodic reappraisal of property to update appraised values. The plan must provide for appraisal of all real property by the Appraisal District at least once every three (3) years. It is not known what frequency of reappraisal will be utilized by the Appraisal District or whether reappraisals will be conducted on a zone or county-wide basis.

District and Taxpayer Remedies

Under certain circumstances, taxpayers and taxing units, including the District, may appeal orders of the Appraisal Review Board by filing a petition for review in district court within forty-five (45) days after notice is received that a final order has been entered. In such event, the property value in question may be determined by the court, or by a jury, if requested by any party. Additionally, taxing units may bring suit against the Appraisal District to comply with the Property Tax Code. The District may challenge the exclusion of property from the appraisal rolls or the grant, in whole or in part, of an exemption.

Texas law provides for notice and hearing procedures prior to the adoption of an ad valorem tax rate by the District. Additionally, under certain circumstances, an election would be required to determine whether to approve the adopted total tax rate. See "TAXING PROCEDURES – Rollback of Operation and Maintenance Tax Rate." The Property

Tax Code also establishes a procedure for notice to property owners of reappraisals reflecting increased property values, appraisals that are higher than renditions and appraisals of property not previously on an appraisal roll.

Agricultural, Open Space, Timberland and Inventory Deferment

The Property Tax Code permits land designated for agricultural use (including wildlife management), open space, or timberland to be appraised at its value based on the land's capacity to produce agriculture 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 all such property would bring if sold as a unit to a purchaser who would continue the business. Landowners wishing to avail themselves of any of such designations must apply for the designation, and the Appraisal District 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 and not as to others. If a claimant receives the 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 for the three (3) years prior to the loss of the designation for agricultural, timberland or open space land. According to the Tax Assessor/Collector, as of January 1, 2020, approximately 380.56 acres within the District were designated for agricultural use, open space, inventory deferment, or timberland.

Tax Abatement

The County, the City, or the District may designate all or part of the District as a reinvestment zone, and the District, the County, and (if it were to annex the area) the City may thereafter enter into tax abatement agreements with the owners of property within the zone. The tax abatement agreements may exempt from ad valorem tax, by the applicable taxing jurisdictions, and/or by the District, for a period of up to ten (10) years, all or any part of any increase in the assessed valuation of property covered by the agreement over its assessed valuation in the year in which the agreement is executed, on the condition that the property owner make specified improvements or repairs to the property in conformity with a comprehensive plan. According to the Tax Assessor/Collector, to date, none of the area within the District has been designated as a reinvestment zone.

Levy and Collection of Taxes

The District is responsible for the collection of its taxes, unless it elects to transfer such functions to another governmental entity. The District adopts its tax rate each year after it receives a tax roll certified by the Appraisal District. Taxes are due upon receipt of a bill therefor, and become delinquent after January 31 of the following year or 30 days after the date billed, whichever is later, or, if billed after January 10, they are delinquent on the first day of the month next following the 21st day after such taxes are billed. A delinquent tax accrues interest at a rate of one percent (1%) for each month or portion of a month the tax remains unpaid beginning the first calendar month it is delinquent. A delinquent tax also incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent plus a one percent (1%) penalty 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. However, a tax delinquent on July 1 incurs a total penalty of twelve percent (12%) of the amount of the delinquent tax without regard to the number of months the tax has been delinquent, which penalty remains at such rate without further increase. If the tax is not paid by July 1, an additional penalty of up to the amount of the compensation specified in the District's contract with its delinquent tax collection attorney, but not to exceed twenty percent (20%) of the total tax, penalty and interest, may, under certain circumstances, be imposed by the District. With respect to personal property taxes that become delinquent on or after February 1 of a year and that remain delinquent sixty (60) days after the date on which they become delinquent, as an alternative to the penalty described in the foregoing sentence, an additional penalty on personal property of up to the amount specified in the District's contract with its delinquent tax attorney, but not to exceed twenty percent (20%) of the total tax, penalty and interest, may, under certain circumstances, be imposed by the District prior to July 1. The District's contract with its delinquent tax collection attorney currently specifies a twenty percent (20%) additional penalty. The District may waive penalties and interest on delinquent taxes only for the items specified in the Property Tax Code. The Property Tax Code also makes provision for the split payment of taxes, discounts for early payment and the postponement of the delinquency of taxes under certain circumstances. The owner of a residential homestead property who is (i) a person sixty-five (65) years of age or older, (ii) under a disability for purpose of payment of disability insurance benefits under the Federal Old Age Survivors and Disability Insurance Act or (iii) qualifies as a disabled veteran under Texas law is entitled by law to pay current taxes on a residential homestead in installments or to defer the payment of taxes without penalty during the time of ownership. Additionally, a person who is delinquent on taxes for a residential homestead is entitled to an agreement with the District to pay such taxes in equal installments over a period of between 12 and 36 months (as determined by the

District) when such person has not entered into another installment agreement with respect to delinquent taxes with the District in the preceding 24 months.

Rollback of Operation and Maintenance Tax Rate

During the 86th Regular Legislative Session, Senate Bill 2 ("SB 2") was passed and signed by the Governor, with an effective date (as to those provisions discussed herein) of January 1, 2020, and the provisions described herein are effective beginning with the 2020 tax year. See "SELECTED FINANCIAL INFORMATION" for a description of the District's current total tax rate. Debt service and contract tax rates cannot be reduced by a rollback election held within any of the districts described below.

SB 2 classifies certain special purpose districts, including the District, differently based on their current operation and maintenance tax rate or on the percentage of projected build-out that a district has completed. Districts that have adopted an operation and maintenance tax rate for the current year that is 2.5 cents or less per $100 of taxable value are classified herein as "Low Tax Rate Districts." Districts that have financed, completed, and issued bonds to pay for all land, improvements and facilities necessary to serve at least 95% of the projected build-out of the district are classified as "Developed Districts." Districts that do not meet either of the classifications previously discussed can be classified herein as "Developing Districts." The impact each classification has on the ability of a district to increase its maintenance and operations tax rate pursuant to SB 2 is described for each classification below.

Low Tax Rate Districts

Low Tax Rate Districts 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 Low Tax Rate District 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 or President of the United States, alternative procedures and rate limitations may apply for a temporary period. If a district qualifies as both a Low Tax Rate District and a Developed District, the district will be subject to the operation and maintenance tax threshold applicable to Low Tax Rate Districts.

Developing Districts

Districts that do not meet the classification of a Low Tax Rate District 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

For the 2020 tax year, the District determined its status as a Developing District. The District cannot give any assurances as to what its classification will be at any point in time or whether the District's future tax rates will result in a total tax rate that will reclassify the District into a new classification and new election calculation.

District's Rights in the Event of Tax Delinquencies

Taxes levied by the District are a personal obligation of the owner of the property against which the tax is levied. In addition, on January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of each taxing unit, including the District, having power to tax the property. The District's tax lien is on a parity with tax liens of other such taxing units. See "TAX DATA – Estimated Overlapping Taxes." A tax lien on real property takes priority over the claim of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien. Further, personal property under certain circumstances is subject to seizure and sale for the payment of delinquent taxes, penalties, and interest.

Except with respect to (i) owners of residential homestead property who are sixty-five (65) years of age or older or under a disability as described above and who have filed an affidavit as required by law and (ii) owners of residential homesteads who have entered into an installment agreement with the District for payment of delinquent taxes as described above and who are not in default under said agreement, 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, or by taxpayer redemption rights (a taxpayer may redeem property that is a residence homestead or was designated for agricultural use within two (2) years after the deed issued at foreclosure is filed of record and may redeem all other property within six (6) months after the deed issued at foreclosure is filed of record) or by bankruptcy proceedings which restrict the collection of taxpayer debt. The District's ability to foreclose its tax lien or collect penalties and interest may be limited on property owned by a financial institution which is under receivership by the Federal Deposit Insurance Corporation pursuant to the Federal Deposit Insurance Act, 12 U.S.C. 1825, as amended. Generally, the District's tax lien and a federal tax lien are on par with the ultimate priority being determined by applicable federal law. See "INVESTMENT CONSIDERATIONS – Tax Collection Limitations and Foreclosure Remedies."

TAX DATA

Debt Service Tax

The Board covenants in the Bond Order to levy and assess, for each year that all or any part of the Bonds remain outstanding and unpaid, a tax adequate to provide funds to pay the principal of and interest on the Bonds. For the 2020 tax year, the District levied a water, sewer, drainage and recreational facility debt service tax rate of $0.39 per $100 of assessed valuation and a road debt service tax of $0.20 per $100 of assessed valuation. See "TAX DATA – Tax Rate Distribution," "TAXING PROCEDURES" and "INVESTMENT CONSIDERATIONS."

Maintenance Tax

The Board has the statutory authority to levy and collect an annual ad valorem tax for the operation and maintenance of the District, if such a maintenance tax is authorized by the District's voters. Maintenance tax elections were held on May 10, 2008, and May 10, 2014, and voters of the District authorized at such elections, among other things, the Board to levy a maintenance tax at a rate not to exceed $1.50 per $100 assessed valuation for general operations and maintenance costs. At the May 10, 2008 election, voters authorized the Board to levy a maintenance tax for operations and maintenance costs of recreational facilities at a rate not to exceed $0.10 per $100 of assessed valuation. For the 2020 tax year, the District levied a maintenance and operations tax of $0.74 per $100 of assessed valuation. It has not levied a separate maintenance and operation tax for recreational facilities to date. A maintenance tax is in addition to taxes which the District is authorized to levy for paying principal of and interest on the Bonds, the Outstanding Bonds, any additional bonds payable from ad valorem taxes. See "TAX DATA – Debt Service Tax," "TAX DATA – Tax Rate Distribution," "TAXING PROCEDURES" and "INVESTMENT CONSIDERATIONS."

Tax Rate Distribution

	2020	2019	2018	2017	2016
System Debt Service	$ 0.390	$ 0.360	$ 0.310	$ 0.350	$ 0.510
Road Debt Service	0.200	0.075	0.075	0.090	0.190
Maintenance and Operations	0.740	0.895	0.945	0.890	0.630
Total	$ 1.330	$ 1.330	$ 1.330	$ 1.330	$ 1.330

Historical Tax Collections

The following table illustrates the collection history of the District from the 2014-2019 tax years:

Tax Year	Assessed Valuation	Tax Rate Per $100 (a)	Adjusted Levy	Current Year	Period Ended 09/30	As of 09/30/2020
2014	$ 42,137,683	$ 1.250000	$ 526,721	100.00%	2015	100.00%
2015	113,797,769	1.250000	1,422,472	99.99%	2016	100.00%
2016	306,562,532	1.330000	4,077,282	99.74%	2017	100.00%
2017	670,497,790	1.330000	8,917,621	99.89%	2018	99.99%
2018	754,695,019	1.330000	10,037,444	99.93%	2019	99.98%
2019	778,472,153	1.330000	10,353,680	99.41%	2020	99.41%

(a) Includes a tax for maintenance and operation purposes. See "TAX DATA – Tax Rate Distribution."

Analysis of Tax Base

The following table illustrates the District's total taxable assessed value in the 2016-2020 tax years by type of property.

Type of Property	2020 Assessed Valuation (a)	2019 Assessed Valuation	2018 Assessed Valuation	2017 Assessed Valuation	2016 Assessed Valuation
Land	$ 110,769,690	$ 118,139,779	$ 114,552,473	$ 94,084,038	$ 72,155,665
Improvements	460,864,474	351,073,059	312,306,780	259,653,507	253,321,664
Personal Property	407,059,858	396,012,886	423,003,802	391,398,516	15,877,966
Less: Exemptions	(169,734,887)	(86,753,571)	(95,168,036)	(74,638,271)	(34,792,763)
Total	$ 808,959,135	$ 778,472,153	$ 754,695,019	$ 670,497,790	$ 306,562,532

(a) Such amount does not include $43,700,882 of assessed valuation assigned to properties that remain under review by the Appraisal Review Board. Such amount represents the estimated minimum amount of assessed valuation that will ultimately be approved by the Appraisal Review Board, upon which the District will levy its tax. See "TAXING PROCEDURES."

Principal Taxpayers

The following represents the principal taxpayers, type of property and their taxable assessed values as of January 1, 2020:

Taxpayer	Type of Property	Certified 2020 Tax Roll	Percent
FMC Technologies, Inc. (a)	Land, Improvements & Personal Property	$ 364,703,220	42.77%
Shell Exploration & Production Company	Personal Property	114,044,930	13.38%
Lake Houston Beltway Associates LLC (a)	Land & Improvements	95,098,968	11.15%
255 Assay Street LLC (b)	Land & Improvements	43,742,865	5.13%
Anadarko US Offshore Corp	Personal Property	30,421,512	3.57%
250 Assay Street LLC (b)	Land & Improvements	19,343,052	2.27%
BP America Production Co.	Personal Property	18,834,970	2.21%
ARHC MHHOUTX01 LLC	Land & Improvements	13,351,014	1.57%
Anadarko Petroleum Corp.	Personal Property	13,071,895	1.53%
Lockwood BP1 LLC (b)	Land & Improvements	11,894,000	1.39%
Total		$ 724,506,426	84.97%

(a) See “THE OTHER DEVELOPERS.”
(b) See “THE PRINCIPAL DEVELOPER AND LANDOWNER.”

