OFFICIAL STATEMENT DATED DECEMBER 3, 2020

IN THE OPINION OF BOND COUNSEL, UNDER EXISTING LAW, INTEREST ON THE BONDS IS EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES, AND INTEREST ON THE BONDS IS NOT SUBJECT TO THE ALTERNATIVE MINIMUM TAX ON INDIVIDUALS. SEE "TAX MATTERS" FOR A DISCUSSION OF THE OPINION OF BOND COUNSEL.

The Bonds have been designated as "qualified tax-exempt obligations" for financial institutions. See "TAX MATTERS – Qualified Tax-Exempt Obligations."

NEW ISSUE – Book Entry Only

Moody's Investors Services, Inc. .... "A2"
S&P Global Ratings (BAM Insured)......................... "AA"
See: "MUNICIPAL BOND INSURANCE" and "RATINGS."

$3,195,000

SIENNA PLANTATION MUNICIPAL UTILITY DISTRICT NO. 10
(A Political Subdivision of the State of Texas, located within Fort Bend County)
UNLIMITED TAX PARK BONDS, SERIES 2020

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

The $3,195,000 Sienna Plantation Municipal Utility District No. 10 Unlimited Tax Park Bonds, Series 2020 (the "Bonds"), are obligations of Sienna Plantation Municipal Utility District No. 10 (the "District") and are not obligations of the State of Texas; Fort Bend County, Texas; the City of Missouri City, Texas; or any political subdivision or entity other than the District. Neither the full faith and credit nor the taxing power of the State of Texas; Fort Bend County, Texas; the City of Missouri City, Texas; nor any entity other than the District is pledged to the payment of the principal of or interest on the Bonds.

Principal of the Bonds is payable upon presentation at the principal payment office of the paying agent/registrar, initially, Regions Bank, an Alabama banking corporation, Houston, Texas (the "Paying Agent" or "Registrar"). Interest accrues from December 1, 2020, and is payable April 1, 2021, and each October 1 and April 1 thereafter (each an "Interest Payment Date") until the earlier of maturity or redemption. Interest on the Bonds will be payable by check dated as of the Interest Payment Date, and mailed by the Paying Agent to registered owners ("Registered Owners") as shown on the records of the Registrar at the close of business on the 15th calendar day of the month next preceding each Interest Payment Date (the "Record Date"). The Bonds are issued as fully registered bonds in the denomination of $5,000 or any integral multiple thereof.

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

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

The Bonds are the second series of unlimited tax bonds issued by the District for the purpose of acquiring or constructing parks and recreational facilities to serve the District. Voters in the District have authorized the District's issuance of an aggregate $8,700,000 principal amount of unlimited tax bonds for parks and recreational facilities; $123,000,000 principal amount of unlimited tax bonds for waterworks, wastewater and storm drainage purposes, and $73,800,000 principal amount of unlimited tax bonds for refunding purposes. Following the issuance of the Bonds, $1,010,000 principal amount of unlimited tax bonds for parks and recreational facilities, $56,555,000 principal amount of unlimited tax bonds for waterworks, wastewater and storm drainage, and $72,760,000 principal amount of unlimited tax bonds for refunding will remain authorized and unissued.

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.**

The Bonds, when issued, will constitute valid and binding obligations of the District, payable from the proceeds of a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within the District. See "THE BONDS – Source of Payment." The Bonds are subject to certain investment considerations described herein. See "INVESTMENT CONSIDERATIONS."

The Bonds are offered subject to prior sale, when, as and if issued by the District and accepted by the Initial Purchaser of the Bonds (the "Initial Purchaser"), subject to the approval of the Attorney General of Texas and of Allen Boone Humphries Robinson LLP, Houston, Texas, Bond Counsel. Certain legal matters will be passed upon for the District by Orrick, Herrington & Sutcliffe LLP, Houston, Texas, Disclosure Counsel. Delivery of the Bonds is expected on or about December 30, 2020.

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

$3,195,000 Unlimited Tax Park Bonds, Series 2020

$505,000 Serial Bonds

Maturity (April 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 82620X (b)	Maturity (April 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 82620X (b)
2022	$ 95,000	2.000%	0.300%	PX7	2025	$105,000	2.000%	0.650%	QA6
2023	100,000	2.000%	0.400%	PY5	2026 (c)	105,000	1.000%	0.800%	QB4
2024	100,000	2.000%	0.500%	PZ2					

$2,690,000 Term Bonds

$220,000 Term Bonds due April 1, 2028 (c)(d) Interest Rate: 1.000% (Price: $100.000) (a) CUSIP No. 82620X QD0 (b)

$235,000 Term Bonds due April 1, 2030 (c)(d) Interest Rate: 1.250% (Price: $100.000) (a) CUSIP No. 82620X QF5 (b)

$245,000 Term Bonds due April 1, 2032 (c)(d) Interest Rate: 1.375% (Price: $99.739) (a) CUSIP No. 82620X QH1 (b)

$1,140,000 Term Bonds due April 1, 2040 (c)(d) Interest Rate: 2.000% (Price: $101.224) (a) CUSIP No. 82620X QR9 (b)

$325,000 Term Bonds due April 1, 2042 (c)(d) Interest Rate: 2.000% (Price: $100.405) (a) CUSIP No. 82620X QT5 (b)

$525,000 Term Bonds due April 1, 2045 (c)(d) Interest Rate: 2.000% (Price: $100.000) (a) CUSIP No. 82620X QW8 (b)

(a) Information with respect to the initial reoffering yields of the Bonds is the responsibility of the Initial Purchaser. 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 of the Bonds will be added to the price.

(b) CUSIP numbers have been 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 April 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 April 1, 2025, or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. In addition, the Initial Purchaser may designate one (1) or more maturities as term bonds. See "THE BONDS – Redemption of the Bonds – *Optional Redemption*."

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

All of the summaries of the statutes, resolutions, orders, contracts, audits, 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 Bond Counsel upon payment of duplication costs, for further information.

This Official Statement is not to be used in connection with an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

This Official Statement contains, in part, estimates, assumptions and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates, assumptions or matters of opinion, or as to the likelihood that they will be realized. 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. 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 such 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 "OFFICIAL STATEMENT – Updating of Official Statement" and "CONTINUING DISCLOSURE OF INFORMATION."

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 the heading "MUNICIPAL BOND INSURANCE" and "APPENDIX C - Specimen Municipal Bond Insurance Policy."

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for any purpose.

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INTRODUCTION

This Official Statement provides certain information in connection with the issuance by Sienna Plantation Municipal Utility District No. 10 (the "District") of its $3,195,000 Unlimited Tax Park Bonds, Series 2020 (the "Bonds").

The Bonds are issued pursuant to an order of the Texas Commission on Environmental Quality (the "TCEQ"), the resolution authorizing the issuance of the Bonds (the "Bond Resolution"), Article XVI, Section 59 of the Texas Constitution, an election held within the District on May 15, 2004, and the general laws of the State of Texas, including particularly Chapters 49 and 54, Texas Water Code, as amended.

Certain capitalized terms used in this Official Statement have the same meanings assigned to such terms in the Bond Resolution, 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.

SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Bonds, the District has accepted the lowest bid, resulting in the lowest net interest cost to the District, which was tendered by SAMCO Capital Markets, Inc. (the "Initial Purchaser") to purchase the Bonds bearing the interest rates shown under "MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL REOFFERING YIELDS, AND CUSIPS" on the inside cover hereof at a price of 99.042161% of the par value thereof plus accrued interest to the date of delivery, which resulted in a net effective interest rate of 1.950814%, as calculated pursuant to Chapter 1204 of the 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. For this purpose, the term "public" shall not include any person who is a bond house, broker, dealer or similar person or organization acting in the capacity of underwriter or wholesaler. 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 offering prices, including sales to dealers who may sell the Bonds into investment accounts.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE INITIAL PURCHASER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Securities Laws

No registration statement relating to the Bonds has been filed with the SEC 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 jurisdiction.

MUNICIPAL BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("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 an exhibit to this Official Statement.

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 the heading "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 www.buildamerica.com/videos. (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 www.buildamerica.com/credit-profiles. 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" 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 Investor Service, Inc. ("Moody's") has assigned an underlying credit rating of "A2" 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 information is qualified in its entirety by the more detailed information and financial statements appearing elsewhere in this Official Statement. The offering of the Bonds to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this summary from this Official Statement or to otherwise use it without the entire Official Statement.

THE BONDS

The District	Sienna Plantation Municipal Utility District No. 10 (the "District"), a political subdivision of the State of Texas, is located in Fort Bend County, Texas. See "THE DISTRICT."
The Bonds	\$3,195,000 Sienna Plantation Municipal Utility District No. 10 Unlimited Tax Park Bonds, Series 2020 (the "Bonds"), are dated December 1, 2020. Interest accrues from December 1, 2020, at the rates set forth on the inside cover page of this Official Statement, and is payable April 1, 2021, and each October 1 and April 1 thereafter until the earlier of maturity or redemption. The Bonds mature on April 1 in each year 2022 through 2045 in the principal amounts set forth on the inside cover page. See "THE BONDS."
Redemption of the Bonds	The Bonds maturing on or after April 1, 2026, are subject to redemption, in whole or from time to time in part, on April 1, 2025, or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. See "THE BONDS – Redemption of the Bonds – *Optional Redemption*." The Bonds maturing on April 1, 2022, through April 1, 2026, are serial bonds. The Bonds maturing on April 1 in the years 2028, 2030, 2032, 2040, 2042 and 2045 are term bonds (the "Term Bonds"), which have mandatory sinking fund redemption provisions set out herein under "THE BONDS – Redemption of the Bonds – *Mandatory Redemption*."
Source of Payment	The Bonds are payable from a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within the District. The Bonds are obligations of the District and are not obligations of the State of Texas; Fort Bend County, Texas; the City of Missouri City, Texas; or any entity other than the District. See "THE BONDS – Source of Payment."
Authority for Issuance	The Bonds are the second series of unlimited tax bonds issued by the District for the purpose of acquiring or constructing parks and recreational facilities (the "Park System") to serve the District. Voters in the District have authorized the District's issuance of an aggregate \$8,700,000 principal amount of unlimited tax bonds for the Park System; \$123,000,000 principal amount of unlimited tax bonds for waterworks, wastewater and storm drainage purposes (the "System"), and \$73,800,000 principal amount of unlimited tax bonds for refunding purposes. Following the issuance of the Bonds, \$1,010,000 principal amount of unlimited tax bonds for parks and recreational facilities, \$56,555,000 principal amount of unlimited tax bonds for waterworks, wastewater and storm drainage, and \$72,760,000 principal amount of unlimited tax bonds for refunding will remain authorized and unissued.

The Bonds are issued pursuant to an order of the Texas Commission on Environmental Quality (the "TCEQ"), the resolution authorizing the issuance of the Bonds (the "Bond Resolution"), Article XVI, Section 59 of the Texas Constitution, an election held within the District on May 15, 2004, and the general laws of the State of Texas, including particularly Chapters 49 and 54, Texas Water Code, as amended. See "THE BONDS – Authority for Issuance," and "– Issuance of Additional Debt."