Tax Rate Calculations

The tax rate calculations set forth below are presented to indicate the tax rates per $100 of taxable assessed valuation that would be required to meet certain debt service requirements if no growth in the District occurs beyond the 2020 certified assessed valuation ($852,660,017) or the estimate of assessed valuation at September 1, 2020 ($892,296,723). The foregoing further assumes collection of 95% of taxes levied and the sale of no additional bonds:

Average Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2021-2045)	$ 4,379,094
Tax Rate of $0.55 on the 2019 Certified Assessed Valuation Produces	$ 4,455,149
Tax Rate of $0.52 on the Estimate of Assessed Valuation as of September 1, 2020, Produces	$ 4,407,946
Maximum Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2040)	$ 5,016,815
Tax Rate of $0.62 on the 2019 Certified Assessed Valuation Produces	$ 5,022,168
Tax Rate of $0.60 on the Estimate of Assessed Valuation as of September 1, 2020, Produces	$ 5,086,091

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Estimated Overlapping Taxes

Property within the District is subject to taxation by several taxing authorities in addition to the District. Under Texas law, if ad valorem taxes levied by a taxing authority become delinquent, a lien is created upon the property which has been taxed. A tax lien on property in favor of the District is on parity with tax liens of other taxing jurisdictions. In addition to ad valorem taxes required to make debt service payments on bonded debt of the District and of such other jurisdictions (see "DISTRICT DEBT – Estimated Direct and Overlapping Debt Statement"), certain taxing jurisdictions are authorized by Texas law to assess, levy and collect ad valorem taxes for operation, maintenance, administrative and/or general revenue purposes.

Set forth below is a compilation of all 2020 taxes levied by such jurisdictions per $100 of assessed valuation. Such levies do not include local assessments for community associations, fire department contributions, charges for solid waste disposal, or any other dues or charges made by entities other than political subdivisions.

	2020 Tax Rate Per $100 of Assessed Valuation	
	Sheldon Independent School District	Humble Independent School District
The District	$ 1.330000	$ 1.330000
Harris County and Related Entities (a)	0.604193	0.604193
Sheldon Independent School District (b)	1.501600	–
Humble Independent School District (b)	–	1.384050
Lone Star College System (c)	–	0.107800
San Jacinto Community College District (c)	0.169358	–
Total	$ 3.605151	$ 3.426043

(a) Includes the County, Harris County Flood Control District, Harris County Department of Education, Port of Houston Authority and Harris County Hospital District.
(b) A property owner only pays one school district tax. See "THE DISTRICT – Description."
(c) A property owner only pays one community college tax. See "THE DISTRICT – Description."

LEGAL MATTERS

Legal Opinions

The District will furnish to the Initial Purchaser a transcript of certain certified proceedings incident to the issuance and authorization of the Bonds, including a certified copy of the 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 Attorney General has examined a transcript of proceedings authorizing the issuance of the Bonds, and that based upon such examination, the Bonds are valid and binding obligations of the District payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within the District. The District will also furnish the approving legal opinion of Bond Counsel, Schwartz, Page & Harding, L.L.P., to the effect that, based upon an examination of such transcript, the Bonds are valid and binding obligations of the District under the Constitution and laws of Texas, except to the extent that enforcement of the rights and remedies of the Registered Owners of the Bonds 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 and to the effect that interest on the Bonds is excludable from gross income for federal income tax purposes under the statutes, regulations, published rulings and court decisions existing on the date of such opinion, assuming compliance by the District with certain covenants relating to the use and investment of the proceeds of the Bonds. See "LEGAL MATTERS – Tax Exemption." The legal opinion of Bond Counsel will further state that the Bonds are payable, both as to principal and interest, from the levy of ad valorem taxes, without legal limitation as to rate or amount, upon all taxable property within the District. Bond Counsel's opinion will also address the matters described below.

In addition to serving as Bond Counsel, Schwartz, Page & Harding, L.L.P., also serves as counsel to the District on matters not related to the issuance of bonds. The legal fees to be paid to 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. Certain legal matters will be passed upon for the District by Disclosure Counsel, McCall, Parkhurst & Horton L.L.P.

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.

Legal Review

In its capacity as Bond Counsel, Schwartz, Page & Harding, L.L.P., has reviewed the information appearing in this Official Statement under the captioned sections “THE BONDS” (except for information under the subsections “Book-Entry-Only System” and “Use of Distribution of Bond Proceeds”), “THE DISTRICT – General,” and “– Management of the District – Bond Counsel and General Counsel,” “TAXING PROCEDURES,” and “LEGAL MATTERS” solely to determine whether such information fairly summarizes the law and documents referred to therein. Such firm has not independently verified factual information contained in this Official Statement, nor has such firm conducted an investigation of the affairs of the District for the purpose of passing upon the accuracy or completeness of this Official Statement. No person is entitled to rely upon such firm’s limited participation as an assumption of responsibility for, or an expression of opinion of any kind with regard to, the accuracy or completeness of any of the other information contained herein.

Tax Exemption

On the date of initial delivery of the Bonds, Bond Counsel 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, as amended (the “Code”). Except as stated above, Bond Counsel will express no opinion as to any federal, state or local tax consequences resulting from the ownership of, receipt of interest on or disposition of the Bonds.

In rendering its opinion, Bond Counsel will rely upon, and assume continuing compliance with, (a) certain information and representations of the District, including information and representations contained in the District’s federal tax certificate issued in connection with the Bonds, and (b) covenants of the District contained in the Bond Order relating to certain matters, including arbitrage and the use of the proceeds of the Bonds and the property financed or refinanced therewith. 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.

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

NOT Qualified Tax-Exempt Obligations

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 "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 not designated the Bonds as "qualified tax-exempt obligations" as it has issued more than $10,000,000 in tax-exempt obligations in 2020.

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.

Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences. The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, including financial institutions, life insurance and property and casualty insurance companies, owners of interests in a FASIT, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, certain S corporations with accumulated earnings and profits and excess passive investment income, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit, and individuals allowed an earned income credit. THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIFIC 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.

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.

Tax Accounting Treatment of Original Issue Discount and Premium Bonds

The initial public offering price to be paid for one or more maturities of the Bonds is 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 accrued period or be in excess of one year (the “Original Issue Discount Bonds”). 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 constitutes original issue discount with respect to such Original Issue Discount Bond in the hands of any owner who has purchased such Original Issue Discount Bond in the initial public offering of the Bonds. 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, such initial owner is entitled to exclude from gross income (as defined in Section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the period that such Original Issue Discount Bond continues to be owned by such owner. See “Tax Exemption” herein for a discussion of certain collateral federal tax consequences.

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 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 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 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.

The initial public offering price to be paid for certain maturities of the Bonds is greater than the amount payable on such Bonds at maturity (the "Premium Bonds"). An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial purchaser of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial purchaser must be reduced each year by the amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser's yield to maturity. PURCHASERS OF THE PREMIUM BONDS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS WITH RESPECT TO THE DETERMINATION OF AMORTIZABLE BOND PREMIUM WITH RESPECT TO THE PREMIUM BONDS FOR FEDERAL INCOME TAX PURPOSES AND WITH RESPECT TO THE STATE AND LOCAL TAX CONSEQUENCES OF OWNING PREMIUM 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 financial condition of the District subsequent to the date of sale from that set forth or contemplated in the Preliminary Official Statement, as it may have been supplemented or amended through the date of sale.

NO-LITIGATION CERTIFICATE

With the delivery of the 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 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 knowledge of the District's certifying officers, threatened against the District, either in state or federal courts, contesting or attacking the Bonds; restraining or enjoining the authorization, execution or delivery of the Bonds; affecting the provision made for the payment of or security for the Bonds; in any manner questioning the authority or proceedings for the authorization, execution or delivery of the Bonds; or affecting the validity of the Bonds, the corporate existence or boundaries of the District or the title of the then present officers and directors of the Board.

PREPARATION OF OFFICIAL STATEMENT

Sources and Compilation of Information

The financial data and other information contained in this Official Statement has been obtained primarily from the District's records, MDI, the Engineer, the Tax Assessor/Collector, the Appraisal District and information from other sources. All of these sources are believed to be reliable, but no guarantee is made by the District as to the accuracy or completeness of the information derived from sources other than the District, and its inclusion herein is not to be construed as a representation on the part of the District to such effect. Furthermore, there is no guarantee that any of the assumptions or estimates contained herein will be realized. The summaries of the agreements, reports, statutes, resolutions, engineering and other related information set forth in this Official Statement are included herein subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents for further information.

Financial Advisor

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

Consultants

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

Tax Assessor/Collector: The information contained in this Official Statement relating to the breakdown of the District's historical assessed value and principal taxpayers, including particularly such information contained in the section entitled "TAX DATA" and "TAXING PROCEDURES" has been provided by the Tax Assessor/Collector and is included herein in reliance upon the authority of such firm as an expert in assessing property values and collecting taxes.

Engineer: The information contained in this Official Statement relating to engineering and to the description of the Water, Sewer and Drainage System and, in particular that information included in the sections entitled "THE DISTRICT," "THE WATER, SEWER AND DRAINAGE SYSTEM," "THE PARK SYSTEM," and "THE ROAD SYSTEM" has been provided by the Engineer and has been included herein in reliance upon the authority of said firm as experts in the field of civil engineering.

Updating of Official Statement

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

Certification as to Official Statement

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

CONTINUING DISCLOSURE OF INFORMATION

In the Bond Order, the District has the following agreement for the benefit of the holders and beneficial owners of the Bonds. The District is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the District will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified events, to certain information to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system.

Annual Reports

The District will provide certain updated financial information and operating data to the MSRB annually.

The information to be updated with respect to the District includes all quantitative financial information and operating data of the general type included in this Official Statement under "DISTRICT DEBT," "TAX DATA" and "APPENDIX A." 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 will update and provide this information to the MSRB within six months after the end of each of its fiscal years. Any information so provided shall be prepared in accordance with generally accepted accounting principles or other such principles as the District may be required to employ from time to time pursuant to state law or regulation, and audited if the audit report is completed within the period during which it must be provided. If the audit report is not complete within such period, then the District shall provide unaudited financial statements for the applicable fiscal year to the MSRB within such six month period, and audited financial statements when the audit report becomes available.

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

Event Notices

The District will provide timely notices of certain events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten business days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non- payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other events affecting the tax-exempt 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 or 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 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 a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or 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 the financial obligation of the District or obligated person, any of which reflect financial difficulties. Neither the Bonds nor the Bond Order makes any provision for debt service reserves or liquidity enhancement. The term "material" when used in this paragraph shall have the meaning ascribed to it under federal securities laws. The term "financial obligation" when used in this paragraph shall have the meaning ascribed to it under federal securities laws including meaning a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term "financial obligation" does not include municipal securities for which a final official statement has been provided to the MSRB consistent with the Rule. In addition, the District will provide timely notice of any failure by the District to provide information, data, or financial statements in accordance with its agreement described above under "Annual Reports."

Availability of Information from MSRB

The District has agreed to provide the information only to the MSRB. The MSRB has prescribed that such information must be filed through EMMA. The MSRB makes the information available to the public without charge and investors will be able to access continuing disclosure information filed with the MSRB at www.emma.msrb.org.

Limitations and Amendments

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

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

Compliance with Prior Undertakings

During the last five years, the District has complied in all material respects with its continuing disclosure requirements in accordance with the Rule.