Outstanding Bonds .... The District has previously issued thirteen (13) series of unlimited tax bonds for the System, one (1) series of unlimited tax bonds for the Park System, and five (5) series of unlimited tax refunding bonds. At delivery of the Bonds, $56,695,000 principal amount of the above-referenced series of bonds issued by the District remains outstanding (the "Outstanding Bonds"). See "THE BONDS – Outstanding Bonds."

Use and Distribution of Bond Proceeds ...... Proceeds from the sale of the Bonds will be used to reimburse the Developers (hereinafter defined) for a portion of the costs associated with construction of the facilities shown herein under "THE BONDS – Use and Distribution of Bond Proceeds." Proceeds from the sale of the Bonds will also be used to pay the developer interest, and to pay costs of issuance of the Bonds.

Municipal Bond Insurance .... Build America Mutual Assurance Company "BAM". See "MUNICIPAL BOND INSURANCE".

Future Debt... The District plans to refund a portion of its $4,700,000 Unlimited Tax Bonds, Series 2013 (the "Refunded Bonds") prior to delivery of the Bonds, and anticipates closing on the Refunded Bonds in the first quarter of 2021. See "THE BONDS – Issuance of Additional Debt."

Ratings .... S&P Global Ratings (BAM insured) – "AA". Moody's Investors Service (Underlying) – "A2". See "MUNICIPAL BOND INSURANCE" and "RATINGS."

Qualified Tax-Exempt Obligations................. The Bonds have been designated as "qualified tax-exempt obligations" for financial institutions. See "TAX MATTERS – Qualified Tax-Exempt Obligations."

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

Disclosure Counsel .... Orrick, Herrington & Sutcliffe LLP, Houston, Texas.

Financial Advisor.. Robert W. Baird & Co. Incorporated, Houston, Texas.

Engineer .... LJA Engineering, Inc., Houston, Texas.

Paying Agent/Registrar...................................... Regions Bank, an Alabama banking corporation, Houston, Texas.

THE DISTRICT

Description... The District was created by the TCEQ on September 26, 2002, and operates pursuant to Chapters 49 and 54 of the Texas Water Code and Article XVI, Section 59, of the Texas Constitution. The District contains approximately 976.88 acres of land. The District is part of the development known as "Sienna," which contains approximately 10,230 total acres. The District is located in northeast Fort Bend County, Texas, approximately 19 miles southwest of Houston, Texas. The District is approximately 2 miles southwest of the intersection of the Fort Bend Parkway Toll Road and Texas State Highway 6; approximately 11 miles west of the intersection of State Highway 6 and State Highway 288; approximately eight (8) miles east of the intersection of Texas State Highway 6 and U.S. Highway 59; and approximately one (1) mile south of the intersection of Texas State Highway 6 and Sienna Parkway. The Brazos River and Flat Bank Creek diversion channel border the District on the west. The District is west of Sienna Plantation Management District, north of Sienna Plantation Municipal Utility District No. 12, and south of State Highway 6. The District is wholly within Fort Bend County Independent School District and Sienna Plantation Levee Improvement District of Fort Bend County, Texas (the "SPLID"). The majority of the District lies within the extraterritorial jurisdiction of the City of Missouri City, Texas (the "City"); although a portion of the District's lands (approximately 40 acres) are within the City's corporate limits. See "THE DISTRICT – Description."

Sienna .... The District is part of an approximate 10,230-acre master-planned community known as "Sienna."

Beginning in 1997, Johnson Development Corporation ("JDC"), through several partnerships, has acquired and developed approximately 4,500 acres within Sienna. This area includes four (4) internal municipal utility districts, one (1) of which being the District, and a management district. This area also includes an approximate 214-acre rural estate subdivision known as "The Woods at Sienna" (by design the rural estate subdivision is not served by any municipal utility districts).

In December 2013, Toll-GTIS Property Owner, LLC ("Toll Brothers") purchased approximately 3,800 acres within the southern region of Sienna (the "Toll Brothers Development"). The Toll Brothers Development encompasses four (4) internal municipal utility districts and approximately 32 acres in Sienna Plantation Municipal Utility District No. 3. Toll Brothers engaged an affiliate of JDC as fee developer to develop its property. Development and homebuilding are currently underway on the Toll Brothers Development.

In December 2013, affiliates of JDC sold approximately 187 acres within Sienna to Taylor Morrison of Texas, Inc. ("Taylor Morrison"), which has been developed as the single-family residential development known as "Avalon at Sienna" (Sections 1-7). An affiliate of JDC has been hired as fee developer for Taylor Morrison. See "SIENNA – Description of the Project."

Sienna Point .... Approximately 1,035 acres outside of Sienna are not located within a municipal utility district and are being developed as a rural estate subdivision known as "Sienna Point." Sienna Point contains 273 lots, all of which have been completed. See "SIENNA – Sienna Point."

Development Agreement .... The development of Sienna and Sienna Point is governed by the Sienna Plantation Joint Development Agreement, dated February 19, 1996, as amended by nine (9) amendments (collectively, the "Development Agreement") pursuant to which the City, developers, and major landowners stipulated to the City's regulatory authority over the development of Sienna and Sienna Point, established certain restrictions and commitments related to the development of Sienna and Sienna Point, set forth a formula for determining the timing of annexation of land within Sienna and Sienna Point by the

City, and identified and established a master plan for the development of Sienna and Sienna Point. The development of all land within Sienna and Sienna Point is governed by the provisions of the Development Agreement. See "SIENNA – Development Agreement."

Strategic Partnership Agreement.................. The District has entered into a strategic partnership agreement with the City (the "Agreement"). The Agreement provides, among other things, the terms under which the City can annex or dissolve the District. The City may annex the District but also may maintain the District for limited purposes. Once the District is dissolved the Bonds become obligations of the City. See "THE BONDS – Annexation by the City of Missouri City, Texas."

Development within the District.................... Approximately 674.10 acres (2,224 lots) within the District have been developed as the single-family residential subdivisions of Village of Anderson Springs, Sections 1A, 1B, 2, 3A, 3B, 4A, 4B, 4C, 5A, 5B, 5C, 6, 7, 8, 9, 10A, 10B, 11A, 11B, 12A, 12B, 13A, 13B, 14, 15A, 15B, 16, 17A, 17B, 18A, 18B, 19, 21, 22, 23, 24, 25, 26A, 26B, 27A and 27B; Steep Bank Village, Section 16; Village of Shipman's Landing Sections 24, 25A, and 25B; and Pecan Estates, Sections 1, 2 and 3. As of November 1, 2020, said 2,224 lots included: approximately 2,223 completed homes, approximately zero (0) homes under construction, and approximately one (1) vacant developed lots. The District also contains Schiff Elementary School (13.96 acres), Watermark Apartments (10.00 acres), and Sienna North Recreational Center (5.80 acres). The remaining land within the District is composed of approximately 53.90 undeveloped but developable acres, and approximately 219.12 acres that are undevelopable.

Developers and Principal Landowners .... The developers of land in the District are: (1) Sienna/Johnson North, L.P., a Texas limited partnership ("SJ North"), whose general partner is Sienna/Johnson North GP, L.L.C., a Texas limited liability company and (2) Brushy Lake, L.P., a Texas limited partnership ("Brushy Lake"), whose general partner is Brushy Lake GP, L.L.C., a Texas limited liability company. SJ North and Brushy Lake, both managed by affiliates of The Johnson Development Corp., are collectively referred to herein as the "Developers." See "DESCRIPTION OF THE DEVELOPERS."

Regional Facilities .... Sienna Plantation Municipal Utility District No. 1 (the "Master District") is the municipal utility district providing the water supply and wastewater treatment facilities, as well as the regional water distribution, regional wastewater treatment plant, regional wastewater collection trunk lines, and regional stormwater collection trunk lines necessary to serve Sienna, including the District. In 2018, the Master District financed, through cash contributions from the Participating Districts (herein defined) and bond proceeds, the construction of permanent wastewater treatment facilities and additions to the sewer conveyance system to serve the Participating Districts, including the District. The District will benefit from the construction of a lift station and force main to convey its wastewater flows to a wastewater treatment plant owned and operated by the City. See "THE SYSTEM."

Flood Protection System and Overlapping Districts and Taxes	SPLID is the levee improvement district created to provide the levee, detention ponds, external drainage channel and various interior drainage channels necessary to serve Sienna, including the District. SPLID comprises approximately 9,832 acres, of which approximately 8,520 acres are within Sienna. SPLID intends to finance facilities to accomplish flood protection and accommodate storm water drainage within SPLID. SPLID currently levies a tax on property located within its boundaries, including the District, which is in addition to the tax levied by the District. For the 2020 tax year, SPLID levied a total tax of $0.45 per $100 of assessed valuation. As of November 1, 2020, SPLID had $158,435,000 principal amount of unlimited tax bonds outstanding. See "TAX DATA – Estimated Overlapping Taxes," "INVESTMENT CONSIDERATIONS – District Tax Levy and Overlapping District Taxes and Functions" and "THE FLOOD PROTECTION SYSTEM."
District Name Change	The District has filed an application with the TCEQ to change its name to "Sienna Municipal Utility District No. 10." The TCEQ is currently reviewing the application, and the District anticipates receiving approval from the TCEQ in 2020.

INVESTMENT CONSIDERATIONS

INVESTMENT IN THE BONDS IS SUBJECT TO CERTAIN INVESTMENT CONSIDERATIONS AS SET FORTH IN THIS OFFICIAL STATEMENT. PROSPECTIVE PURCHASERS SHOULD CAREFULLY EXAMINE THE ENTIRE OFFICIAL STATEMENT BEFORE MAKING THEIR INVESTMENT DECISIONS, ESPECIALLY THE PORTION OF THIS OFFICIAL STATEMENT ENTITLED "INVESTMENT CONSIDERATIONS."

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SELECTED FINANCIAL INFORMATION
(UNAUDITED)

2020 Assessed Valuation (100% of the Market Valuation as of January 1, 2020)	$ 687,142,449	(a)
Estimate of Assessed Valuation as of May 1, 2020 (100% of the Estimate Market Valuation as of May 1, 2020)	$ 719,403,526	(b)
Direct Debt:		
The Outstanding Bonds	$ 56,695,000	
The Bonds	$ 3,195,000	
Total	$ 59,890,000	
Estimated Overlapping Debt	$ 68,878,507	(c)
Total Direct and Estimated Overlapping Debt	$ 128,768,507	(c)
Direct Debt Ratios:		
As a percentage of 2020 Assessed Taxable Valuation	8.72 %	
As a percentage of the Estimate of Assessed Valuation as of May 1, 2020	8.32 %	
Direct and Estimated Overlapping Debt Ratios:		
As a percentage of 2020 Assessed Taxable Valuation	18.74 %	
As a percentage of the Estimate of Assessed Valuation as of May 1, 2020	17.90 %	
Debt Service Fund Balance (as of October 1, 2020)	$ 2,596,784	
Capital Projects Fund Balance (as of October 1, 2020)	$ 133,545	
General Fund Balance (as of October 1, 2020)	$ 7,238,591	
2020 Tax Rate per $100 of Assessed Valuation		
Debt Service	$ 0.605	(d)
Maintenance	0.090	
Contract Tax	0.025	(e)
Total	$ 0.720	
Average Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2021-2045)	$ 3,250,305	(f)
Maximum Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2029)	$ 4,524,031	(f)
Tax Rate per $100 of Assessed Valuation Required to Pay Average Annual Debt Service Requirement (2021-2045) at 95% Tax Collections		
Based on 2020 Assessed Taxable Valuation	$ 0.50	
Based on the Estimate of Assessed Valuation as of May 1, 2020	$ 0.48	
Tax Rate per $100 of Assessed Valuation Required to Pay Maximum Annual Debt Service Requirement (2029) at 95% Tax Collections		
Based on 2020 Assessed Taxable Valuation	$ 0.70	
Based on the Estimate of Assessed Valuation as of May 1, 2020	$ 0.67	
Single-Family Homes (including 0 under construction) as of November 1, 2020	2,223	

(a) As certified by the Fort Bend Central Appraisal District (the "Appraisal District"). This amount includes $948,728 of uncertified value, which represents 80% of the total uncertified value provided by the Appraisal District which is the estimated minimum amount of the uncertified value that will ultimately be certified. See "TAXING PROCEDURES."

(b) Provided by the Appraisal District for informational purposes only. Reflects new addition of value of new construction within the District from January 1, 2020 to May 1, 2020. This estimate is based upon the same unit value used in the assessed value No taxes will be levied on this estimate. See "TAXING PROCEDURES."

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

(d) In its memorandum authorizing the District to issue the Bonds, the TCEQ recommended the District levy a debt service tax of $0.660 per $100 of assessed valuation in the first tax year after issuance of the Bonds. This recommendation was based upon the Bonds being sold at a maximum net effective interest rate of 4.95%. See "TAX DATA – Tax Rate Calculations."

(e) See "TAX DATA – Contract Tax."

(f) Requirement of debt service on the Outstanding Bonds and the Bonds. See "DISTRICT DEBT – Debt Service Requirement Schedule."

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$3,195,000

SIENNA PLANTATION MUNICIPAL UTILITY DISTRICT NO. 10

UNLIMITED TAX PARK BONDS

SERIES 2020

INTRODUCTION

This Official Statement of Sienna Plantation Municipal Utility District No. 10 (the "District") is provided to furnish information with respect to the issuance by the District of its $3,195,000 Unlimited Tax Park Bonds, Series 2020 (the "Bonds").

The Bonds are issued pursuant to (i) Article XVI, Section 59 of the Texas Constitution, the general laws of the State of Texas, including particularly Chapters 49 and 54 of the Texas Water Code, as amended, (ii) an election held within the District on May 15, 2004, (iii) a resolution (the "Bond Resolution") adopted by the Board of Directors of the District (the "Board"), and (iv) an order of the Texas Commission on Environmental Quality ("TCEQ").

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

There follows in this Official Statement descriptions of the Bonds, the Developers (hereinafter defined), the Bond Resolution and certain information about the District and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Such documents may be reviewed at Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027, or copies obtained upon payment of the costs of duplication therefor. Certain capitalized terms used in this Official Statement have the same meanings assigned to such terms in the Bond Resolution, except as otherwise indicated herein.

THE BONDS

General

The Bonds are dated December 1, 2020. Interest accrues from December 1, 2020, at the rates set forth on the inside cover page of this Official Statement, and is payable April 1, 2021, and each October 1 and April 1 thereafter (each an "Interest Payment Date") until the earlier of maturity or redemption. The Bonds are fully registered bonds maturing on April 1 of the years shown under "MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL REOFFERING YIELDS, AND CUSIPS" on the inside cover page of this Official Statement.

Principal of the Bonds will be payable to the registered owners (the "Registered Owners") at maturity or redemption upon presentation at the principal payment office of the Paying Agent, initially Regions Bank, an Alabama banking corporation, Houston, Texas (the "Paying Agent" or "Registrar"). Interest on the Bonds will be payable by check, dated as of the Interest Payment Date, and mailed by the Registrar to Registered Owners as shown on the records of the Registrar at the close of business on the 15th calendar day of the month next preceding the Interest Payment Date (the "Record Date") or by such other customary banking arrangements may be agreed upon by the Registrar and a Registered Owner at the risk and expense of such Registered Owner.

Book-Entry-Only System

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

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

DTC 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 (1) fully registered Security 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 ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchase of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the Book-Entry-Only system 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 District or Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar or 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 District or 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 Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

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

The information in the section concerning DTC and the Book-Entry-Only System has been obtained from sources that the District believes to be reliable, but 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 Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Bond Resolution will be given only to DTC.

Paying Agent/Registrar

The initial paying agent/registrar is Regions Bank, an Alabama banking corporation, Houston, Texas. The Bonds are being issued in fully registered form in integral multiples of $5,000 of principal amount. Interest on the Bonds will be payable semiannually by the Registrar by check mailed on each Interest Payment Date by the Registrar to the Registered Owners at the last known address as it appears on the Registrar's books on the Record Date.

Registration, Transfer and Exchange

In the event the Book-Entry-Only System should be discontinued, the Bonds are transferable only on the bond register kept by the Paying Agent/Registrar upon surrender at the principal payment office of the Paying Agent/Registrar in Houston, Texas. A bond may be assigned by the execution of an assignment form on the Bonds or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. At any time after the date of initial delivery, any Bond may be transferred upon its presentation and surrender at the designated offices of the Paying Agent/Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the Bondholder. The Bonds are exchangeable upon presentation at the designated office(s) of the Paying Agent/Registrar, for an equal principal amount of Bonds of the same maturity in authorized denominations.

To the extent possible, new Bonds issued in exchange or transfer of Bonds will be delivered to the Bondholder or assignee of the Bondholder within not more than three (3) business days after the receipt by the Paying Agent/Registrar of the request in proper form to transfer or exchange the Bonds. New Bonds registered and delivered in an exchange or transfer shall be in the denomination of $5,000 in principal amount for a Bond, or any integral multiple thereof for any one (1) maturity and shall bear interest at the same rate and be for a like aggregate principal or maturity amount as the Bond or Bonds surrendered for exchange or transfer. Neither the Paying Agent/Registrar nor the District is required to issue, transfer, or exchange any Bond during a period beginning at the opening of business on a Record Date and ending at the close of business on the next succeeding Interest Payment Date or to transfer or exchange any Bond selected for redemption, in whole or in part, beginning 15 calendar days prior to, and ending on the date of the mailing of notice of redemption, or where such redemption is scheduled to occur within 30 calendar days. No service charge will be made for any transfer or exchange, but the District or the Paying Agent/Registrar may require payment of a sum sufficient to cover any tax or governmental charge payable in connection therewith.

Redemption of the Bonds

Optional Redemption

Bonds maturing on April 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 April 1, 2025, or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. Notice of the exercise of the reserved right of redemption will be given by the Registrar at least 30 days prior to the redemption date by sending such notice by first class mail to the Registered Owner of each Bond to be redeemed in whole or in part at the address shown on the bond register. If less than all of the Bonds are redeemed at any time, the maturities of the Bonds to be redeemed shall be selected by the District. If less than all of the Bonds of a certain maturity are to be redeemed, the particular Bonds or portions thereof to be redeemed will be selected by the Registrar prior to the redemption date by such random method as the Registrar deems fair and appropriate in integral multiples of $5,000 within any one maturity. The Registered Owner of any Bond, all or a portion of which has been called for redemption, shall be required to present such Bond to the Registrar for payment of the redemption price on the portion of the Bonds so called for redemption and issuance of a new Bond in the principal amount equal to the portion of such Bond not redeemed.

Mandatory Redemption

The Bonds maturing on April 1 in the years 2028, 2030, 2032, 2040, 2042 and 2045 (the "Term Bonds") are also subject to mandatory sinking fund redemption by the District by lot or other customary method of random selection prior to scheduled maturity on April 1 in the years ("Mandatory Redemption Dates") and in the amounts set forth below at a redemption price of par plus accrued interest to the date of redemption.

$220,000 Term Bonds Maturing on April 1, 2028

Mandatory Redemption Date	Principal Amount
April 1, 2027	$110,000
April 1, 2028 (Maturity)	$110,000

$235,000 Term Bonds Maturing on April 1, 2030

Mandatory Redemption Date	Principal Amount
April 1, 2029	$115,000
April 1, 2030 (Maturity)	$120,000

$245,000 Term Bonds Maturing on April 1, 2032

Mandatory Redemption Date	Principal Amount
April 1, 2031	$120,000
April 1, 2032 (Maturity)	$125,000

$1,140,000 Term Bonds Maturing on April 1, 2040

Mandatory Redemption Date	Principal Amount
April 1, 2033	$130,000
April 1, 2034	$135,000
April 1, 2035	$135,000
April 1, 2036	$140,000
April 1, 2037	$145,000
April 1, 2038	$150,000
April 1, 2039	$150,000
April 1, 2040 (Maturity)	$155,000

$325,000 Term Bonds Maturing on April 1, 2042

Mandatory Redemption Date	Principal Amount
April 1, 2041	$160,000
April 1, 2042 (Maturity)	$165,000

$525,000 Term Bonds Maturing on April 1, 2045

Mandatory Redemption Date	Principal Amount
April 1, 2043	$170,000
April 1, 2044	$175,000
April 1, 2045 (Maturity)	$180,000

On or before 30 days prior to each Mandatory Redemption Date set forth above, the Registrar shall (i) determine the principal amount of such Term Bond that must be mandatorily redeemed on such Mandatory Redemption Date, after taking into account deliveries for cancellation and optional redemptions as more fully provided for below, (ii) select, by lot or other customary random method, the Term Bond or portions of the Term Bond of such maturity to be mandatorily redeemed on such Mandatory Redemption Date, and (iii) give notice of such redemption as provided in the Bond Resolution. The principal amount of any Term Bond to be mandatorily redeemed on such Mandatory Redemption Date shall be reduced by the principal amount of such Term Bond, which, by the 45th day prior to such Mandatory Redemption Date, either has been purchased in the open market and delivered or tendered for cancellation by or on behalf of the District to the Registrar or optionally redeemed and which, in either case, has not previously been made the basis for a reduction under this sentence.

Mutilated, Lost, Stolen or Destroyed Bonds

In the event the Book-Entry-Only System should be discontinued, the District has agreed to replace mutilated, destroyed, lost or stolen Bonds upon surrender of the mutilated Bonds, receipt of satisfactory evidence of such destruction, loss or theft, and receipt by the District and the Paying Agent/Registrar of security or indemnity to hold them harmless. The District or the Paying Agent/Registrar may require payment of taxes, governmental charges and other expenses in connection with any such replacement.

Outstanding Bonds

The District has previously issued thirteen (13) series of unlimited tax bonds for the System, one (1) series of unlimited tax bonds for the Park System, and five (5) series of unlimited tax refunding bonds. At delivery of the Bonds, $56,695,000 principal amount of the above-referenced series of bonds issued by the District remains outstanding (the "Outstanding Bonds").