MISCELLANEOUS

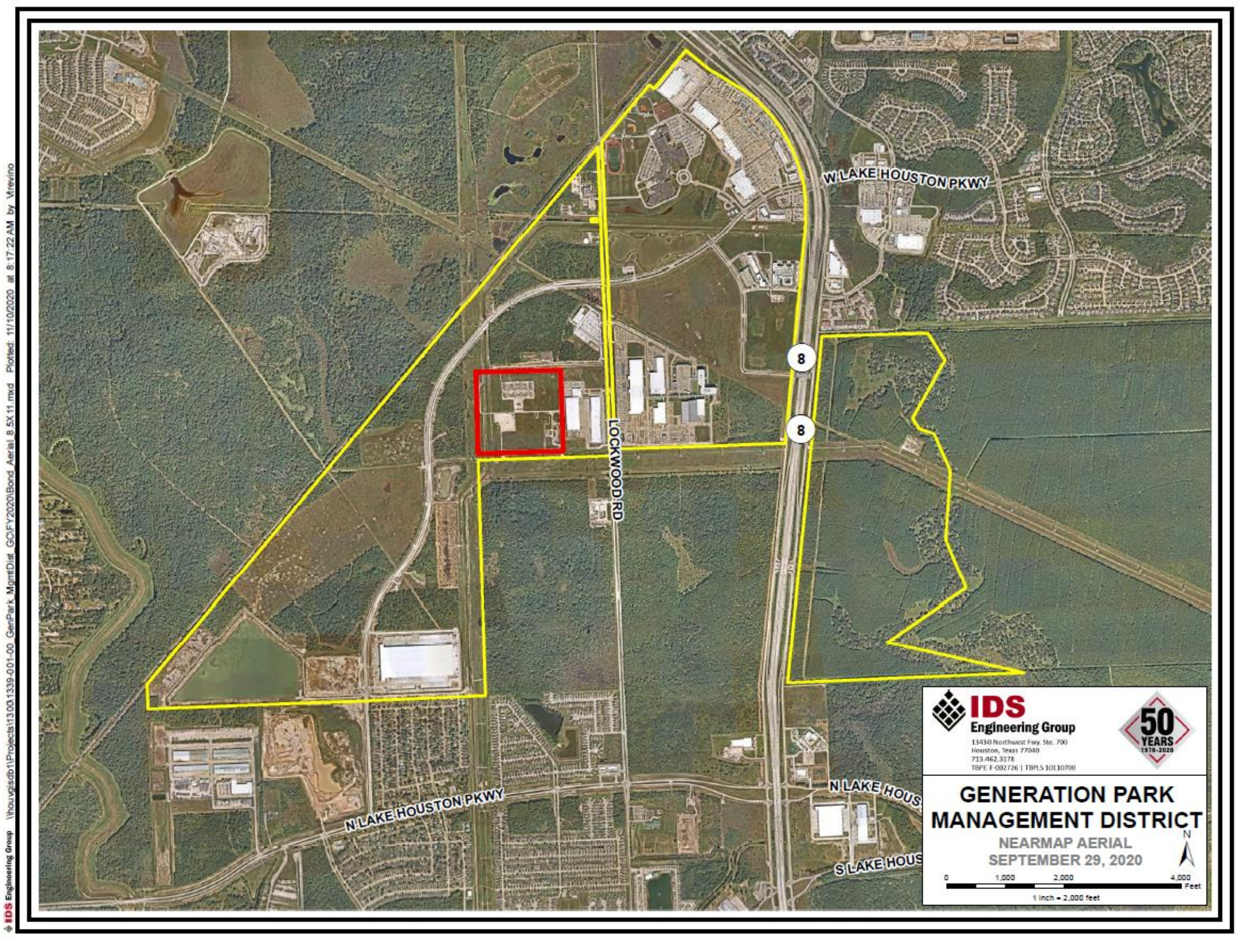
All estimates, statements and assumptions in this Official Statement and the appendices hereto have been made on the basis of the best information available and are believed to be reliable and accurate. Any statements in this Official Statement involving matters of opinion or estimates, whether or not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

/s/ Charles W. Neuhaus
President, Board of Directors
Generation Park Management District

ATTEST:

/s/ Davis K. Rushing
Secretary, Board of Directors
Generation Park Management District

AERIAL PHOTOGRAPH
(September 2020)



DISTRICT PHOTOGRAPHS
(January 2020)

DISTRICT PHOTOGRAPHS
(January 2020)

APPENDIX A

Independent Auditor's Report and Financial Statements of the District

Generation Park Management District

Harris County, Texas

Independent Auditor's Report and Financial Statements

April 30, 2020

BKD
CPAs & Advisors

Generation Park Management District
April 30, 2020

Contents

BKD
CPAs & Advisors

2700 Post Oak Boulevard, Suite 1500 | Houston, TX 77056-5829
713.499.4600 | Fax 713.499.4699 | bkd.com

Independent Auditor's Report

Board of Directors
Generation Park Management District
Harris County, Texas

We have audited the accompanying financial statements of the governmental activities and each major fund of Generation Park Management District (the District), as of and for the year ended April 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District as of April 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

BKD, LLP

Houston, Texas
September 10, 2020

Generation Park Management District

Management's Discussion and Analysis

April 30, 2020

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains supplementary information required by the Governmental Accounting Standards Board and other information required by the District's state oversight agency, the Texas Commission on Environmental Quality (the Commission).

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities which engage in limited governmental programs, such as the provision of water, sanitary sewer and drainage services, road facilities or economic development programs. Other activities, such as the provision of recreation facilities and solid waste collection, are minor activities and are not budgeted or accounted for as separate programs. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented on the left side of the statements, a column for adjustments is to the right of the fund financial statements, and the government-wide financial statements are presented to the right side of the adjustments column. The following sections describe the measurement focus of the two types of statements and the significant differences in the information they provide.

Government-wide Financial Statements

The focus of government-wide financial statements is on the overall financial position and activities of the District. The District's government-wide financial statements include the statement of net position and statement of activities, which are prepared using accounting principles that are similar to commercial enterprises. The purpose of the statement of net position is to attempt to report all of the assets, liabilities, and deferred inflows and outflows of resources of the District. The District reports all of its assets when it acquires or begins to maintain the assets and reports all of its liabilities when they are incurred.

The difference between the District's assets, liabilities, and deferred inflows and outflows of resources is labeled as net position and this difference is similar to the total stockholders' equity presented by a commercial enterprise.

The purpose of the statement of activities is to present the revenues and expenses of the District. Again, the items presented on the statement of activities are measured in a manner similar to the approach used by a commercial enterprise in that revenues are recognized when earned or established criteria are satisfied and expenses are reported when incurred by the District. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues are reported even when they may not be collected for several months or years after the end of the accounting period and expenses are recorded even though they may not have used cash during the current year.

Although the statement of activities looks different from a commercial enterprise's statement of income, the financial statement is different only in format, not substance. Whereas the bottom line in a commercial enterprise is its net income, the District reports an amount described as change in net position, essentially the same thing.

Fund Financial Statements

Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the District rather than the District as a whole. Except for the general fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties or governmental statutes or regulations.

Governmental Funds

Governmental-fund financial statements consist of a balance sheet and a statement of revenues, expenditures and changes in fund balances and are prepared on an accounting basis that is significantly different from that used to prepare the government-wide financial statements.

In general, these financial statements have a short-term emphasis and, for the most part, measure and account for cash and other assets that can easily be converted into cash. For example, amounts reported on the balance sheet include items such as cash and receivables collectible within a very short period of time, but do not include capital assets such as land and water, sewer and drainage systems. Fund liabilities include amounts that are to be paid within a very short period after the end of the fiscal year. The difference between a fund's assets, liabilities, and deferred inflows and outflows of resources is labeled the fund balance and generally indicates the amount that can be used to finance the next fiscal year's activities. Likewise, the operating statement for governmental funds reports only those revenues and expenditures that were collected in cash or paid with cash, respectively, during the current period or very shortly after the end of the fiscal year.

Because the focus of the government-wide and fund financial statements is different, there are significant differences between the totals presented in these financial statements. For this reason, there is an analysis in the notes to financial statements that describes the adjustments to fund balances to arrive at net position presented in the governmental activities column on the statement of net position. Also, there is an analysis in the notes to financial statements that reconciles the total change in fund balances for all governmental funds to the change in net position, as reported in the governmental activities column in the statement of activities.

Notes to Financial Statements

The notes to financial statements provide additional information that is essential to a full understanding of the data found in the government-wide and fund financial statements.

Financial Analysis of the District as a Whole

The District's overall financial position and activities for the past two years are summarized as follows, based on the information included in the government-wide financial statements.

Summary of Net Position

	2020	2019
Current and other assets	$ 22,790,604	$ 19,433,366
Capital assets	94,916,241	67,877,119
Total assets	$ 117,706,845	$ 87,310,485
Long-term liabilities	$ 104,254,911	$ 78,961,807
Other liabilities	1,799,188	1,404,779
Total liabilities	106,054,099	80,366,586
Net position:		
Net investment in capital assets	(7,844,098)	(9,184,959)
Restricted	7,107,736	4,985,797
Unrestricted	12,389,108	11,143,061
Total net position	$ 11,652,746	$ 6,943,899

The total net position of the District increased by $4,708,847 or approximately 68 percent. The majority of the increase in net position is related to the collection of sales tax revenues during the current fiscal year, as well as tax revenues intended to pay principal on the District's bonded indebtedness, which is shown as long-term liabilities in the government-wide financial statements. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Summary of Changes in Net Position

	2020	2019
Revenues:		
Property taxes	$ 9,829,846	$ 11,107,154
Sales and use taxes	2,122,493	2,160,309
Charges for services	1,157,790	1,086,024
Other revenues	1,122,074	1,214,163
Total revenues	14,232,203	15,567,650

Summary of Changes in Net Position (Continued)

	2020	2019
Expenses:		
Services	$ 4,122,688	$ 5,033,557
Depreciation	2,722,342	2,372,375
Debt service	2,678,326	2,448,353
Total expenses	9,523,356	9,854,285
Change in net position	4,708,847	5,713,365
Net position, beginning of year	6,943,899	1,230,534
Net position, end of year	$ 11,652,746	$ 6,943,899

Financial Analysis of the District's Funds

The District's combined fund balances as of the end of the fiscal year ended April 30, 2020, were $21,329,632, an increase of $2,956,314 from the prior year.

The general fund's fund balance increased by $1,257,372, primarily due to property tax revenues, service revenues, and sales and use tax revenues exceeding service operation and capital outlay expenditures and a transfer to the debt service fund.

The debt service fund's fund balance increased by $2,090,823, primarily due to property tax revenues and a transfer from the general fund exceeding bond principal and interest requirements.

The capital projects fund's fund balance decreased by $391,881, primarily due to capital outlay expenditures and debt issuance costs exceeding proceeds from the sale of the Series 2019 bonds.

General Fund Budgetary Highlights

There were several differences between the final budgetary amounts and actual amounts. The major differences between budget and actual were due to property tax revenues, and repairs and maintenance and capital outlay expenditures being lower than anticipated and interfund transfers being greater than anticipated. The fund balance as of April 30, 2020, was expected to be $10,486,747, and the actual end-of-year fund balance was $12,340,699.

<u>Capital Assets and Related Debt</u>

<u>Capital Assets</u>

Capital assets held by the District at the end of the current and previous fiscal years are summarized below:

<u>Capital Assets (Net of Accumulated Depreciation)</u>

	2020	2019
Land and improvements	$ 15,232,898	$ 8,058,678
Construction in progress	17,562,383	1,983,091
Water facilities	13,069,624	13,203,876
Wastewater facilities	7,254,808	5,530,003
Drainage facilities	7,744,260	8,121,730
Road facilities	17,294,576	13,691,280
Parks and recreation	8,217,377	8,532,994
Parking facilities	8,540,315	8,755,467
Total capital assets	$ 94,916,241	$ 67,877,119

During the current year, additions to capital assets were as follows:

South Regional Detention Pond, Phases 1 and 2 and land improvements	$ 5,175,973
West Lake Houston Parkway, Phase 2 and Section 7 land improvements	219,452
West Lake Houston Parkway, Sections 6 and 7, Old Sandy Road and Lockwood Road land acquisitions	300,910
Construction in progress related to Wastewater Treatment Plant Phase 3A, West Lake Houston Parkway, Sections 6 and 7 paving and utilities, Beltway 8 and West Lake Houston Parkway pedestrian bridge and sidewalk, and Lockwood Business Park drainage, paving, electrical switch pad and design fees for lighting projects	17,471,484
Weckford Drive and West Lake Houston Parkway, Westlake Marketplace, and West Lake Houston Parkway, Phase 2 utilities and utilities to serve West Lake Houston Parkway, Sections 6 and 7	1,050,787
Spring Trace Lift Station No. 1 and fence	100,748
Portable generator	73,344
Electrical facilities to serve Lift station No. 4 and West Lake Houston Parkway, Section 7	2,700,189
Spring Trace detention basin and paving	277,419
Paving and lighting improvements at Lockwood West Lake Houston Parkway Subsea and Redemption Square and Lockwood Road	1,558,397
Paving improvements at West Lake Houston Parkway, Phases 2, 3 and 4	246,457
Landscaping and recreational improvements at Lift Station No. 4, signage and wayfinding and northwest side of Summer Creek Trace and Lowes	183,243
Total additions to capital assets	$ 29,358,403

Developers within the District have constructed underground utilities, storm water detention facilities, recreational facilities, roads, parking facilities and electrical power facilities on behalf of the District under the terms of contracts with the District. The District has agreed to purchase these facilities from the proceeds of future bond issues subject to the approval of the Commission, if and as applicable. As of April 30, 2020, a liability for developer-constructed capital assets of $38,535,760 was recorded in the government-wide financial statements.

Debt

The changes in the debt position of the District during the fiscal year ended April 30, 2020, are summarized as follows:

Long-term debt payable, beginning of year	$ 78,961,807
Increases in long-term debt	30,024,944
Decreases in long-term debt	(4,731,840)
Long-term debt payable, end of year	$ 104,254,911

At April 30, 2020, the District had the following unlimited tax bonds authorized, but unissued, for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage systems, and other facilities within the District:

	Authorized	Issued	Unissued
Water, sewer and drainage	$ 873,250,000	$ 36,430,000	$ 836,820,000
Recreational facilities	167,000,000	8,150,000	158,850,000
Road facilities	1,511,198,000	9,515,000	1,501,683,000
Electrical conduit facilities	611,000,000	-	611,000,000
Rail facilities	24,000,000	-	24,000,000
Parking facilities	2,219,000,000	-	2,219,000,000
Public transportation facilities	57,000,000	-	57,000,000
Economic development	51,000,000	-	51,000,000
Water, sewer and drainage refunding	215,000,000	-	215,000,000
Recreational facilities refunding	48,000,000	-	48,000,000
Road facilities refunding	431,000,000	-	431,000,000
Electrical conduit facilities refunding	183,000,000	-	183,000,000
Rail facilities refunding	7,200,000	-	7,200,000
Parking facilities refunding	665,000,000	-	665,000,000
Public transportation facilities refunding	17,000,000	-	17,000,000
Economic development refunding	15,000,000	-	15,000,000

The District's bonds carry an underlying rating of "Baa1" from Moody's Investors Service. The Series 2019 bonds carry a "AA" rating from Standard & Poor's by virtue of bond insurance issued by Build America Mutual Assurance Company.