Authority for Issuance

The Bonds are the second series of unlimited tax bonds issued by the District for the purpose of acquiring or constructing parks and recreational facilities (the "Park System") to serve the District. Voters in the District have authorized the District's issuance of an aggregate $8,700,000 principal amount of unlimited tax bonds for the Park System; $123,000,000 principal amount of unlimited tax bonds for waterworks, wastewater and storm drainage purposes (the "System"), and $73,800,000 principal amount of unlimited tax bonds for refunding purposes. Following the issuance of the Bonds, $1,010,000 principal amount of unlimited tax bonds for parks and recreational facilities, $56,555,000 principal amount of unlimited tax bonds for waterworks, wastewater and storm drainage, and $72,760,000 principal amount of unlimited tax bonds for refunding will remain authorized and unissued.

The Bonds are issued pursuant to an order of the TCEQ, the Bond Resolution, Article XVI, Section 59 of the Texas Constitution, an election held within the District on May 15, 2004, and the general laws of the State of Texas, including particularly Chapters 49 and 54, Texas Water Code, as amended. See "THE BONDS – Authority for Issuance," and "– Issuance of Additional Debt.

Funds

The Bond Resolution confirms the District's debt service fund (the "Debt Service Fund"). Accrued interest on the Bonds will be deposited into the Debt Service Fund. The Debt Service Fund, which constitutes a trust fund for the benefit of the owners of the Bonds, and any additional tax bonds issued by the District, is to be kept separate from all other funds of the District, and is to be used for payment of debt service on the Bonds, the Outstanding Bonds, and any of the District's duly authorized additional bonds payable in whole or part from taxes. Amounts on deposit in the Debt Service Fund may also be used to pay the fees and expenses of the Paying Agent/Registrar, to defray the expenses of assessing and collecting taxes levied for payment of interest on and principal of the Bonds, and any additional bonds payable in whole or in part from taxes, and to pay any tax anticipation notes issued, together with interest thereon, as such tax anticipation notes become due.

Source of Payment

The Bonds are payable from the proceeds of a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District. In the Bond Resolution, the District covenants to levy a sufficient tax to pay principal of and interest on the Bonds, with full allowance being made for delinquencies, costs of collections, Paying Agent/Registrar fees and Appraisal District fees. Tax proceeds, after deduction for collection costs, will be placed in the debt service fund and used solely to pay principal of and interest on the Bonds, the Outstanding Bonds, and additional bonds payable from taxes which may be issued, and Paying Agent/Registrar fees.

The Bonds are obligations solely of the District and are not the obligations of the State of Texas; Fort Bend County, Texas; the City of Missouri City, Texas (the "City"); or any entity other than the District.

Issuance of Additional Debt

With the approval of the TCEQ, the District may issue additional bonds necessary to provide improvements and facilities consistent with the purposes for which the District was created. The District's voters have authorized the District's issuance of $8,700,000 principal amount of unlimited tax bonds for the Park System, $123,000,000 principal amount of unlimited tax bonds for the System, and $73,800,000 principal amount of unlimited tax refunding bonds and could authorize additional amounts. The Bonds are the second series of unlimited tax bonds issued by the District for the purpose of acquiring or constructing the Park System. Following the issuance of the Bonds, $1,010,000 in principal amount of unlimited tax bonds for the Park System, $56,555,000 principal amount of unlimited tax bonds for the System, and $72,760,000 principal amount of unlimited tax bonds for refunding, will remain authorized but unissued. The Bond Resolution imposes no limitation on the amount of additional parity bonds which may be issued by the District (if authorized by the District's voters and approved by the Board and the TCEQ).

Following the issuance of the Bonds, there will be no outstanding expenditures owed to the Developer for the Park System. There are no outstanding expenditures owed to the Developer for the System. Furthermore, future development within the District may add additional reimbursement to the Developers (hereinafter defined).

The District plans to refund a portion of its $4,700,000 Unlimited Tax Bonds, Series 2013 (the "Refunded Bonds") prior to delivery of the Bonds, and anticipates closing on the Refunded Bonds in the first quarter of 2021.

In addition, the District entered into a "Recreational Facilities Reimbursement Agreement" with the Master District (hereinafter defined) and SPLID (hereinafter defined) on November 6, 2014, which established the terms and conditions under which certain recreational facilities would be financed. Sienna Plantation Municipal Utility District No. 12 ("SPMUD 12") and Sienna Plantation Management District ("SPMD") have entered into similar agreements with the Master District and SPLID. The District, SPMUD 12 and SPMD are collectively referred to as the "Sienna North Districts." Pursuant to such agreements, SPLID assumed responsibility from the Sienna North Districts for providing funds to the Master District for reimbursing the Developer for a portion of the costs associated with the construction of a walking trail to serve the Sienna North Districts, of which each of the Sienna North Districts will pay an equal one-third share of the costs. The District is responsible for $1,109,000 of the obligation to the SPLID. See "DEVELOPMENT WITHIN THE DISTRICT," "THE SYSTEM," and "INVESTMENT CONSIDERATIONS – Future Debt."

No Arbitrage

The District will certify, on the date of delivery of the Bonds, that based upon all facts and estimates now known or reasonably expected to be in existence on the date the Bonds are delivered and paid for, the District reasonably expects that the proceeds of the Bonds will not be used in a manner that would cause the Bonds, or any portion of the Bonds, to be "arbitrage bonds" under the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations prescribed thereunder. Furthermore, all officers, employees and agents of the District have been authorized and directed to provide certifications of facts and estimates that are material to the reasonable expectations of the District as of the date the Bonds are delivered and paid for. In particular, all or any officers of the District are authorized to certify to the facts and circumstances and reasonable expectations of the District on the date the Bonds are delivered and paid for regarding the amount and use of the proceeds of the Bonds. Moreover, the District covenants that it shall make such use of the proceeds of the Bonds, regulate investment of proceeds of the Bonds and take such other and further actions and follow such procedures, including, without limitation, calculating the yield on the Bonds, as may be required so that the Bonds shall not become "arbitrage bonds" under the Code and the regulations prescribed from time to time thereunder.

Annexation by the City

Chapter 42, Texas Local Government Code, provides that, within the limits described therein, the unincorporated area contiguous to the corporate limits of any city comprises that city's extraterritorial jurisdiction. The size of extraterritorial jurisdiction depends in part on the city's population. For the City, the extraterritorial jurisdiction consists of all the contiguous unincorporated areas, not a part of any other city or any other city's extraterritorial jurisdiction and within two (2) miles of the corporate limits of the City. With certain exceptions, a city may annex territory only within the confines of its extraterritorial jurisdiction. When a city annexes additional territory, the city's extraterritorial jurisdiction expands in conformity with such annexation.

The District lies partially within the extraterritorial jurisdiction of the City and partially in the corporate limits. In the Development Agreement (herein defined), the City agrees that the City shall not annex the property in the District before such time as (i) at least 95% of the developable acreage within the District has been developed with water, wastewater and drainage facilities, and (ii) the Developers have been reimbursed to the maximum extent permitted by the rules of the TCEQ or the City assumes any obligation for such reimbursement. Additionally, the District and the City entered into a strategic partnership agreement (the "Agreement") pursuant to Section 43.0751 of the Texas Local Government Code. Pursuant to the Agreement, the City will not annex the property in the District until (i) at least 90% of the developable acreage within the District has been developed with water, wastewater and drainage facilities, and (ii) the Developers have been reimbursed to the maximum extent permitted by the rules of the TCEQ or the City assumes any obligation for such reimbursement. Both of these conditions have been met, therefore the City may annex and dissolve the District at any time. If the District is annexed, the City will assume the District's assets and obligations (including the Bonds) and dissolve the District within 90 days. No representation is made as to whether or not the City will annex the District at any time in the future. Moreover, no representation is made concerning the ability of the City to make debt service payments should annexation occur. See "DEVELOPMENT WITHIN THE DISTRICT" and "SIENNA - Development Agreement."

Consolidation

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

Defeasance

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

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

There is no assurance that the current law will not be changed in the future in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds.

Legal Investment and Eligibility to Secure Public Funds in Texas

The following is an excerpt 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.

Bankruptcy Limitation to Registered Owners' Rights

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

In the event of default in the payment of principal of or interest on the Bonds, the Registered Owners may seek a writ of mandamus requiring the District to levy adequate taxes to make such payments. Except for the remedy of mandamus, the Bond Resolution does not specifically provide for remedies to a Registered Owner in the event of a District default, nor does it provide for the appointment of a trustee to protect and enforce the interests of the Registered Owners. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Although the Registered Owners could obtain a judgment against the District, such a judgment could not be enforced by direct levy and execution against the District's property. Further, the Registered Owners cannot themselves foreclose on the property of the District or sell property within the District in order to pay the principal of or interest on the Bonds. The enforceability of the rights and remedies of the Registered Owners may be further limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. For example, a Chapter 9 bankruptcy proceeding by the District could delay or eliminate payment of principal or interest to the Registered Owners.

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Use and Distribution of Bond Proceeds

Proceeds from the sale of the Bonds will be used to reimburse the Developer (hereinafter defined) for a portion of the costs associated with construction of the facilities shown below. In addition, proceeds from the sale of the Bonds will also be used to pay the developer interest and other certain costs associated with the issuance of the Bonds, as shown below.

Non-construction costs are based upon either contract amounts, or estimates of various costs by the Engineer and the Financial Advisor (each hereinafter defined). 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.

	District's Share
Construction Costs	
A. Developer Contribution Items	
1. Sienna Plantation Anderson Springs Section 27A Playground Park	
- Site Work, Landscape, and Irrigation	$ 340,940
2. Sienna Plantation Anderson Springs Section 27A	
- Site Work, Landscape, and Irrigation	330,455
3. Design/Architecture Costs	7,101
Total Developer Contribution	**$ 678,496**
B. District Items	
1. SPLID Future Sidewalk Project	$ 1,100,000
2. Anderson Springs Section 15 Landscape Improvements	78,800
3. Landscape Improvements along Right-of-Way	66,200
4. Sienna North Drill Site Park	96,800
5. Anderson Springs 15B Drill Site Park	32,500
6. Anderson Springs 23 Park	106,200
7. Sienna North Playground Park	68,050
8. Sidewalk Repairs and Restoration	482,339
9. Design and Engineering Costs	67,283
10. Contingencies	93,089
Total District Items	**$ 2,191,261**
SUBTOTAL CONSTRUCTION COSTS	**$ 2,869,757**
Less Surplus Funds	**(113,654)**
TOTAL CONSTRUCTION COSTS	**$ 2,756,103**
Non-Construction Costs	
A. Legal Fees	$ 94,875
B. Fiscal Agent Fees	63,900
C. Developer Interest	54,167
D. Bond Discount	30,603
E. Bond Issuance Expenses	58,889
F. Bond Application Report Costs	60,033
G. Attorney General Fee	3,195
H. TCEQ Bond Issuance Fee	7,988
I. Contingency (a)	65,247
TOTAL NONCONSTRUCTION COSTS	**$ 438,897**
TOTAL BOND ISSUE REQUIREMENT	**$ 3,195,000**

(a) Represents the difference between the estimated and actual amounts of bond discount.

In the instance that approved estimated amounts exceed the actual costs, the difference comprises a surplus which may be expended for approved uses. However, the District cannot and does not guarantee the sufficiency of such funds for such purposes.

THE DISTRICT

Authority

The District is a municipal utility district created by an order of the TCEQ dated September 26, 2002. The creation of the District was confirmed at an election held within the District on May 15, 2004. The rights, powers, privileges, authority and functions of the District are established by the general laws of Texas pertaining to municipal utility districts, including particularly Chapters 49 and 54, Texas Water Code pursuant to Article XVI, Section 59 of the Texas Constitution. The District is subject to the continuing supervision of the TCEQ.

The District is empowered, among other things, to purchase, construct, operate, and maintain all works, improvements, facilities, and plants necessary for the supply of water, the collection, transportation, and treatment of wastewater, and the control and diversion of storm water.

The District is also authorized to construct, develop, and maintain park and recreational facilities. In addition, the District, after complying with certain requirements set forth in the Texas Water Code, is authorized to establish, operate, and maintain a fire department, independently or with one (1) or more other conservation and reclamation districts, and provide such facilities and services to the customers of the District. The District presently receives fire protection services pursuant to a contract with the City, for which the District pays a fee per house. See "THE SYSTEM."

Description

The District comprises approximately 976.88 acres. The District is wholly within the community known as "Sienna," a development made up of approximately 10,230 total acres as provided in the Development Agreement (herein defined). The District is located entirely within Fort Bend County, Texas, approximately 19 miles southwest of the central business district of the City of Houston, Texas, and approximately 2 miles west of Fort Bend Parkway Toll Road, 8 miles east of the intersection of U.S. Highway 59 and Texas State Highway 6, and approximately 11 miles west of the intersection of State Highway 288 and Texas State Highway 6, and wholly within the boundaries of the Fort Bend Independent School District and SPLID. The District is located within the Sienna approximately 1 (one) mile south of the intersection of Texas State Highway 6 and Sienna Parkway. The District is bordered by the external channel and Brazos River on the west; Sienna Plantation Management District on the east; and Sienna Plantation Municipal Utility District No. 12 on the south. The SPLID provides major outfall drainage and flood protection for all of the land within the District.

The majority of the District lies within the extraterritorial jurisdiction of the City, although a portion of the District's lands (approximately 40 acres) are within the City's corporate limits. See "THE BONDS – Annexation by the City" and "SIENNA – Development Agreement."

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Management of the District

The District is governed by the Board consisting of five (5) directors, who have control over and management supervision of all affairs of the District. All of the Directors reside in the District. The directors serve staggered, four-year terms. Elections are held in May of even numbered years in May. The current members and officers of the Board are listed below:

Name	Title	Term Expires May
Emily Shepard	President	2022
Suzanne Rarig	Vice President	2024
Sandra T. Harrell	Assistant Vice President	2024
Nathaniel Shipley	Secretary	2022
Reginald Franklin	Assistant Secretary	2024

Investment Policy

The District has adopted an Investment Policy (the "Policy") as required by the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "Act"). The District's goal is to preserve principal and maintain liquidity in a diversified portfolio while securing a competitive yield on its portfolio. Funds of the District are to be invested only in accordance with the Policy. The Policy states that the funds of the District may be invested in short term obligations of the U.S. or its agencies or instrumentalities, in certificates of deposits insured by the Federal Deposit Insurance Corporation and secured by collateral authorized by the Act, and in TexPool and Texas Class, which are public funds investment pools rated in the highest rating category by a nationally recognized rating service. The District does not currently own, nor does it anticipate, the inclusion of long term securities or derivative products in the portfolio.

Consultants

Although the District does not have a general manager or any other full-time employees, it has contracted for utility system operating, bookkeeping, tax assessing and collecting, auditing, engineering, financial advisory and legal services as follows:

Tax Assessor/Collector: The District's tax assessor and collector is Ms. Esther Flores of Tax Tech, Inc. (the "Tax Assessor/Collector"). The Tax Assessor/Collector applies the District's tax levy to tax rolls prepared by the Fort Bend Central Appraisal District and bills and collects such levy.

Bookkeeper: The District's bookkeeper is McLennan & Associates.

Utility System Operator: The District's operator is Si Environmental, LLC.

Auditor: As required by the Texas Water Code, the District retains an independent auditor to audit the District's financial statements annually, which annual audit is filed with the TCEQ. McGrath & Co., PLLC, Houston, Texas (the "Auditor"), prepared the financial statements of the District for the fiscal year ending July 31, 2019. A copy of the District's July 31, 2019, audit is included as "APPENDIX B."

Engineer: The District's engineer in connection with the design and construction of the facilities for which the Bonds are being sold to reimburse the Developers (herein defined) is LJA Engineering, Inc. (the "Engineer"). The Engineer has also been engaged by the Developers in connection with certain planning activities and the design of certain streets and related improvements within the District.

Financial Advisor: Robert W. Baird & Co. Incorporated (the "Financial Advisor") is engaged as Financial Advisor to the District in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the sale and delivery of the Bonds. The Financial Advisor is not obligated to undertake and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information in this Official Statement.

Bond and General Counsel: The District has engaged Allen Boone Humphries Robinson LLP, as general counsel to the District and as bond counsel ("Bond Counsel") in connection with the issuance of the Bonds. The fees to be paid Bond Counsel in connection with the issuance of the Bonds are contingent upon the sale and delivery of the Bonds. See "LEGAL MATTERS."

Disclosure Counsel: The District has engaged Orrick, Herrington & Sutcliffe LLP, Houston, Texas as disclosure counsel ("Disclosure Counsel") in connection with the issuance of the Bonds. The legal fee to be paid to Disclosure Counsel for services rendered in connection with the issuance of the Bonds is contingent on the sale and delivery of the Bonds.

District Name Change

The District has filed an application with the TCEQ to change its name to "Sienna Municipal Utility District No. 10." The TCEQ is currently reviewing the application, and the District anticipates receiving approval from the TCEQ in 2020.

DEVELOPMENT WITHIN THE DISTRICT

General

Approximately 674.10 acres (2,224 lots) within the District have been developed as the single-family residential subdivisions of Village of Anderson Springs, Sections 1A, 1B, 2, 3A, 3B, 4A, 4B, 4C, 5A, 5B, 5C, 6, 7, 8, 9, 10A, 10B, 11A, 11B, 12A, 12B, 13A, 13B, 14, 15A, 15B, 16, 17A, 17B, 18A, 18B, 19, 21, 22, 23, 24, 25, 26A, 26B, 27A and 27B; Steep Bank Village, Section 16; Village of Shipman's Landing Sections 24, 25A, and 25B; and Pecan Estates, Sections 1, 2 and 3. As of November 1, 2020, said 2,224 lots included: approximately 2,223 completed homes, approximately 0 homes under construction, and approximately 1 vacant developed lots. The District also contains Schiff Elementary School (13.96 acres), Watermark Apartments (10.00 acres), and Sienna North Recreational Center (5.80 acres). The remaining land within the District is composed of approximately 53.90 undeveloped but developable acres, and approximately 219.12 acres that are undevelopable.

THE DEVELOPERS

Role of the Developer

In general, the activities of a developer in a municipal utility district such as the District include purchasing the land within the District, designing the subdivisions, designing the utilities and streets to be constructed in the subdivisions, 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 improved lots and commercial reserves to builders, developers, or other third parties. In most instances, the developer will be required to pay up to 30% of the cost of constructing certain of the water, wastewater, and drainage facilities in a utility district pursuant to the rules of the TCEQ. The relative success or failure of a developer to perform such activities in development of property within a utility district may have a profound effect on the security of the unlimited tax bonds issued by such district. A developer is generally under no obligation to a district to develop the property which it owns. 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 usually the major taxpayer within a municipal utility district during the initial development phase of the property.

Description of the Developers

Sienna/Johnson North, L.P.: Sienna/Johnson North, L.P. ("SJ North") is a Texas limited partnership, whose general partner is Sienna/Johnson North GP, L.L.C., a Texas limited liability company. The co-managers of Sienna/Johnson North GP, L.L.C. are Messrs. Larry Johnson and Lawrence Wong. SJ North is managed by affiliates of The Johnson Development Corp. ("JDC"). JDC is a Houston-based residential and commercial land development company. JDC has been actively developing communities for over 40 years. In addition to Sienna, JDC has developed several master-planned communities, including Cross Creek Ranch, Fall Creek, Woodforest and Riverstone.

Brushy Lake, L.P.: Brushy Lake, L.P. ("Brushy Lake"), is a Texas limited partnership, whose general partner is Brushy Lake GP, L.L.C., a Texas limited liability company. The co-managers of Brushy Lake GP, L.L.C. are Messrs. Larry Johnson and Lawrence Wong.

SJ North and Brushy Lake are collectively referred to herein as the "Developers."

SIENNA

Description of the Project

The District is part of an approximate 10,230-acre master-planned community now known as "Sienna," which is governed by the terms and conditions of the Development Agreement. In the Development Agreement, the City and the landowners stipulate the City's regulatory authority over the development of the community, establish certain restrictions and commitments, set forth a formula for determining the timing of annexation of land by the City, and identify and establish a master plan for the development of Sienna. This master-planned area consists of three (3) distinct developments: Sienna by JDC (through several partnerships), approximately 4,500 acres; Sienna by Toll Brothers (herein defined), approximately 3,800 acres; and Avalon at Sienna by Taylor Morrison, approximately 187 acres.

The approximate 4,500 acres of Sienna developed by JDC (through several partnerships) began in 1997. This area includes four (4) internal municipal utility districts and a management district: the District; Sienna Plantation Municipal Utility District No. 2 ("SPMUD2"); Sienna Plantation Municipal Utility District No. 3 ("SPMUD3"); Sienna Plantation Municipal Utility District No. 12 ("SPMUD12"); and Sienna Plantation Management District ("SPMD"). This area also includes an approximate 214-acre rural estate subdivision known as "The Woods at Sienna" (by design the rural estate subdivision is not served by any municipal utility districts).

In December 2013, Toll-GTIS Property Owner, LLC ("Toll Brothers") purchased approximately 3,800 acres within the southern region of Sienna (the "Toll Brothers Development"). The Toll Brothers Development encompasses four (4) internal municipal utility districts (and approximately 32 acres in SPMUD3): Sienna Municipal Utility District No. 4 ("SMUD4"); Sienna Municipal Utility District No. 5 ("SMUD5"); Sienna Municipal Utility District No. 6 ("SMUD6"); and Sienna Plantation Municipal Utility District No. 7 ("SPMUD7"). Toll Brothers engaged an affiliate of JDC as fee developer to develop its property. Development and homebuilding are currently underway on the Toll Brothers Development.

In December 2013, affiliates of JDC sold approximately 187 acres within Sienna to Taylor Morrison, which has been developed as Avalon at Sienna (Sections 1-7). An affiliate of JDC has been hired as fee developer for Taylor Morrison.