Other Relevant Factors

Relationship to the City of Houston

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City of Houston (the City), the District must conform to the City ordinance consenting to the creation of the District. In addition, the District may be annexed by the City without the District's consent, however, the City may not annex the District unless such annexation is approved in an election by a majority of voters within the area to be annexed. If the District is annexed, the City must assume the District's assets and obligations (including the bonded indebtedness) and abolish the District within 90 days.

Commitments

The developer of the District is constructing water, sewer, drainage, road, recreational, parking and electrical power facilities within the boundaries of the District. The District has agreed to reimburse the developer for a portion of these costs, plus interest, from the proceeds of future bond sales, to the extent approved by the Commission (if applicable). The District's engineer has stated that current construction contract amounts are approximately $15,175,000. This amount has not been recorded in the financial statements since the facilities are not complete or operational.

Subsequent Event

Subsequent to year-end, the District sold its $18,300,000 Series 2020 Unlimited Tax Road bonds at a net effective interest rate of approximately 3.25 percent. The bonds were sold to reimburse the District's developers for facilities constructed within the District.

Generation Park Management District

Statement of Net Position and Governmental Funds Balance Sheet

April 30, 2020

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets						
Cash	$ 82,777	$ 118,312	$ 100	$ 201,189	$ -	$ 201,189
Certificates of deposit	-	480,000	-	480,000	-	480,000
Short-term investments	12,598,374	7,232,917	1,818,440	21,649,731	-	21,649,731
Receivables:						
Property taxes	27,974	13,729	-	41,703	-	41,703
Sales and use taxes	267,434	-	-	267,434	-	267,434
Service accounts	98,798	-	-	98,798	-	98,798
Accrued interest	-	1,742	-	1,742	-	1,742
Interfund receivables	534,779	-	-	534,779	(534,779)	-
Prepaid expenditures	50,007	-	-	50,007	-	50,007
Capital assets (net of accumulated depreciation):						
Land and improvements	-	-	-	-	15,232,898	15,232,898
Construction in progress	-	-	-	-	17,562,383	17,562,383
Infrastructure	-	-	-	-	28,068,692	28,068,692
Road facilities	-	-	-	-	17,294,576	17,294,576
Parks and recreation	-	-	-	-	8,217,377	8,217,377
Parking facilities	-	-	-	-	8,540,315	8,540,315
Total assets	$ 13,660,143	$ 7,846,700	$ 1,818,540	$ 23,325,383	$ 94,381,462	$ 117,706,845

Generation Park Management District

Statement of Net Position and Governmental Funds Balance Sheet (Continued)

April 30, 2020

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Liabilities						
Accounts payable	$ 562,741	$ -	$ 106,374	$ 669,115	$ -	$ 669,115
Accrued interest payable	-	-	-	-	379,919	379,919
Retainage payable	20,435	-	21,425	41,860	-	41,860
Customer deposits	273,200	-	-	273,200	-	273,200
Due to others	411,459	-	-	411,459	-	411,459
Unearned parking revenue	23,635	-	-	23,635	-	23,635
Interfund payables	-	498,030	36,749	534,779	(534,779)	-
Long-term liabilities:						
Due within one year	-	-	-	-	2,190,000	2,190,000
Due after one year	-	-	-	-	102,064,911	102,064,911
Total liabilities	1,291,470	498,030	164,548	1,954,048	104,100,051	106,054,099
Deferred Inflows of Resources						
Deferred property tax revenues	27,974	13,729	0	41,703	(41,703)	0
Fund Balances/Net Position						
Fund balances:						
Nonspendable, prepaid expenditures	50,007	-	-	50,007	(50,007)	-
Restricted:						
Unlimited tax utility bonds	-	6,842,955	-	6,842,955	(6,842,955)	-
Unlimited tax road bonds	-	491,986	-	491,986	(491,986)	-
Water, sewer and drainage	-	-	1,653,954	1,653,954	(1,653,954)	-
Roads	-	-	38	38	(38)	-
Assigned, future expenditures	155,679	-	-	155,679	(155,679)	-
Unassigned	12,135,013	-	-	12,135,013	(12,135,013)	-
Total fund balances	12,340,699	7,334,941	1,653,992	21,329,632	(21,329,632)	0
Total liabilities, deferred inflows of resources and fund balances	$ 13,660,143	$ 7,846,700	$ 1,818,540	$ 23,325,383		
Net position:						
Net investment in capital assets					(7,844,098)	(7,844,098)
Restricted for debt service					6,968,751	6,968,751
Restricted for capital projects					138,985	138,985
Unrestricted					12,389,108	12,389,108
Total net position					$ 11,652,746	$ 11,652,746

Generation Park Management District

Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances

Year Ended April 30, 2020

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues						
Property taxes	$ 6,570,999	$ 3,234,960	$ -	$ 9,805,959	$ 23,887	$ 9,829,846
Sales and use taxes	2,122,493	-	-	2,122,493	-	2,122,493
Water service	678,260	-	-	678,260	-	678,260
Sewer service	292,261	-	-	292,261	-	292,261
Parking service	187,269	-	-	187,269	-	187,269
Penalty and interest	35,033	35,984	-	71,017	-	71,017
Tap connection and inspection fees	112,700	-	-	112,700	-	112,700
Investment income	193,933	108,190	35,445	337,568	-	337,568
Other income	-	-	4,727	4,727	596,062	600,789
Total revenues	10,192,948	3,379,134	40,172	13,612,254	619,949	14,232,203
Expenditures/Expenses						
Service operations:						
Purchased services	1,007,691	-	-	1,007,691	-	1,007,691
Professional fees	758,444	963	-	759,407	50,064	809,471
Contracted services	658,208	82,919	-	741,127	982	742,109
Utilities	87,391	-	-	87,391	-	87,391
Repairs and maintenance	1,064,533	-	-	1,064,533	-	1,064,533
Tap connections	90,500	-	-	90,500	-	90,500
Other expenditures	280,107	7,520	17	287,644	33,349	320,993
Capital outlay	3,108,189	-	5,347,366	8,455,555	(8,455,555)	-
Depreciation	-	-	-	-	2,722,342	2,722,342
Debt service:						
Principal retirement	-	1,290,000	-	1,290,000	(1,290,000)	-
Interest and fees	-	2,187,276	-	2,187,276	67,576	2,254,852
Debt issuance costs	-	-	423,474	423,474	-	423,474
Total expenditures/expenses	7,055,063	3,568,678	5,770,857	16,394,598	(6,871,242)	9,523,356
Excess (Deficiency) of Revenues Over Expenditures	3,137,885	(189,544)	(5,730,685)	(2,782,344)	7,491,191	

Generation Park Management District

Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances (Continued)

Year Ended April 30, 2020

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Other Financing Sources (Uses)						
Interfund transfers in (out)	$ (1,880,513)	$ 2,087,367	$ (206,854)	$ -	$ -	
General obligation bonds issued	-	-	5,680,000	5,680,000	(5,680,000)	
Discount on debt issued	-	-	(134,342)	(134,342)	134,342	
Settlement revenue	-	193,000	-	193,000	(193,000)	
Total other financing sources (uses)	(1,880,513)	2,280,367	5,338,804	5,738,658	(5,738,658)	
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	1,257,372	2,090,823	(391,881)	2,956,314	(2,956,314)	
Change in Net Position					4,708,847	$ 4,708,847
Fund Balances/Net Position						
Beginning of year	11,083,327	5,244,118	2,045,873	18,373,318	-	6,943,899
End of year	$ 12,340,699	$ 7,334,941	$ 1,653,992	$ 21,329,632	$ 0	$ 11,652,746

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Generation Park Management District (the District) was created and operates pursuant to the provisions of Chapter 1112, Acts of the 83rd Texas Legislature, Regular Session, 2013, effective June 14, 2013 (inception), as codified under Chapter 3916, Texas Special District Local Laws Code, as amended. The District is authorized to promote, develop, encourage and maintain employment, commerce, transportation, housing, tourism, recreation, arts and entertainment, economic development, safety, and the public welfare inside and outside of its boundaries. The principal functions of the District are to finance development and beautification of commercial areas of the District.

On November 14, 2014, the District consolidated Harris County Municipal Utility District No. 402 (MUD No. 402) with its operations. MUD No. 402 was created and operated pursuant to the provisions of Chapters 49 and 54 of the Texas Water Code, Chapter 8198 Special District Local Laws Code, and Article III, Section 52 and Article XVI, Section 59 of the Texas Constitution. MUD No. 402 was empowered to purchase, operate and maintain all facilities, plants and improvements necessary to provide water, sanitary sewer service, storm sewer drainage, to construct roads, and to construct parks and recreational facilities.

On February 25, 2019, Harris County Municipal Utility District No. 424 (District 424) dissolved and all land encompassing District 424 and improvements made within were transferred to the District. All rights, obligations and liabilities included in contracts for financing improvements and operations within District 424 were assigned to the District.

The District is governed by a Board of Directors (the Board) consisting of five individuals who are residents or owners of property within the District and are elected by voters within the District. The Board sets the policies of the District. The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America for state and local governments, as defined by the Governmental Accounting Standards Board. The following is a summary of the significant accounting and reporting policies of the District:

Reporting Entity

The accompanying government-wide financial statements present the financial statements of the District. There are no component units that are legally separate entities for which the District is considered to be financially accountable. Accountability is defined as the District's substantive appointment of the voting majority of the component unit's governing board. Furthermore, to be financially accountable, the District must be able to impose its will upon the component unit or there must be a possibility that the component unit may provide specific financial benefits to, or impose specific financial burdens on, the District.

Government-wide and Fund Financial Statements

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities which engage in limited governmental programs, such as the provision of water, wastewater, drainage, road facilities, economic development programs and other related services. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented with a column for adjustments to convert to the government-wide financial statements.

The government-wide financial statements report information on all of the activities of the District. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Governmental activities generally are financed through taxes, charges for services and intergovernmental revenues. The statement of activities reflects the revenues and expenses of the District.

The fund financial statements provide information about the District's governmental funds. Separate statements for each governmental fund are presented. The emphasis of fund financial statements is directed to specific activities of the District.

The District presents the following major governmental funds:

General Fund – The general fund is the primary operating fund of the District which accounts for all financial resources not accounted for in another fund. Revenues are derived primarily from property taxes, charges for services and interest income.

Debt Service Fund – The debt service fund is used to account for financial resources that are restricted, committed or assigned to expenditures for principal and interest related costs, as well as the financial resources being accumulated for future debt service.

Capital Projects Fund – The capital projects fund is used to account for financial resources that are restricted, committed or assigned to expenditures for capital outlays.

Fund Balances – Governmental Funds

The fund balances for the District's governmental funds can be displayed in up to five components:

Nonspendable – Amounts that are not in a spendable form or are required to be maintained intact.

Restricted – Amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.

Committed – Amounts that can be used only for the specific purposes determined by resolution of the Board. Commitments may be changed or lifted only by issuance of a resolution by the District's Board.

Assigned – Amounts intended to be used by the District for specific purposes as determined by management. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

Unassigned – The residual classification for the general fund and includes all amounts not contained in the other classifications.

The District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District applies committed amounts first, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Measurement Focus and Basis of Accounting

Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

Nonexchange transactions, in which the District receives (or gives) value without directly giving (or receiving) equal value in exchange, include property taxes and donations. Recognition standards are based on the characteristics and classes of nonexchange transactions. Revenues from property taxes are recognized in the period for which the taxes are levied. Intergovernmental revenues are recognized as revenues, net of estimated refunds and uncollectible amounts, in the accounting period when an enforceable legal claim to the assets arises and the use of resources is required or is first permitted. Donations are recognized as revenues, net of estimated uncollectible amounts, as soon as all eligibility requirements imposed by the provider have been met. Amounts received before all eligibility requirements have been met are reported as liabilities.

Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and liabilities are generally included on the balance sheet. The statement of governmental funds revenues, expenditures and changes in fund balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in spendable resources. General capital asset acquisitions are reported as expenditures and proceeds of long-term debt are reported as other financing sources. Under the modified accrual basis of accounting, revenues are recognized when both measurable and available. The District considers revenues reported in the governmental funds to be available if they are collectible within 60 days after year-end. Principal revenue sources considered susceptible to accrual include taxes, charges for services and investment income. Other revenues are considered to be measurable and available only when cash is received by the District. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized as expenditures when payment is due.