Sienna Plantation Municipal Utility District No. 1 (the "Master District") is the municipal utility district created to provide the water supply and wastewater treatment facilities, as well as the regional water distribution, regional wastewater collection trunk lines, and regional stormwater collection trunk lines necessary to serve Sienna (including the District), and provides water supply to The Woods at Sienna.

SPLID encompasses approximately 9,832 acres, approximately 8,520 of which are within Sienna.

According to the Developers, the ultimate land use within Sienna is currently projected to consist of: approximately 15,725 single-family residential lots; approximately 2,720 multi-family units; approximately 1,150 retirement residential units; approximately 300 rural estate residential units; and approximately 1,105 acres used for the development of commercial mixed-use projects. The remaining ultimate land use within Sienna is currently projected to consist of: multiple primary and secondary schools; multiple churches; an information center; an 18-hole golf course; a clubhouse; multiple water theme park, swimming and tennis facilities; an amphitheater; drainage, levee and utility easements; street rights-of-way; and multiple open spaces, lakes, parks, recreational facilities and greenbelts.

To date, development within Sienna has occurred primarily within the District, SPMUD2, SPMUD3, SMUD4, SMUD6, SPMUD12, SPMD and The Woods at Sienna. As of November 1, 2020, development within Sienna, in aggregate, includes (i) approximately 9,252 completed homes, approximately 186 homes under construction, approximately 299 vacant and developed lots, and approximately 641 lots under development; (ii) approximately 104 completed rural estate homes; (iii) a 2,400 square foot information center; (iv) an 18-hole golf course; (v) two (2) water theme parks and amphitheater; and (vi) four (4) elementary schools, two (2) middle schools and one (1) high school.

The District's tax is levied only on the property located within the District. Therefore, the investment security and quality of the Bonds is dependent upon the successful development of property located within the District, and the payment and collection of taxes levied thereon. Neither the faith and credit nor the taxing power of any of the internal districts comprising Sienna, other than the District, is pledged to the payment of any obligation of the District, including the Bonds. Development within the District is discussed herein under "DEVELOPMENT WITHIN THE DISTRICT." See "INVESTMENT CONSIDERATIONS" and “SIENNA – Development Agreement.”

Sienna Point

Approximately 1,035 acres outside of Sienna are not located within a municipal utility district and are being developed as a rural estate subdivision known as “Sienna Point.” Sienna Point contains 273 lots, all of which have been completed.

Development Agreement

The development of all land within Sienna and Sienna Point that is located within the City, or its extraterritorial jurisdiction, is subject to the terms and conditions of the Sienna Plantation Joint Development Agreement with the City dated February 19, 1996, as amended nine (9) times (collectively, the "Development Agreement") which stipulates the City's regulatory authority over the development of Sienna and Sienna Point, establishes certain restrictions and commitments related to the development of Sienna and Sienna Point, sets forth detailed design and construction standards, stipulates a formula for determining the timing of annexations of land within Sienna and Sienna Point by the City, and identifies and establishes a master plan for the development of Sienna and Sienna Point. The Development Agreement may be amended at any time by the mutual agreement of the parties thereto.

The Development Agreement limits the number of residential units within Sienna and Sienna Point to 21,000 units, of which no more than 2,720 units may be multi-family units. In addition, there can be no more than 1,100 acres of commercial development within Sienna and Sienna Point, and no more than an additional 300 acres of Rural Estate Lots (as defined in the Development Agreement) after the development of Sienna Point.

The City agrees to provide fire and police protection to the residents in the District subject to the payment for such services by the District. See “THE SYSTEM – Fire Protection.”

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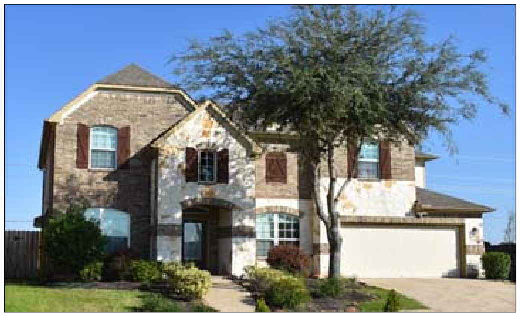
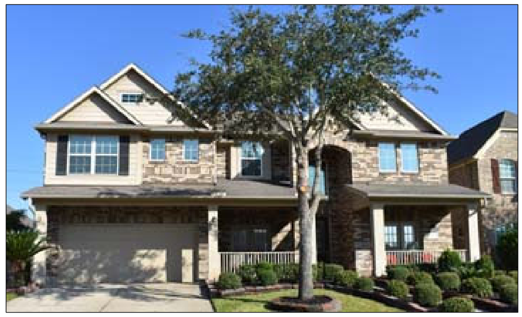
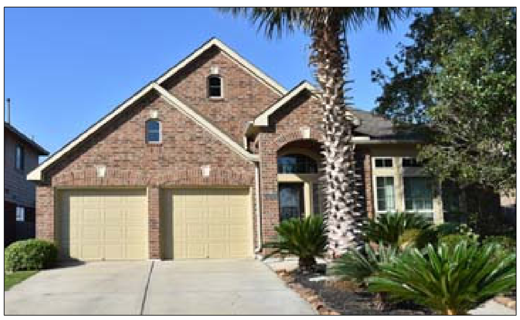
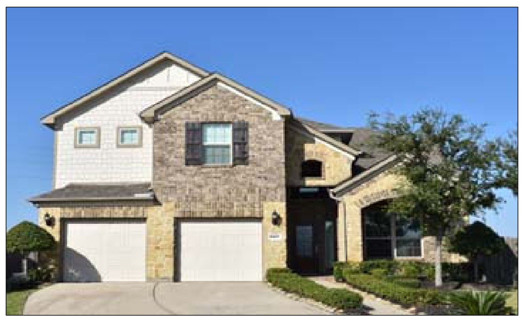
PHOTOGRAPHS TAKEN WITHIN THE DISTRICT

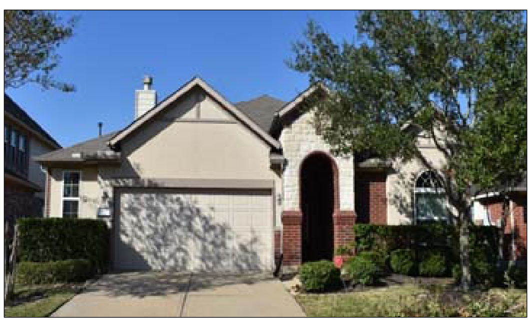
(November 2020)

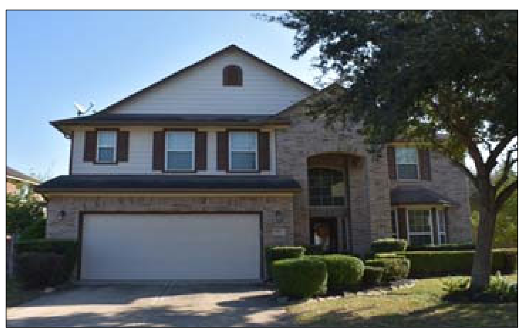






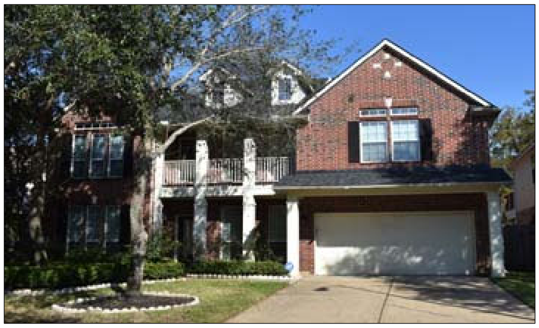


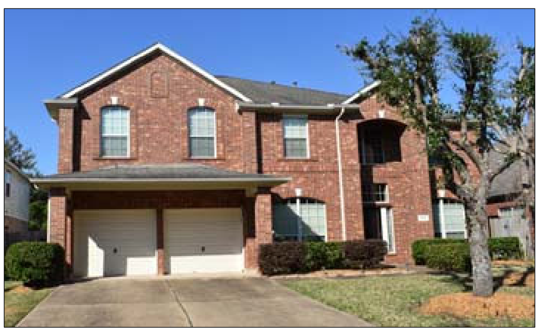


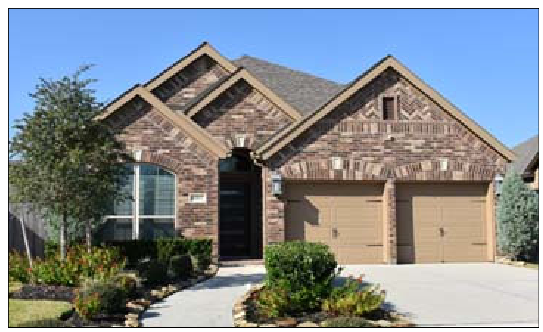


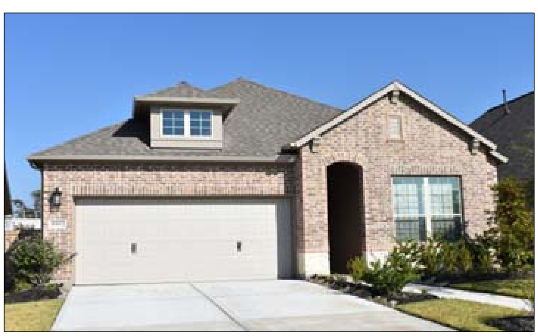
PHOTOGRAPHS TAKEN WITHIN THE DISTRICT

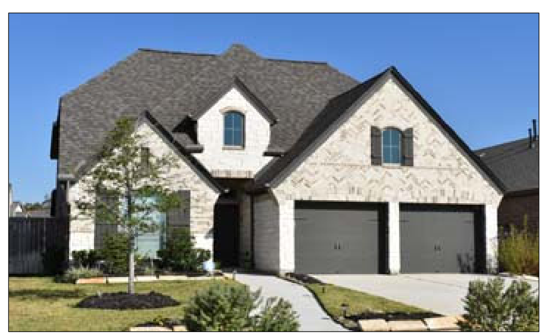
(November 2020)











DISTRICT DEBT

Debt Service Requirement Schedule

The following schedule sets forth the principal and interest requirements of the Outstanding Bonds and the Bonds.