Deferred Outflows and Inflows of Resources

A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period and a deferred inflow of resources is an acquisition of net position that is applicable to a future reporting period.

Interfund Transactions

Transfers from one fund to another fund are reported as interfund receivables and payables if there is intent to repay the amount and if there is the ability to repay the advance on a timely basis. Operating transfers represent legally authorized transfers from the fund receiving resources to the fund through which the resources are to be expended.

Pension Costs

The District does not participate in a pension plan and, therefore, has no pension costs.

Use of Estimates

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

Investments and Investment Income

Investments in certificates of deposit, mutual funds, U.S. Government and agency securities, and certain pooled funds, which have a remaining maturity of one year or less at the date of purchase, are recorded at amortized cost. All other investments are carried at fair value. Fair value is determined using quoted market values.

Investment income includes dividends and interest income and the net change for the year in the fair value of investments carried at fair value. Investment income is credited to the fund in which the investment is recorded.

Property Taxes

An appraisal district annually prepares appraisal records listing all property within the District and the appraised value of each parcel or item as of January 1. Additionally, on January 1, a tax lien attaches to property to secure the payment of all taxes, penalty and interest ultimately imposed for the year on the property. After the District receives its certified appraisal roll from the appraisal district, the rate of taxation is set by the Board of the District based upon the aggregate appraisal value. Taxes are due and payable October 1 or when billed, whichever is later, and become delinquent after January 31 of the following year.

In the governmental funds, property taxes are initially recorded as receivables and deferred inflows of resources at the time the tax levy is billed. Revenues recognized during the fiscal year ended April 30, 2020, include collections during the current period or within 60 days of year-end related to the 2019 and prior years' tax levies.

In the government-wide statement of net position, property taxes are considered earned in the budget year for which they are levied. For the District's fiscal year ended April 30, 2020, the 2019 tax levy is considered earned during the current fiscal year. In addition to property taxes levied, any delinquent taxes are recorded net of amounts considered uncollectible.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an individual cost of $5,000 or more and an estimated useful life of two years or more. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over their estimated useful lives as follows.

	Years
Water production and distribution facilities	10-45
Wastewater collection and treatment facilities	10-45
Drainage facilities	10-45
Road facilities	10-45
Parks and recreation facilities	10-45
Parking facilities	10-45

Debt Issuance Costs

Debt issuance costs, other than prepaid insurance, do not meet the definition of an asset or deferred outflows of resources since the costs are not applicable to a future period and, therefore, are recognized as an expense/expenditure in the period incurred.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are recognized as a liability or asset, respectively, and amortized over the life of the related debt using the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position/Fund Balances

Fund balances and net position are reported as restricted when constraints placed on them are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or are imposed by law through constitutional provisions or enabling legislation.

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

Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Reconciliation of Government-wide and Fund Financial Statements

Amounts reported for net position of governmental activities in the statement of net position and fund balances in the governmental funds balance sheet are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds.	$	94,916,241
Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.		41,703
Accrued interest on long-term liabilities is not payable with current financial resources and is not reported in the funds.		(379,919)
Long-term debt obligations are not due and payable in the current period and are not reported in the funds.		(104,254,911)
Adjustment to fund balances to arrive at net position.	$	(9,676,886)

Amounts reported for change in net position of governmental activities in the statement of activities are different from change in fund balances in the governmental funds statement of revenues, expenditures and changes in fund balances because:

Change in fund balances.	$	2,956,314
Governmental funds report capital outlays as expenditures. However, for government-wide financial statements, the cost of capitalized assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay expenditures exceeded depreciation and noncapitalized costs in the current year.		5,648,818
Governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		134,342
Governmental funds report proceeds from the sales of bonds because they provide current financial resources to governmental funds. Principal payments on debt are recorded as expenditures. None of these transactions, however, have any effect on net position.		(4,390,000)

Revenues that do not provide current financial resources are not reported as revenues for the funds, but are reported as revenues in the statement of activities.	$	426,949
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(67,576)
Change in net position of governmental activities.	$	4,708,847

Note 2: Deposits, Investments and Investment Income

Deposits

Custodial credit risk is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The District's deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law requires collateralization of all deposits with federal depository insurance; a surety bond; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities of the State of Texas; or certain 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.

At April 30, 2020, none of the District's bank balances were exposed to custodial credit risk.

Investments

The District may legally invest in obligations of the United States or its agencies and instrumentalities, direct obligations of Texas or its agencies or instrumentalities, 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, other obligations guaranteed as to principal and interest by the State of Texas or the United States or their agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States, obligations of states, agencies and counties and other political subdivisions with an investment rating not less than "A," certificates of deposit of financial institutions domiciled in Texas, and certain bankers' acceptances, repurchase agreements, mutual funds, commercial paper, guaranteed investment contracts and investment pools.

The District's investment policy may be more restrictive than the Public Funds Investment Act.

The District invests in Texas CLASS, an external investment pool that is not registered with the Securities and Exchange Commission. A Board of Trustees, elected by the participants, has oversight of Texas CLASS. The District's investments may be redeemed at any time. Texas CLASS attempts to minimize its exposure to market and credit risk through the use of various strategies and credit monitoring techniques and limits its investment in any issuer to the top two ratings issued by nationally recognized statistical rating organizations.

At April 30, 2020, the District had the following investments and maturities.

		Maturities in Years			
Type	**Fair Value**	**Less Than 1**	**1-5**	**6-10**	**More Than 10**
Texas CLASS	$ 21,649,731	$21,649,731	$ 0	$ 0	$ 0

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy does not allow investments in certain mortgage-backed securities, collateralized mortgage obligations with a final maturity date in excess of 10 years and interest rate indexed collateralized mortgage obligations. The external investment pool is presented as an investment with a maturity of less than one year because it is redeemable in full immediately.

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At April 30, 2020, the District's investments in Texas CLASS were rated "AAAm" by Standard & Poor's.

Summary of Carrying Values

The carrying values of deposits and investments shown above are included in the balance sheet at April 30, 2020, as follows:

Carrying value:	
Deposits	$ 681,189
Investments	21,649,731
Total	$ 22,330,920

Included in the following statement of net position captions:

Cash	$ 201,189
Certificates of deposit	480,000
Short-term investments	21,649,731
Total	$ 22,330,920

Investment Income

Investment income of $337,568 for the year ended April 30, 2020, consisted of interest income.

Fair Value Measurements

The District has the following recurring fair value measurements as of April 30, 2020:

- Pooled investments of $21,649,731 are valued at fair value per share of the pool's underlying portfolio.

Note 3: Capital Assets

A summary of changes in capital assets for the year ended April 30, 2020, is presented below:

Governmental Activities	Balances, Beginning of Year	Additions	Reclassifi-cations	Balances, End of Year
Capital assets, non-depreciable:				
Land and improvements	$ 8,058,678	$ 5,784,625	$ 1,389,595	$ 15,232,898
Construction in progress	1,983,091	17,471,484	(1,892,192)	17,562,383
Total capital assets, non-depreciable	10,041,769	23,256,109	(502,597)	32,795,281
Capital assets, depreciable:				
Water production and distribution facilities	14,836,931	225,325	-	15,062,256
Wastewater collection and treatment facilities	6,324,045	2,016,526	-	8,340,571
Drainage facilities	9,343,188	718,740	(1,262,851)	8,799,077
Road facilities	16,234,893	2,958,460	1,765,448	20,958,801
Parks and recreation	9,623,235	183,243	-	9,806,478
Parking facilities	9,184,926	-	-	9,184,926
Total capital assets, depreciable	65,547,218	6,102,294	502,597	72,152,109
Less accumulated depreciation:				
Water production and distribution facilities	(1,633,055)	(359,577)	-	(1,992,632)
Wastewater collection and treatment facilities	(794,042)	(291,721)	-	(1,085,763)
Drainage facilities	(1,221,458)	(236,420)	403,061	(1,054,817)
Road facilities	(2,543,613)	(1,120,612)	-	(3,664,225)
Parks and recreation	(1,090,241)	(498,860)	-	(1,589,101)
Parking facilities	(429,459)	(215,152)	-	(644,611)
Total accumulated depreciation	(7,711,868)	(2,722,342)	403,061	(10,031,149)
Total governmental activities, net	$ 67,877,119	$ 26,636,061	$ 403,061	$ 94,916,241

Note 4: Long-term Liabilities

Changes in long-term liabilities for the year ended April 30, 2020, were as follows:

Governmental Activities	Balances, Beginning of Year	Increases	Decreases	Balances, End of Year	Amounts Due in One Year
Bonds payable:					
General obligation bonds	$ 46,720,000	$ 5,680,000	$ 1,290,000	$ 51,110,000	$ 1,340,000
Direct placement bonds	15,350,000	-	-	15,350,000	850,000
Less discounts on bonds	1,310,367	134,342	41,061	1,403,648	-
	60,759,633	5,545,658	1,248,939	65,056,352	2,190,000
Due to developer	17,539,375	24,479,286	3,482,901	38,535,760	-
Developer advances	662,799	-	-	662,799	-
Total governmental activities long-term liabilities	$ 78,961,807	$ 30,024,944	$ 4,731,840	$ 104,254,911	$ 2,190,000

General Obligation Bonds

	Series 2015	Series 2016
Amounts outstanding, April 30, 2020	$3,945,000	$14,470,000
Interest rates	2.00% to 4.00%	2.00% to 4.00%
Maturity dates, serially beginning/ending	September 1, 2020/2040	September 1, 2020/2040
Interest payment dates	March 1/ September 1	March 1/ September 1
Callable dates*	September 1, 2023	September 1, 2024

	Road Series 2016A	Series 2016B
Amounts outstanding, April 30, 2020	$8,780,000	$7,725,000
Interest rates	2.00% to 4.00%	2.40% to 3.90%
Maturity dates, serially beginning/ending	September 1, 2020/2041	September 1, 2020/2041
Interest payment dates	March 1/ September 1	March 1/ September 1
Callable dates*	September 1, 2024	September 1, 2024

*Or any date thereafter; callable at par plus accrued interest to the date of redemption.

	Series 2017	Series 2018**
Amounts outstanding, April 30, 2020	$10,510,000	$15,350,000
Interest rates	2.50% to 4.50%	3.80%
Maturity dates, serially beginning/ending	September 1, 2020/2042	September 1, 2020/2033
Interest payment dates	March 1/ September 1	March 1/ September 1
Callable dates*	September 1, 2025	September 1, 2025

	Series 2019
Amount outstanding, April 30, 2020	$5,680,000
Interest rates	2.00% to 3.00%
Maturity dates, serially beginning/ending	September 1, 2021/2044
Interest payment dates	March 1/ September 1
Callable date*	September 1, 2024

*Or any date thereafter; callable at par plus accrued interest to the date of redemption.

**Direct placement bonds.

Annual Debt Service Requirements

The following schedule shows the annual debt service requirements to pay principal and interest on general obligation bonds outstanding at April 30, 2020:

	General Obligation Bonds		Direct Placement Bonds		
Fiscal Year	Principal	Interest	Principal	Interest	Total
2021	$ 1,340,000	$ 1,675,698	$ 850,000	$ 567,150	$ 4,432,848
2022	1,685,000	1,633,226	885,000	534,185	4,737,411
2023	1,735,000	1,588,416	915,000	499,985	4,738,401
2024	1,790,000	1,544,078	950,000	464,550	4,748,628
2025	1,835,000	1,499,564	990,000	427,690	4,752,254
2026-2030	10,055,000	6,694,274	5,530,000	1,534,630	23,813,904
2031-2035	11,795,000	4,974,176	5,230,000	406,600	22,405,776
2036-2040	14,065,000	2,670,409	-	-	16,735,409
2041-2045	6,810,000	347,555	-	-	7,157,555
Total	$ 51,110,000	$ 22,627,396	$ 15,350,000	$ 4,434,790	$ 93,522,186

The bonds issued to date, with the exception of the Series 2018 bonds, are payable from the proceeds of an ad valorem tax levied upon all property within the District subject to taxation, without limitation as to rate or amount. The Series 2018 bonds are payable from sales and use taxes collected by the District.

Bonds authorized by voters but unissued as of April 30, 2020, include the following:

	Authorized	Issued	Unissued
Water, sewer and drainage	$ 873,250,000	$ 36,430,000	$ 836,820,000
Recreational facilities	167,000,000	8,150,000	158,850,000
Road facilities	1,511,198,000	9,515,000	1,501,683,000
Electrical conduit facilities	611,000,000	-	611,000,000
Rail facilities	24,000,000	-	24,000,000
Parking facilities	2,219,000,000	-	2,219,000,000
Public transportation facilities	57,000,000	-	57,000,000
Economic development	51,000,000	-	51,000,000
Water, sewer and drainage refunding	215,000,000	-	215,000,000
Recreational facilities refunding	48,000,000	-	48,000,000
Road facilities refunding	431,000,000	-	431,000,000
Electrical conduit facilities refunding	183,000,000	-	183,000,000
Rail facilities refunding	7,200,000	-	7,200,000
Parking facilities refunding	665,000,000	-	665,000,000
Public transportation facilities refunding	17,000,000	-	17,000,000
Economic development refunding	15,000,000	-	15,000,000

Due to Developers

Developers of the District have constructed underground utilities, storm water detention facilities, recreational facilities, roads, parking facilities and electrical power facilities on behalf of the District. The District's engineer estimates reimbursable costs for completed projects are $38,535,760. The District has agreed to reimburse these amounts plus interest to the extent approved by the Commission from the proceeds of future bond sales. These amounts have been recorded in the financial statements as long-term liabilities.

Developer Advances

Developers of the District have advanced $662,799 to the District for operating expenses. The District has agreed to repay the advances, plus interest, to the extent approved by the Commission from the proceeds of future bond sales. These amounts have been recorded in the financial statements as long-term liabilities.

Generation Park Management District

Notes to Financial Statements

April 30, 2020

Note 5: Significant Bond Order and Commission Requirements

A. The Bond Orders require that the District levy and collect an ad valorem debt service tax sufficient to pay interest and principal on water, sewer, drainage and recreational facilities (WSD&R) bonds when due. During the year ended April 30, 2020, the District levied an ad valorem WSD&R debt service tax at the rate of $0.3600 per $100 of assessed valuation, which resulted in a tax levy of $3,061,793 on the taxable valuation of $850,498,168 for the 2019 tax year. The interest and principal requirements to be paid from the tax revenues and available resources are $2,429,162, of which $659,205 has been paid and $1,769,957 is due September 1, 2020.

B. At an election held on May 10, 2014, voters authorized an ad valorem debt service tax on all property within the District subject to taxation in order to pay principal and interest on road bonds when due. During the year ended April 30, 2020, the District levied an ad valorem road debt service tax at the rate of $0.07500 per $100 of assessed valuation which resulted in a tax levy of $637,873 on the taxable valuation of $850,498,168 for the 2019 tax year. The interest and principal requirements to be paid from the road debt service tax revenues are $571,300 of which $153,150 has been paid and $418,150 is due September 1, 2020.

C. During the current year, the District transferred $206,854 from the capital projects fund to the general fund. The transfer was in accordance with the rules of the Commission.

Note 6: Maintenance Taxes

At an election held May 10, 2014, voters authorized a maintenance tax not to exceed $1.50 per $100 valuation on all property within the District subject to taxation. During the year ended April 30, 2020, the District levied an ad valorem maintenance tax at the rate of $0.8950 per $100 of assessed valuation, which resulted in a tax levy of $7,611,959 on the taxable valuation of $850,498,168 for the 2019 tax year. The maintenance tax is being used by the general fund to pay expenditures of operating the District.

Note 7: Water Supply Contract

The District has entered into a water supply contract with the City of Houston (the City). The terms of the contract are as follows:

The District has agreed to construct all facilities necessary to enable it to receive water from the City's distribution system. The District's current minimum quantity is approximately 311,000 gallons per day. The District must pay for the minimum monthly quantity whether or not the water is used. The District is entitled to revise its minimum monthly quantity no more than three times during the initial year of the contract term, twice during the second year, and once each year thereafter by providing written notice thereof to the Utility Official of the Department of Public Works and Engineering of the City. After the fourth year, any revision resulting in an increase in excess of 10 percent of the current minimum monthly quantity will not be effective until approved in writing by the Utility Official. The charge for water shall be calculated in accordance with the rates for contract treated water customers that do not receive surface water only. Currently, the rate for the minimum monthly quantity is $3.26 per 1,000 gallons. However, if the District exceeds the minimum monthly quantity, surcharges apply. The rates charged by the City may be amended at any time. The agreement shall expire on the 40th anniversary of the contract date. During the year ended April 30, 2020, the District recorded expenditures of $367,458 related to this contract.

Note 8: Emergency Services Agreements

During the year ended April 30, 2017, the District entered into agreements with Harris County Emergency Services District No. 2 (ESD 2) and Harris County Emergency Services District No. 60 (ESD 60) whereby certain land within the District was de-annexed by ESD 2 and ESD 60. In exchange for the de-annexation, the District agreed to pay ESD 2 and ESD 60 to continue to receive emergency services within the District. The District is required to make payments equal to the taxable value of the District multiplied by the tax rates of ESD 2 and ESD 60, respectively. During the year ended April 30, 2020, the District made combined payments to ESD 2 and ESD 60 in the amount of $640,233.

Note 9: Joint Water Trunkline

The District has entered into a Joint Financing, Construction and Maintenance of Water Trunkline agreement with Harris County Municipal Utility District No. 148 (No. 148), Harris County Municipal Utility District No. 403 (No. 403), Marhaba Partners L.P. (Marhaba) and Elan Development, L.P. (Elan) for the construction and maintenance of a joint water trunkline to serve the districts and property owned by Marhaba. The District constructed Segments A and B of the water trunkline on behalf of No. 148, No. 403 and Marhaba and shared design costs with No. 403 and Marhaba. No. 148 was not responsible for any design costs. The District, No. 403 and Marhaba were responsible for their pro rata share of the construction costs, less $240,310, which was paid by No. 148. The District financed its share of Segment A through the Series 2015 bonds. Any expansion, extension or connection to the facilities will be the sole obligation of the party or parties desiring the expansion, extension or connection.

The City has indicated it plans to take legal title to these facilities upon completion and to maintain and operate the line. However, unless legal title is conveyed to the City, the District will hold legal title to Segment A and B for benefit of the parties. As of April 30, 2020, the facilities have not been conveyed to the City. This project was completed December 7, 2006, at a total cost of, $1,718,840, which has been recorded in the capital assets of the District. The District's pro rata share of the project cost was 70.45 percent or $1,210,923. The contribution from other parties for their pro rata shares of the project was 29.55 percent, or $507,917.

Note 10: Operating Leases

On November 9, 2006, MUD No. 402 entered into a 36-month lease agreement to lease a 125,000 gallon per day prepackage wastewater treatment plant commencing on the first day of the following substantial completion of the installation and start-up of the leased equipment. The monthly lease payments were $4,600. On October 28, 2010, MUD No. 402 amended the lease agreement to extend the term of the lease to 72 months. The lease requires payments in the amount of $4,600 for the initial 39 months; payments will then be reduced to $2,500 for the subsequent 21 months; then payments will increase to $4,500 for the remaining 12 months. After the initial 72 months, the District has the option to either purchase all of the plant from the Lessor for $224,900 or continue making monthly payments in the amount of $4,000 per month. On May 13, 2015, the District amended the lease agreement dated October 28, 2010. The new terms of the amended lease agreement are for a 60-month lease beginning on June 1, 2015. Monthly rental payments of $3,600 will begin on June 1, 2015. The District has the option to purchase the leased property at any time during the lease extension for $224,900. During the year ended April 30, 2020, the District recorded $43,200 in expenditures related to the lease.

The above lease originally entered into by MUD No. 402 was transferred by operation of law to the District upon consolidation with MUD No. 402.

On May 13, 2015, the District entered into a 60-month lease agreement to expand the interim wastewater treatment plant with an average daily flow of 125,000 gallons per day to a total of 250,000 gallons per day. The initial term of the lease agreement is for monthly rental payments of $5,200 beginning in December 2015. After the initial term, the District has the option to extend the lease agreement on a month-to-month basis for monthly rental payments of $4,700. During the year ended April 30, 2020, the District recorded $62,400 in expenditures related to the lease.

On January 17, 2018, the District entered into a 120-month lease agreement for the use of the ground floor restrooms and portions of the service building at 250 Assay Street. The initial term of the lease agreement is for a monthly rental payment of $1,283 beginning in April 1, 2018. The District is also responsible for monthly operation charges which vary from month to month depending on the expenses of the facility. During the year ended April 30, 2020, the District recorded $30,842 in expenditures related to the lease.

In May 2019, the District entered into a 60-month lease agreement to expand the interim wastewater treatment plant to an average daily flow of 375,000 gallons per day, which includes the equipment included in the prior lease agreements. The initial term of the lease agreement is for monthly rental payments of $16,700 per month beginning upon substantial completion of the expansion. After the initial term, the District has the option to extend the lease agreement on a month-to-month basis for monthly rental payments of $15,400. As of April 30, 2020, this lease has not commenced.

Future minimum lease payments under all leases in effect as of April 30, 2020, are as follows.

Fiscal Year		Payments
2021	$	56,018
2022		16,338
2023		16,666
2024		17,003
2025		17,340
Thereafter		54,120
	$	177,485

Note 11: Risk Management

The District is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets, errors and omissions; and natural disasters for which the District carried commercial insurance. The District has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts in the past three fiscal years.

Note 12: Commitments

The developer of the District is constructing water, sewer, drainage, road, recreational, parking and electrical power facilities within the boundaries of the District. The District has agreed to reimburse the developer for a portion of these costs, plus interest, from the proceeds of future bond sales, to the extent approved by the Commission (as applicable). The District's engineer has stated that current construction contract amounts are approximately $15,175,000. This amount has not been recorded in the financial statements since the facilities are not complete or operational.

Note 13: Economic Development Agreement

The District has entered into an Economic Development Agreement (the Agreement) pursuant to its Urban Living Initiative Economic Development Program with a property owner in the District. The Agreement allows for the reimbursement of a portion of certain real property taxes paid on a specific qualifying project, as defined in the Agreement. The limit of reimbursement under the Agreement is $3,765,000. As of April 30, 2020, no reimbursement has been made under the Agreement.

Note 14: Change in Accounting Principle

In 2020, the District adopted GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, by separating information regarding direct borrowings and direct placements of debt from other debt. In addition, the debt maturities schedule (Note 4) has been disaggregated.

Note 15: Subsequent Event

Subsequent to year-end, the District sold its $18,300,000 Series 2020 Unlimited Tax Road Bonds at a net effective interest rate of approximately 3.25 percent. The bonds were sold to reimburse the District's developers for facilities constructed within the District.

Note 16: Uncertainties

As a result of the spread of the SARS-CoV-2 virus and the incidence of COVID-19, economic uncertainties have arisen which may negatively affect the financial position and results of operations of the District. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

Required Supplementary Information

Generation Park Management District

Budgetary Comparison Schedule – General Fund

Year Ended April 30, 2020

	Original Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Property taxes	$ 7,565,000	$ 6,570,999	$ (994,001)
Sales and use taxes	2,190,000	2,122,493	(67,507)
Water service	722,000	678,260	(43,740)
Sewer service	316,800	292,261	(24,539)
Parking service	138,538	187,269	48,731
Penalty and interest	26,604	35,033	8,429
Tap connection and inspection fees	43,600	112,700	69,100
Investment income	138,390	193,933	55,543
Total revenues	11,140,932	10,192,948	(947,984)
Expenditures			
Service operations:			
Purchased services	1,112,000	1,007,691	104,309
Professional fees	899,070	758,444	140,626
Contracted services	626,233	658,208	(31,975)
Utilities	115,500	87,391	28,109
Repairs and maintenance	1,725,079	1,064,533	660,546
Other expenditures	420,880	280,107	140,773
Tap connections	46,935	90,500	(43,565)
Capital outlay	5,474,665	3,108,189	2,366,476
Total expenditures	10,420,362	7,055,063	3,365,299
Excess of Revenues Over Expenditures	720,570	3,137,885	2,417,315
Other Financing Uses			
Interfund transfers out	(1,317,150)	(1,880,513)	(563,363)
Excess (Deficiency) of Revenues and Transfers In Over Expenditures and Transfers Out	(596,580)	1,257,372	1,853,952
Fund Balance, Beginning of Year	11,083,327	11,083,327	-
Fund Balance, End of Year	$ 10,486,747	$ 12,340,699	$ 1,853,952

Generation Park Management District
Notes to Required Supplementary Information
April 30, 2020

Budgets and Budgetary Accounting

An annual operating budget is prepared for the general fund by the District's consultants. The budget reflects resources expected to be received during the year and expenditures expected to be incurred. The Board of Directors is required to adopt the budget prior to the start of its fiscal year. The budget is not a spending limitation (a legally restricted appropriation). The original budget of the general fund was not amended during fiscal 2020.

The District prepares its annual operating budget on a basis consistent with accounting principles generally accepted in the United States of America. The Budgetary Comparison Schedule - General Fund presents the original and revised budget amounts, if revised, compared to the actual amounts of revenues and expenditures for the current year.

Other Information

Generation Park Management District
Other Schedules Included Within This Report
April 30, 2020

(Schedules included are checked or explanatory notes provided for omitted schedules.)