Calendar Year	Outstanding Debt Service (b)	The Bonds Principal	The Bonds Interest	The Bonds Debt Service	Total Debt Service
2021	$ 4,104,750	$ -	$ 47,797	$ 47,797	$ 4,152,547
2022	4,116,381	95,000	56,406	151,406	4,267,787
2023	4,159,497	100,000	54,456	154,456	4,313,953
2024	4,184,960	100,000	52,456	152,456	4,337,416
2025	4,198,791	105,000	50,406	155,406	4,354,197
2026	4,239,058	105,000	48,831	153,831	4,392,889
2027	4,291,507	110,000	47,756	157,756	4,449,263
2028	4,328,581	110,000	46,656	156,656	4,485,237
2029	4,363,644	115,000	45,388	160,388	4,524,031
2030	4,231,908	120,000	43,919	163,919	4,395,826
2031	3,704,293	120,000	42,344	162,344	3,866,636
2032	3,707,999	125,000	40,659	165,659	3,873,658
2033	3,727,905	130,000	38,500	168,500	3,896,405
2034	3,787,124	135,000	35,850	170,850	3,957,974
2035	3,806,733	135,000	33,150	168,150	3,974,883
2036	3,812,809	140,000	30,400	170,400	3,983,209
2037	3,831,500	145,000	27,550	172,550	4,004,050
2038	3,863,131	150,000	24,600	174,600	4,037,731
2039	3,879,144	150,000	21,600	171,600	4,050,744
2040	463,525	155,000	18,550	173,550	637,075
2041	100,200	160,000	15,400	175,400	275,600
2042	102,425	165,000	12,150	177,150	279,575
2043	104,500	170,000	8,800	178,800	283,300
2044	101,500	175,000	5,350	180,350	281,850
2045	-	180,000	1,800	181,800	181,800
Total (a)	$77,211,862	$ 3,195,000	$ 850,775	$ 4,045,775	$81,257,637

(a) Totals may not sum due to rounding.

(b) Outstanding as of delivery of the Bonds.

Average Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2021-2045) .... $ 3,250,305

Maximum Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2029) .... $ 4,524,031

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Selected Financial Information

2020 Assessed Valuation (100% of the Market Valuation as of January 1, 2020)	$ 687,142,449	(a)
Estimate of Assessed Valuation as of May 1, 2020 (100% of the Estimate Market Valuation as of May 1, 2020)	$ 719,403,526	(b)
Direct Debt:		
The Outstanding Bonds	$ 56,695,000	
The Bonds	$ 3,195,000	
Total	$ 59,890,000	
Estimated Overlapping Debt	$ 68,878,507	(c)
Total Direct and Estimated Overlapping Debt	$ 128,768,507	(c)
Direct Debt Ratios:		
As a percentage of 2020 Assessed Valuation	8.72	%
As a percentage of the Estimate of Assessed Valuation as of May 1, 2020	8.32	%
Direct and Estimated Overlapping Debt Ratios:		
As a percentage of 2020 Assessed Valuation	18.74	%
As a percentage of the Estimate of Assessed Valuation as of May 1, 2020	17.90	%
Debt Service Fund Balance (as of October 1, 2020)	$ 2,596,784	
Capital Projects Fund Balance (as of October 1, 2020)	$ 133,545	
General Fund Balance (as of October 1, 2020)	$ 7,238,591	
2020 Tax Rate per $100 of Assessed Valuation		
Debt Service	$ 0.605	(d)
Maintenance	0.090	
Contract Tax	0.025	(e)
Total	$ 0.720	
Average Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2021-2045)	$ 3,250,305	(f)
Maximum Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (2029)	$ 4,524,031	(f)
Tax Rate per $100 of Assessed Valuation Required to Pay Average Annual Debt Service Requirement (2021-2045) at 95% Tax Collection		
Based on 2020 Assessed Valuation	$ 0.50	
Based on the Estimate of Assessed Valuation as of May 1, 2020	$ 0.48	
Tax Rate per $100 of Assessed Valuation Required to Pay Maximum Annual Debt Service Requirement (2029) at 95% Tax Collections		
Based on 2020 Assessed Valuation	$ 0.70	
Based on the Estimate of Assessed Valuation as of May 1, 2020	$ 0.67	
Single-Family Homes (including 0 under construction) as of November 1, 2020	2,223	

(a) As certified by the Appraisal District. This amount includes $948,728 of uncertified value, which represents 80% of the total uncertified value provided by the Appraisal District which is the estimated minimum amount of the uncertified value that will ultimately be certified. See "TAXING PROCEDURES."

(b) Provided by the Appraisal District for informational purposes only. Reflects new addition of value of new construction within the District from January 1, 2020 to May 1, 2020. This estimate is based upon the same unit value used in the assessed value No taxes will be levied on this estimate. See "TAXING PROCEDURES."

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

(d) In its memorandum authorizing the District to issue the Bonds, the TCEQ recommended the District levy a debt service tax of $0.660 per $100 of assessed valuation in the first tax year after issuance of the Bonds. This recommendation was based upon the Bonds being sold at a maximum net effective interest rate of 4.95%. See "TAX DATA – Tax Rate Calculations."

(e) See "TAX DATA – Contract Tax."

(f) Requirement of debt service on the Outstanding Bonds and the Bonds. See "DISTRICT DEBT – Debt Service Requirement Schedule."

Estimated Direct and Overlapping Debt Statement

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

	Outstanding Debt	Overlapping	
Taxing Jurisdiction	September 30, 2020	Percent	Amount
Fort Bend County	$ 630,766,310	0.89%	$ 5,633,697
Fort Bend Independent School District	1,297,633,767	1.50%	19,601,654
City of Missouri City (a)	155,195,000	8.94%	13,929,587
Houston Community College (a)	528,150,000	0.01%	52,815
SPLID	158,435,000	16.58%	26,370,753
The Master District (b)	3,290,000	100.00%	3,290,000
Total Estimated Overlapping Debt			$ 68,878,507
The District (c)			$ 59,890,000
Total Direct & Estimated Overlapping Debt (c)			$128,768,507

(a) A portion of the District is located within the corporate limits of the City, which overlaps the boundaries of Houston Community College System.

(b) In May 2018, the Master District issued $25,010,000 principal amount of contract revenue bonds through the Texas Water Development Board for the construction of a permanent wastewater plant to serve Sienna. Of the $25,010,000 principal amount issued, $3,290,000 principal amount is attributable to the District, of which the District is contractually obligated to pay its pro rata share of the annual debt service. At the delivery of the Bonds, $3,290,000 principal amount of the District's obligation will remain outstanding.

(c) Includes the Bonds.

Debt Ratios

Direct Debt Ratios (a):	
As a Percentage of the 2020 Assessed Valuation	8.72 %
As a Percentage of the Estimate of Assessed Valuation as of May 1, 2020	8.32 %
Direct and Estimated Overlapping Debt Ratios (a):	
As a Percentage of the 2020 Assessed Valuation	18.74 %
As a Percentage of the Estimate of Assessed Valuation as of May 1, 2020	17.90 %

(a) Includes the Bonds.

TAXING PROCEDURES

Authority to Levy Taxes

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

Property Tax Code and County-Wide Appraisal District

Title I of the Texas Tax Code (the "Property Tax Code") specifies the taxing procedures of all political subdivisions of the State of Texas, including the District. Provisions of the Property Tax Code are complex and are not fully summarized herein. The Property Tax Code requires, among other matters, county-wide appraisal and equalization of taxable property values and establishes in each county of the State of Texas an appraisal district with the responsibility for recording and appraising property for all taxing units within a county and an appraisal review board with responsibility for reviewing and equalizing the values established by the Appraisal District. The Fort Bend Central Appraisal District (the "Appraisal District") has the responsibility of appraising property for all taxing units within Fort Bend County, including the District. Such appraisal values will be subject to review and change by the Fort Bend County Appraisal Review Board (the "Appraisal Review Board"). The appraisal roll, as approved by the Appraisal Review Board, will be used by the District in establishing its tax rolls and tax rate. See "TAXING PROCEDURES – Valuation of Property for Taxation."

Property Subject to Taxation by the District

Except for certain exemptions provided by Texas law, all real property, tangible personal property held or used for the production of income, mobile homes and certain categories of intangible personal property with a tax situs in the District are subject to taxation by the District. Principal categories of exempt property include, but are not limited to: property owned by the State of Texas or its political subdivisions, if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies and personal effects; certain goods, wares, and merchandise in transit; certain farm products owned by the producer; certain property of charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; and most individually-owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons 65 years or older and certain disabled persons, to the extent deemed advisable by the Board. The District may be required to offer such exemptions if a majority of voters approve same at an election. The District would be required to call an election upon petition by twenty percent (20%) of the number of qualified voters who voted in the preceding election. The District is authorized by statute to disregard exemptions for the disabled and elderly if granting the exemption would impair the District's obligation to pay tax supported debt incurred prior to adoption of the exemption by the District. Furthermore, the District must grant exemptions to disabled veterans or the surviving spouse or children of a deceased veteran who died while on active duty in the armed forces, if requested, but only to the maximum extent of between $5,000 and $12,000 depending upon the disability rating of the veteran claiming the exemption. A veteran who receives a disability rating of 100% is entitled to an exemption for the full value of the veteran's residence homestead. Furthermore, qualifying surviving spouses of persons 65 years of age and older are entitled to receive a resident homestead exemption equal to the exemption received by the deceased spouse. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran who is entitled to an exemption for the full value of the veteran's residence homestead is also entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if the residence homestead was donated by a charitable organization. This exemption will also apply to a residence homestead that was donated by a charitable organization at some cost to such veterans. Also, the surviving spouse of a member of the armed forces who was killed in action is entitled to an exemption of the total appraised value of the surviving spouse's residence homestead if the surviving spouse has not remarried since the service member's death and said property was the service member's residence homestead at the time of death. Such exemption may be transferred to a subsequent residence homestead of the surviving spouse, if the surviving spouse has not remarried, in an amount equal to the exemption received on the prior residence in the last year in which such exemption was received.

The surviving spouse of a first responder who is killed or fatally injured in the line of duty is entitled to an exemption of the total appraised value of the surviving spouse's residence homestead if the surviving spouse has not remarried since the first responder's death, and said property was the first responder's residence homestead at the time of death. Such exemption would be transferred to a subsequent residence homestead of the surviving spouse, if the surviving spouse has not remarried, in an amount equal to the exemption received on the prior residence in the last year in which such exemption was received. For the 2020 tax year, the District has granted a $20,000 exemption for persons over 65 years of age and for disabled persons.

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

Freeport Goods Exemption*:* A "Freeport Exemption" applies to goods, wares, ores, and merchandise other than oil, gas, and petroleum products (defined as liquid and gaseous materials immediately derived from refining petroleum or natural gas), and to aircraft or repair parts used by a certified air carrier acquired in or imported into Texas which are destined to be forwarded outside of Texas and which are detained in Texas for assembling, storing, manufacturing, processing or fabricating for less than 175 days. Although certain taxing units may take official action to tax such property in transit and negate such exemption, the District does not have such an option. A "Goods-in-Transit" Exemption is applicable to the same categories of tangible personal property which are covered by the Freeport Exemption, if, for tax year 2014 and prior applicable years, such property is acquired in or imported into Texas for assembling, storing, manufacturing, processing, or fabricating purposes and is subsequently forwarded to another location inside or outside of Texas not later than 175 days after acquisition or importation, and the location where said property is detained during that period is not directly or indirectly owned or under the control of the property owner. For tax year 2013 and subsequent years, such Goods-in-Transit Exemption includes tangible personal property acquired in or imported into Texas for storage purposes only if such property is stored under a contract of bailment by a public warehouse operator at one (1) or more public warehouse facilities in Texas that are not in any way owned or controlled by the owner of such property for the account of the person who acquired or imported such property. A property owner who receives the Goods-in-Transit Exemption is not eligible to receive the Freeport Exemption for the same property. Local taxing units such as the District may, by official action and after public hearing, tax goods-in-transit property. A taxing unit must exercise its option to tax goods-in-transit property before January 1 of the first tax year in which it proposes to tax the property at the time and in the manner prescribed by applicable law. The District has taken official action to allow taxation of all such goods-in-transit personal property for all prior and subsequent years.