[X] Notes Required by the Water District Accounting Manual
See "Notes to Financial Statements," Pages 14-31

[X] Schedule of Services and Rates

[X] Schedule of General Fund Expenditures

[X] Schedule of Temporary Investments

[X] Analysis of Taxes Levied and Receivable

[X] Schedule of Long-term Debt Service Requirements by Years

[X] Changes in Long-term Bonded Debt

[X] Comparative Schedule of Revenues and Expenditures – General Fund and Debt Service Fund

[X] Board Members, Key Personnel and Consultants

Generation Park Management District

Schedule of Services and Rates

Year Ended April 30, 2020

1. Services provided by the District:

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

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

___ Other ______

2. Retail service providers:

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

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate Per 1,000 Gallons Over Minimum	Usage Levels
Water:	$ 52.61	10,000	N	$ 6.25	10,001 to 20,000
				$ 7.05	20,001 to No Limit
Wastewater:	$ 30.00	10,000	N	$ 3.50	10,001 to 20,000
				$ 4.00	20,001 to No Limit

Does the District employ winter averaging for wastewater usage? Yes ___ No X

Total charges per 10,000 gallons usage (including fees): Water $ 52.61 Wastewater $ 30.00

b. Water and wastewater retail connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC*
Unmetered	-	-	x1.0	-
≤ 3/4"	15	15	x1.0	15
1"	6	6	x2.5	15
1 1/2"	8	8	x5.0	40
2"	16	16	x8.0	128
3"	2	2	x15.0	30
4"	3	3	x25.0	75
6"	3	3	x50.0	150
8"	4	4	x80.0	320
10"	4	4	x115.0	460
Total water	61	61		1,233
Total wastewater	35	35	x1.0	35

3. Total water consumption (in thousands) during the fiscal year:

Gallons pumped into the system:	96,091
Gallons billed to customers:	80,532
Water accountability ratio (gallons billed/gallons pumped):	83.81%

*"ESFC" means equivalent single-family connections

Generation Park Management District

Schedule of General Fund Expenditures

Year Ended April 30, 2020

Personnel (including benefits)		$ -
Professional Fees		
Auditing	$ 26,200	
Legal	285,590	
Engineering	446,654	
Financial advisor	-	758,444
Purchased Services for Resale		
Bulk water and wastewater service purchases		1,007,691
Regional Water Fee		-
Contracted Services		
Bookkeeping	43,038	
General manager	280,516	
Appraisal district	-	
Tax collector	-	
Security	70,834	
Other contracted services	263,820	658,208
Utilities		87,391
Repairs and Maintenance		1,064,533
Administrative Expenditures		
Directors' fees	9,150	
Office supplies	7,385	
Insurance	34,815	
Other administrative expenditures	123,157	174,507
Capital Outlay		
Capitalized assets	3,108,189	
Expenditures not capitalized	-	3,108,189
Tap Connection Expenditures		90,500
Lease Expenditures		105,600
Fire Fighting		-
Parks and Recreation		-
Other Expenditures		-
Total expenditures		$ 7,055,063

Generation Park Management District

Schedule of Temporary Investments

April 30, 2020

	Interest Rate	Maturity Date	Face Amount	Accrued Interest Receivable
General Fund				
Texas CLASS	0.98%	Demand	$ 1,204,573	$ -
Texas CLASS	0.98%	Demand	8,345,198	-
Texas CLASS	0.98%	Demand	3,048,603	-
			12,598,374	0
Debt Service Fund				
Certificates of Deposit				
No. 12405	1.70%	08/20/20	240,000	760
No. 6000040185	1.80%	08/05/20	240,000	982
Texas CLASS	0.98%	Demand	3,303,050	-
Texas CLASS	0.98%	Demand	716,351	-
Texas CLASS	0.98%	Demand	1,626,474	-
Texas CLASS	0.98%	Demand	1,587,042	-
			7,712,917	1,742
Capital Projects Fund				
Texas CLASS	0.98%	Demand	837,176	-
Texas CLASS	0.98%	Demand	38	-
Texas CLASS	0.98%	Demand	879,021	-
Texas CLASS	0.98%	Demand	102,205	-
			1,818,440	0
Totals			$ 22,129,731	$ 1,742

Generation Park Management District

Analysis of Taxes Levied and Receivable

Year Ended April 30, 2020

	Maintenance Taxes	Road Debt Service Taxes	Debt Service Taxes
Receivable, Beginning of Year	$ 12,420	$ 1,086	$ 4,310
Additions and corrections to prior years' taxes	(1,025,406)	(91,040)	(365,333)
Adjusted receivable, beginning of year	(1,012,986)	(89,954)	(361,023)
2019 Original Tax Levy	6,616,878	554,487	2,661,537
Additions and corrections	995,081	83,386	400,256
Adjusted tax levy	7,611,959	637,873	3,061,793
Total to be accounted for	6,598,973	547,919	2,700,770
Tax collections: Current year	(7,585,589)	(635,663)	(3,051,186)
Prior years	1,014,590	90,162	361,727
Receivable, end of year	$ 27,974	$ 2,418	$ 11,311
Receivable, by Years			
2019	$ 26,370	$ 2,210	$ 10,607
2018	1,159	92	380
2017	88	9	35
2003	357	107	289
Receivable, end of year	$ 27,974	$ 2,418	$ 11,311

Generation Park Management District

Analysis of Taxes Levied and Receivable (Continued)

Year Ended April 30, 2020

	2019	2018	2017	2016
Property Valuations				
Land	$ 120,952,424	$ 114,552,473	$ 94,084,038	$ 72,081,353
Improvements	420,242,279	312,306,780	259,653,507	253,012,710
Personal property	396,026,952	422,972,987	391,398,516	15,877,807
Exemptions	(86,723,487)	(95,168,020)	(74,638,271)	(34,112,865)
Total property valuations	$ 850,498,168	$ 754,664,220	$ 670,497,790	$ 306,859,005
Tax Rates per $100 Valuation				
Debt service tax rates	$ 0.3600	$ 0.3100	$ 0.3500	$ 0.5100
Road debt service tax rates	0.0750	0.0750	0.0900	0.1900
Maintenance tax rates*	0.8950	0.9450	0.8900	0.6300
Total tax rates per $100 valuation	$ 1.3300	$ 1.3300	$ 1.3300	$ 1.3300
Tax Levy	$ 11,311,625	$ 10,037,034	$ 8,917,621	$ 4,081,225
Percent of Taxes Collected to Taxes Levied**	99%	99%	99%	99%

*Maximum tax rate approved by voters: $1.50 on May 10, 2014

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

Generation Park Management District

Schedule of Long-term Debt Service Requirements by Years

April 30, 2020

	Series 2015		
Due During Fiscal Years Ending April 30	Principal Due September 1	Interest Due March 1, September 1	Total
2021	$ 105,000	$ 142,484	$ 247,484
2022	110,000	140,131	250,131
2023	120,000	137,394	257,394
2024	125,000	134,019	259,019
2025	130,000	130,113	260,113
2026	140,000	125,805	265,805
2027	145,000	121,084	266,084
2028	155,000	115,925	270,925
2029	160,000	110,413	270,413
2030	170,000	104,531	274,531
2031	180,000	98,075	278,075
2032	190,000	91,138	281,138
2033	200,000	83,825	283,825
2034	210,000	76,138	286,138
2035	220,000	67,800	287,800
2036	230,000	58,800	288,800
2037	245,000	49,300	294,300
2038	255,000	39,300	294,300
2039	270,000	28,800	298,800
2040	285,000	17,700	302,700
2041	300,000	6,000	306,000
Totals	$ 3,945,000	$ 1,878,775	$ 5,823,775

Generation Park Management District

Schedule of Long-term Debt Service Requirements by Years (Continued)

April 30, 2020

	Series 2016		
Due During Fiscal Years Ending April 30	Principal Due September 1	Interest Due March 1, September 1	Total
2021	$ 450,000	$ 463,663	$ 913,663
2022	470,000	452,213	922,213
2023	490,000	442,613	932,613
2024	510,000	432,613	942,613
2025	530,000	421,550	951,550
2026	550,000	408,712	958,712
2027	575,000	393,212	968,212
2028	595,000	375,662	970,662
2029	620,000	357,438	977,438
2030	645,000	338,462	983,462
2031	670,000	318,318	988,318
2032	695,000	296,555	991,555
2033	725,000	273,481	998,481
2034	755,000	248,488	1,003,488
2035	785,000	221,537	1,006,537
2036	815,000	193,537	1,008,537
2037	850,000	163,338	1,013,338
2038	880,000	130,900	1,010,900
2039	915,000	96,100	1,011,100
2040	955,000	58,700	1,013,700
2041	990,000	19,800	1,009,800
Totals	$ 14,470,000	$ 6,106,892	$ 20,576,892

Generation Park Management District

Schedule of Long-term Debt Service Requirements by Years (Continued)

April 30, 2020

Due During Fiscal Years Ending April 30	Road Series 2016A Principal Due September 1	Road Series 2016A Interest Due March 1, September 1	Road Series 2016A Total
2021	$ 265,000	$ 302,988	$ 567,988
2022	275,000	296,238	571,238
2023	285,000	289,238	574,238
2024	295,000	281,988	576,988
2025	305,000	274,488	579,488
2026	320,000	265,875	585,875
2027	330,000	256,125	586,125
2028	340,000	245,438	585,438
2029	355,000	233,709	588,709
2030	370,000	221,475	591,475
2031	380,000	208,819	588,819
2032	395,000	195,741	590,741
2033	410,000	181,388	591,388
2034	425,000	165,731	590,731
2035	440,000	149,512	589,512
2036	460,000	132,638	592,638
2037	475,000	115,106	590,106
2038	495,000	96,300	591,300
2039	510,000	76,200	586,200
2040	530,000	55,400	585,400
2041	550,000	33,800	583,800
2042	570,000	11,400	581,400
Totals	$ 8,780,000	$ 4,089,597	$ 12,869,597

Generation Park Management District

Schedule of Long-term Debt Service Requirements by Years (Continued)

April 30, 2020

	Series 2016B		
Due During Fiscal Years Ending April 30	Principal Due September 1	Interest Due March 1, September 1	Total
2021	$ 225,000	$ 253,857	$ 478,857
2022	235,000	248,338	483,338
2023	245,000	242,577	487,577
2024	255,000	236,514	491,514
2025	265,000	229,945	494,945
2026	275,000	222,719	497,719
2027	285,000	214,805	499,805
2028	295,000	206,247	501,247
2029	310,000	196,979	506,979
2030	320,000	187,135	507,135
2031	335,000	176,901	511,901
2032	350,000	165,716	515,716
2033	360,000	153,646	513,646
2034	375,000	141,151	516,151
2035	390,000	128,146	518,146
2036	405,000	114,175	519,175
2037	420,000	99,222	519,222
2038	440,000	83,635	523,635
2039	455,000	66,788	521,788
2040	475,000	48,653	523,653
2041	495,000	29,738	524,738
2042	515,000	10,042	525,042
Totals	$ 7,725,000	$ 3,456,929	$ 11,181,929

Generation Park Management District

Schedule of Long-term Debt Service Requirements by Years (Continued)

April 30, 2020

	Series 2017		
Due During Fiscal Years Ending April 30	Principal Due September 1	Interest Due March 1, September 1	Total
2021	$ 295,000	$ 369,700	$ 664,700
2022	305,000	356,200	661,200
2023	320,000	342,138	662,138
2024	330,000	329,988	659,988
2025	345,000	319,862	664,862
2026	355,000	310,250	665,250
2027	370,000	300,956	670,956
2028	385,000	290,806	675,806
2029	395,000	279,588	674,588
2030	410,000	267,256	677,256
2031	425,000	253,944	678,944
2032	445,000	239,806	684,806
2033	460,000	224,525	684,525
2034	475,000	208,163	683,163
2035	495,000	190,878	685,878
2036	515,000	172,572	687,572
2037	535,000	153,206	688,206
2038	555,000	132,769	687,769
2039	575,000	111,581	686,581
2040	595,000	88,900	683,900
2041	620,000	64,600	684,600
2042	640,000	39,400	679,400
2043	665,000	13,300	678,300
Totals	$ 10,510,000	$ 5,060,388	$ 15,570,388

Generation Park Management District

Schedule of Long-term Debt Service Requirements by Years (Continued)

April 30, 2020

Due During Fiscal Years Ending April 30	Series 2018 Principal Due September 1	Series 2018 Interest Due March 1, September 1	Series 2018 Total
2021	$ 850,000	$ 567,150	$ 1,417,150
2022	885,000	534,185	1,419,185
2023	915,000	499,985	1,414,985
2024	950,000	464,550	1,414,550
2025	990,000	427,690	1,417,690
2026	1,025,000	389,405	1,414,405
2027	1,065,000	349,695	1,414,695
2028	1,105,000	308,465	1,413,465
2029	1,145,000	265,715	1,410,715
2030	1,190,000	221,350	1,411,350
2031	1,235,000	175,275	1,410,275
2032	1,285,000	127,395	1,412,395
2033	1,330,000	77,710	1,407,710
2034	1,380,000	26,220	1,406,220
Totals	$ 15,350,000	$ 4,434,790	$ 19,784,790

Generation Park Management District

Schedule of Long-term Debt Service Requirements by Years (Continued)

April 30, 2020

Due During Fiscal Years Ending April 30	Series 2019 Principal Due September 1	Series 2019 Interest Due March 1, September 1	Total
2021	$ -	$ 143,006	$ 143,006
2022	290,000	140,106	430,106
2023	275,000	134,456	409,456
2024	275,000	128,956	403,956
2025	260,000	123,606	383,606
2026	255,000	118,456	373,456
2027	240,000	113,506	353,506
2028	235,000	108,756	343,756
2029	230,000	103,962	333,962
2030	225,000	98,987	323,987
2031	215,000	93,634	308,634
2032	205,000	88,122	293,122
2033	200,000	82,807	282,807
2034	195,000	77,622	272,622
2035	190,000	72,569	262,569
2036	190,000	67,582	257,582
2037	180,000	62,613	242,613
2038	185,000	57,594	242,594
2039	185,000	52,275	237,275
2040	185,000	46,725	231,725
2041	185,000	41,175	226,175
2042	305,000	33,825	338,825
2043	315,000	24,525	339,525
2044	325,000	14,925	339,925
2045	335,000	5,025	340,025
Totals	$ 5,680,000	$ 2,034,815	$ 7,714,815

Generation Park Management District

Schedule of Long-term Debt Service Requirements by Years (Continued)

April 30, 2020

Due During Fiscal Years Ending April 30	Annual Requirements For All Series: Total Principal Due	Total Interest Due	Total Principal and Interest Due
2021	$ 2,190,000	$ 2,242,848	$ 4,432,848
2022	2,570,000	2,167,411	4,737,411
2023	2,650,000	2,088,401	4,738,401
2024	2,740,000	2,008,628	4,748,628
2025	2,825,000	1,927,254	4,752,254
2026	2,920,000	1,841,222	4,761,222
2027	3,010,000	1,749,383	4,759,383
2028	3,110,000	1,651,299	4,761,299
2029	3,215,000	1,547,804	4,762,804
2030	3,330,000	1,439,196	4,769,196
2031	3,440,000	1,324,966	4,764,966
2032	3,565,000	1,204,473	4,769,473
2033	3,685,000	1,077,382	4,762,382
2034	3,815,000	943,513	4,758,513
2035	2,520,000	830,442	3,350,442
2036	2,615,000	739,304	3,354,304
2037	2,705,000	642,785	3,347,785
2038	2,810,000	540,498	3,350,498
2039	2,910,000	431,744	3,341,744
2040	3,025,000	316,078	3,341,078
2041	3,140,000	195,113	3,335,113
2042	2,030,000	94,667	2,124,667
2043	980,000	37,825	1,017,825
2044	325,000	14,925	339,925
2045	335,000	5,025	340,025
Totals	$ 66,460,000	$ 27,062,186	$ 93,522,186

Generation Park Management District

Changes in Long-term Bonded Debt

Year Ended April 30, 2020

	Bond		
	Series 2015	**Series 2016**	**Road Series 2016A**
Interest rates	2.00% to 4.00%	2.00% to 4.00%	2.00% to 4.00%
Dates interest payable	March 1/ September 1	March 1/ September 1	March 1/ September 1
Maturity dates	September 1, 2020/2040	September 1, 2020/2040	September 1, 2020/2041
Bonds outstanding, beginning of current year	$ 4,045,000	$ 14,905,000	$ 9,035,000
Bonds sold during current year	-	-	-
Retirements, principal	100,000	435,000	255,000
Bonds outstanding, end of current year	$ 3,945,000	$ 14,470,000	$ 8,780,000
Interest paid during current year	$ 144,600	$ 476,938	$ 309,169

Paying agent's name and address:

Series 2015 - Regions Bank, N.A., Houston, Texas
Series 2016 - Regions Bank, N.A., Houston, Texas
Series 2016A - Regions Bank, N.A., Houston, Texas
Series 2016B - Regions Bank, N.A., Houston, Texas
Series 2017 - Regions Bank, N.A., Houston, Texas
Series 2018 - BBVA Compass Bank, N.A., Houston, Texas
Series 2018 - Regions Bank, N.A., Houston, Texas

Bond authority:	**Water, Sewer and Drainage Bonds**	**Other Bonds**	**Refunding Bonds**
Amount authorized by voters	$ 873,250,000	$ 4,640,198,000	$ 1,581,200,000
Amount issued	$ 36,430,000	$ 17,665,000	$ -
Remaining to be issued	$ 836,820,000	$ 4,622,533,000	$ 1,581,200,000

Debt service fund cash and temporary investment balances as of April 30, 2020:	$ 7,831,229
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 3,740,887

Issues

Series 2016B		Series 2017		Series 2018		Series 2019		Totals	
2.40% to 3.90%		2.50% to 4.50%		3.80%		2.00% to 3.00%			
March 1/ September 1		March 1/ September 1		March 1/ September 1		March 1/ September 1			
September 1, 2020/2041		September 1, 2020/2042		September 1, 2020/2033		September 1, 2021/2044			
$	7,940,000	$	10,795,000	$	15,350,000	$	-	$	62,070,000
	-		-		-		5,680,000		5,680,000
	215,000		285,000		-		-		1,290,000
$	7,725,000	$	10,510,000	$	15,350,000	$	5,680,000	$	66,460,000
$	259,138	$	382,750	$	583,300	$	35,752	$	2,191,647

Generation Park Management District

Comparative Schedule of Revenues and Expenditures – General Fund

Five Years Ended April 30,

	Amounts				
	2020	2019	2018	2017	2016
General Fund					
Revenues					
Property taxes	$ 6,570,999	$ 7,917,074	$ 6,203,883	$ 1,922,321	$ 762,770
Sales and use taxes	2,122,493	2,160,309	1,755,393	902,720	-
Water service	678,260	659,359	593,174	532,887	302,332
Sewer service	292,261	320,427	242,317	182,235	113,511
Parking service	187,269	106,238	40,777	-	-
Penalty and interest	35,033	34,870	17,321	33,632	15,676
Tap connection and inspection fees	112,700	866,400	224,488	219,266	650,973
Investment income	193,933	162,866	45,245	7,755	967
Total revenues	10,192,948	12,227,543	9,122,598	3,800,816	1,846,229
Expenditures					
Service operations:					
Purchased services	1,007,691	1,003,643	912,011	546,704	220,706
Professional fees	758,444	827,358	815,038	837,603	737,242
Contracted services	658,208	650,127	293,626	79,173	98,670
Utilities	87,391	75,837	54,230	35,673	26,893
Repairs and maintenance	1,064,533	1,296,572	872,504	359,838	213,621
Other expenditures	280,107	260,538	299,679	189,390	148,497
Tap connections	90,500	285,711	153,400	183,400	268,696
Capital outlay	3,108,189	2,257,621	1,127,585	87,155	1,159,733
Total expenditures	7,055,063	6,657,407	4,528,073	2,318,936	2,874,058
Excess (Deficiency) of Revenues Over Expenditures	3,137,885	5,570,136	4,594,525	1,481,880	(1,027,829)
Other Financing Sources (Uses)					
Interfund transfers in (out)	(1,880,513)	(926,624)	48,666	-	(36,099)
Developer advances received	-	-	-	-	718,839
Repayment to developer advances	-	(169,300)	-	-	-
Insurance proceeds	-	13,574	13,086	-	-
Total other financing sources (uses)	(1,880,513)	(1,082,350)	61,752	0	682,740
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	1,257,372	4,487,786	4,656,277	1,481,880	(345,089)
Fund Balance, Beginning of Year	11,083,327	6,595,541	1,939,264	457,384	802,473
Fund Balance, End of Year	$ 12,340,699	$ 11,083,327	$ 6,595,541	$ 1,939,264	$ 457,384
Total Active Retail Water Connections	61	61	49	33	34
Total Active Retail Wastewater Connections	35	34	18	15	15

Percent of Fund Total Revenues				
2020	2019	2018	2017	2016
64.5 %	64.7 %	68.0 %	50.6 %	41.3 %
20.8	17.7	19.2	23.7	-
6.7	5.4	6.5	14.0	16.4
2.9	2.6	2.7	4.8	6.2
1.8	0.9	0.4	-	-
0.3	0.3	0.2	0.9	0.9
1.1	7.1	2.5	5.8	35.2
1.9	1.3	0.5	0.2	0.0
100.0	100.0	100.0	100.0	100.0
9.9	8.2	9.9	14.4	12.0
7.4	6.8	8.9	22.0	39.9
6.5	5.8	3.4	2.1	5.3
0.9	0.6	0.6	0.9	1.5
10.4	10.6	9.6	9.5	11.6
2.7	2.1	3.3	5.0	8.0
0.9	2.3	1.7	4.8	14.6
30.5	18.0	12.2	2.3	62.8
69.2	54.4	49.6	61.0	155.7
30.8 %	45.6 %	50.4 %	39.0 %	(55.7) %

Generation Park Management District

Comparative Schedule of Revenues and Expenditures – Debt Service Fund

Five Years Ended April 30,

	Amounts				
	2020	2019	2018	2017	2016
Debt Service Fund					
Revenues					
Property taxes	$ 3,234,960	$ 3,245,737	$ 3,069,316	$ 2,137,546	$ 660,388
Penalty and interest	35,984	25,762	16,393	195	1,762
Investment income	108,190	75,030	10,686	5,608	619
Other income	-	-	9	-	-
Total revenues	3,379,134	3,346,529	3,096,404	2,143,349	662,769
Expenditures					
Current:					
Professional fees	963	7,898	2,566	84	-
Contracted services	82,919	81,911	54,967	27,315	15,547
Other expenditures	7,520	7,348	9,281	5,737	3,574
Debt service:					
Principal retirement	1,290,000	970,000	725,000	-	-
Interest and fees	2,187,276	1,809,975	1,335,960	1,085,971	116,952
Total expenditures	3,568,678	2,877,132	2,127,774	1,119,107	136,073
Excess (Deficiency) of Revenues Over Expenditures	(189,544)	469,397	968,630	1,024,242	526,696
Other Financing Sources					
Interfund transfers in	2,087,367	973,296	-	-	36,099
Settlement revenue	193,000	-	-	-	-
General obligation bonds issued	-	-	-	266,758	979,000
Total other financing sources	2,280,367	973,296	0	266,758	1,015,099
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	2,090,823	1,442,693	968,630	1,291,000	1,541,795
Fund Balance, Beginning of Year	5,244,118	3,801,425	2,832,795	1,541,795	-
Fund Balance, End of Year	$ 7,334,941	$ 5,244,118	$ 3,801,425	$ 2,832,795	$ 1,541,795

Percent of Fund Total Revenues				
2020	2019	2018	2017	2016
95.7 %	97.0 %	99.1 %	99.7 %	99.6 %
1.1	0.8	0.5	0.0	0.3
3.2	2.2	0.4	0.3	0.1
-	-	0.0	-	-
100.0	100.0	100.0	100.0	100.0
0.0	0.2	0.1	0.0	-
2.5	2.5	1.8	1.3	2.4
0.2	0.2	0.3	0.3	0.5
38.2	29.0	23.4	-	-
64.7	54.1	43.1	50.6	17.6
105.6	86.0	68.7	52.2	20.5
(5.6) %	14.0 %	31.3 %	47.8 %	79.5 %

Generation Park Management District
Board Members, Key Personnel and Consultants
Year Ended April 30, 2020

Complete District mailing address:	Generation Park Management District c/o Schwartz, Page & Harding, L.L.P. 1300 Post Oak Boulevard, Suite 1400 Houston, Texas 77056	
District business telephone number:	713.623.4531	
Submission date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):		June 29, 2018
Limit on fees of office that a director may receive during a fiscal year:		$ 7,200

Board Members	Term of Office Elected & Expires	Fees*	Expense Reimbursements	Title at Year-end
Charles W. Neuhaus	Elected 05/18-05/22	$ 1,500	$ 31	President
John R. Deboben, III	Elected 05/18-05/22	1,950	0	Vice President
Davis K. Rushing	Elected 05/18-05/22	1,800	15	Secretary
Brent C. Hodges	Appointed 11/17-05/20	1,950	35	Assistant Secretary
Jonathan C. Tauber	Appointed 01/17-05/20	1,950	0	Director

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

Generation Park Management District

Board Members, Key Personnel and Consultants (Continued)

Year Ended April 30, 2020

Consultants	Date Hired	Fees and Expense Reimbursements	Title
BKD, LLP	03/06/15	$ 43,700	Auditor
Environmental Development Partners, LLC	06/10/14	358,571	Operator
Harris County Appraisal District	Legislative Action	76,919	Appraiser
IDS Engineering Group, Inc.	09/23/15	729,608	Engineer
Municipal Accounts & Consulting, L.P.	01/31/14	51,317	Bookkeeper
Perdue, Brandon, Fielder, Collins & Mott, L.L.P.	03/10/15	983	Delinquent Tax Attorney
Robert W. Baird & Co. Incorporated	02/11/15	114,839	Financial Advisor
Schwartz, Page & Harding, L.L.P.	01/31/14	325,247 152,478	General Counsel/ Bond Counsel
Utility Tax Service, LLC	08/12/14	8,150	Tax Assessor/ Collector
Investment Officers			
Mark M. Burton and Ghia Lewis	02/21/14	0	Bookkeepers

APPENDIX B

Specimen Municipal Bond Insurance Policy

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER] Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $__________ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on]

Effective Date: _________

Risk Premium: $_________
Member Surplus Contribution: $_________
Total Insurance Payment: $_________

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

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

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

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

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

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: ____

Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
1 World Financial Center, 27th floor
200 Liberty Street
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)