Tax Abatement

Fort Bend County may designate all or part of the area within the District as a reinvestment zone. Thereafter, Fort Bend County and the District, at the option and discretion of each entity, may enter into tax abatement agreements with owners of property within the zone. Prior to entering into a tax abatement agreement, each entity must adopt guidelines and criteria for establishing tax abatement which each entity will follow in granting tax abatement to owners of property. The tax abatement agreements may exempt from ad valorem taxation by each of the applicable taxing jurisdictions, including the District, for a period of up to 10 years, all or any part of any increase in the assessed valuation of property covered by the agreement over its assessed valuation in the year in which the agreement is executed on the condition that the property owner make specified improvements or repairs to the property in conformity with the terms of the tax abatement. As of September 1, 1999, each taxing jurisdiction has discretion to determine terms for its tax abatement agreements without regard to the terms approved by the other taxing jurisdictions. To date, Fort Bend County has not designated any part of the area within the District as a reinvestment zone.

Valuation of Property for Taxation

Generally, property in the District must be appraised by the Appraisal District at market value as of January 1 of each year. Once an appraisal roll is prepared and finally approved by the Appraisal Review Board, it is used by the District in establishing its tax rolls and tax rate. Assessments under the Property Tax Code are to be based on 100% of market value, as such is defined in the Property Tax Code. Nevertheless, certain land may be appraised at less than market value, as such is defined in the Property Tax Code. The Texas Constitution limits increases in the appraised value of residence homesteads to 10% annually regardless of the market value of the property.

The Property Tax Code permits land designated for agricultural use, open space or timberland to be appraised at its value based on the land's capacity to produce agricultural or timber products rather than at its 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 of such property would bring if sold as a unit to a purchaser who would continue the business. Provisions of the Property Tax Code are complex and are not fully summarized here. Landowners wishing to avail themselves of the agricultural use, open space or timberland designation or residential real property inventory designation must apply for the designation and the appraiser is required by the Property Tax Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by one (1) political subdivision while claiming it for another. If a claimant receives the agricultural use designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use, including taxes for the previous three (3) years, for open space land, and timberland.

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

The Property Tax Code provides for a temporary exemption from ad valorem taxation of a portion of the appraised value of certain property that is at least 15% damaged by a disaster and located within an area declared to be a disaster area by the governor of the State of Texas. This temporary exemption is automatic if the disaster is declared prior to a taxing unit, such as the District, adopting its tax rate for the tax year. A taxing unit, such as the District, may authorize the exemption at its discretion if the disaster is declared after the taxing unit has adopted its tax rate for the tax year. The amount of the exemption is based on the percentage of damage and is prorated based on the date of the disaster. Upon receipt of an application submitted within the eligible timeframe by a person who qualifies for a temporary exemption under the Property Tax Code, the Appraisal District is required to complete a damage assessment and assign a damage assessment rating to determine the amount of the exemption. The temporary exemption amounts established in the Property Tax Code range from 15% for property less than 30% damaged to 100% for property that is a total loss. Any such temporary exemption granted for disaster-damaged property expires on January 1 of the first year in which the property is reappraised.

District and Taxpayer Remedies

Under certain circumstances, taxpayers and taxing units, including the District, may appeal orders of the Appraisal Review Board by filing a timely petition for review in district court. 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 compel compliance with the Property Tax Code.

The Property Tax Code sets forth notice and hearing procedures for certain tax rate increases by the District and provides for taxpayer referenda which could result in the repeal of certain tax increases. The Property Tax

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

Levy and Collection of Taxes

The District is responsible for the levy and collection of its taxes unless it elects to transfer such functions to another governmental entity. The rate of taxation is set by the Board, after the legally required notice has been given to owners of property within the District, based upon: a) the valuation of property within the District as of the preceding January 1, and b) the amount required to be raised for debt service, maintenance purposes and authorized contractual obligations. Taxes are due October 1, or when billed, whichever comes later, and become delinquent if not paid before February 1 of the year following the year in which imposed. A delinquent tax incurs a penalty of 6% of the amount of the tax for the first calendar month it is delinquent, plus 1% for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of 12% regardless of the number of months the tax has been delinquent and incurs an additional penalty for collection costs of an amount established by the District and a delinquent tax attorney. For those taxes billed at a later date and that become delinquent on or after June 1, they will also incur an additional penalty for collection costs of an amount established by the District and a delinquent tax attorney. The delinquent tax accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code makes provisions for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes under certain circumstances which, at the option of the District, may be rejected by taxing units. The District's tax collector is required to enter into an installment payment agreement with any person who is delinquent on the payment of tax on a residence homestead for payment of tax, penalties and interest, if the person requests an installment agreement in writing and has not entered into an installment agreement with the collector in the preceding 24 months. The installment agreement must provide for payments to be made in monthly installments and must extend for a period of at least 12 months and no more than 36 months. Additionally, the owner of a residential homestead property who is (i) 65 years of age or older, (ii) disabled, or (iii) a disabled veteran, is entitled by law to pay current taxes on a residential homestead in installments without penalty or to defer the payment of taxes during the time of ownership. In the instance of tax deferral, a tax lien remains on the property and interest continues to accrue during the period of deferral.

Rollback of Operation and Maintenance Tax Rate

Chapter 49 of the Texas Water Code, as amended, classifies districts differently based on the current operation and maintenance tax rate or on the percentage of build-out that the District has completed. Districts that have adopted an operation and maintenance tax rate for the current year that is 2.5 cents or less per $100 of taxable value are classified as "Special Taxing Units." Districts that have financed, completed, and issued bonds to pay for all improvements and facilities necessary to serve at least 95% of the projected build-out of the district are classified as "Developed Districts." Districts that do not meet either of the classifications previously discussed can be classified herein as "Developing Districts." The impact each classification has on the ability of a district to increase its maintenance and operations tax rate is described for each classification below. Debt service and contract tax rates cannot be reduced by a rollback election held within any of the districts described below.

Special Taxing Units

Special Taxing Units that adopt a total tax rate that would impose more than1.08 times the amount of the total tax imposed by such district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead, subject to certain homestead exemptions, are required to hold an election within the district to determine whether to approve the adopted total tax rate. If the adopted total tax rate is not approved at the election, the total tax rate for a Special Taxing Unit is the current year's debt service and contract tax rate plus 1.08 times the previous year's operation and maintenance tax rate.

Developed Districts

Developed Districts that adopt a total tax rate that would impose more than1.035 times the amount of the total tax imposed by the district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead, subject to certain homestead exemptions for the preceding tax year, plus any unused increment rates, as calculated and described in Section 26.013 of the Tax Code, 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 1.035 times the previous year's operation and maintenance tax rate plus any unused increment rates. In addition, if any part of a Developed District lies within an area declared for disaster by the Governor of Texas or President of the United States, alternative procedures and rate limitations may apply for a temporary period. If a district qualifies as both a Special Taxing Unit and a Developed District, the district will be subject to the operation and maintenance tax threshold applicable to Special Taxing Units.

Developing Districts

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

The District

A determination as to a district's status as a Special Taxing Unit, Developed District or Developing District will be made by the Board of Directors on an annual basis, beginning with the 2020 tax rate. The District cannot give any assurances as to what its classification will be in the future or whether the District's future tax rates will result in a total tax rate that will reclassify the District into a new classification and new election calculation.

District's Rights in the Event of Tax Delinquencies

Taxes levied by the District are a personal obligation of the owner of the property as of January 1 of the year in which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties and interest ultimately imposed for the year on the property. The lien exists in favor of Texas and each taxing unit, including the District, having the power to tax the property. The District's tax lien is on a parity with the tax liens of other such taxing units. A tax lien on real property takes priority over the claims of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien; however, whether a lien of the United States is on a parity with or takes priority over a tax lien of the District is determined by federal law. Personal property, under certain circumstances, is subject to seizure and sale for the payment of delinquent taxes, penalty and interest.

At any time after taxes on property become delinquent, the District may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the District must join other taxing units that have claims for delinquent taxes against all or part of the same property. Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, by taxpayer redemption rights or by bankruptcy proceedings which restrict the collection of taxpayer debts. A taxpayer may redeem property within two (2) years for residential and agricultural property and six (6) months for commercial property and all other types of property after the purchaser's deed at the foreclosure sale is filed in the county records.

TAX DATA

General

All taxable property within the District is subject to the assessment, levy and collection by the District of a continuing, direct, annual ad valorem tax, without legal limitation as to rate or amount, sufficient to pay principal of and interest on the Bonds (see "TAXING PROCEDURES"). In the Bond Resolution, the Board covenants to assess and levy, for each year that all or any part of the Bonds remain outstanding and unpaid, a tax ample and sufficient to produce funds to pay the principal of and interest on the Bonds (see "THE BONDS" and "INVESTMENT CONSIDERATIONS").

For the 2020 tax year, the District levied a tax of $0.605 per $100 of assessed valuation for debt service, a tax of $0.090 per $100 of assessed valuation for maintenance and operation purposes, and a tax of $0.025 per assessed valuation for contract tax purposes.

Tax Rate Limitation

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

Maintenance Tax

The Board has the statutory authority to levy and collect an annual ad valorem tax for maintenance of the District's improvements if such maintenance tax is authorized by vote of the District's electors. On May 15, 2004, the Board was authorized by a vote of the District's electors to levy such maintenance tax in an amount not to exceed $1.00 per $100 of assessed valuation. Such tax, when levied, is in addition to taxes which the District is authorized to levy for paying principal of and interest on the Outstanding Bonds, the Bonds and any parity bonds which may be issued in the future.

Contract Tax

The District's obligation to pay its share of the costs of operating the Master District facilities is secured by the unlimited taxing power of the District. See "THE SYSTEM – Master District Contract."

Exemptions

The District has adopted an exemption from ad valorem taxation of $20,000 of the approved value of residence homestead of individuals who are disabled or are sixty-five (65) years of age or older. To date, the District has not adopted a general residential homestead exemption. See "TAXING PROCEDURES."

Additional Penalties

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

Tax Rate Calculations

The tax rate calculations set forth below are presented to indicate the tax rates per $100 of assessed valuation that would be required to meet certain debt service requirements on the Outstanding Bonds and the Bonds if no growth in the District's tax base occurs beyond the 2020 Assessed Valuation of $687,142,449 or the Estimate of Assessed Valuation as of May 1, 2020, of $719,403,526. The calculations assume collection of 95% of taxes levied and the sale of no additional bonds by the District.

Average Annual Debt Service Requirement (2021-2045)	$3,250,305
Tax Rate of $0.50 on the 2020 Assessed Valuation produces	$3,263,927
Tax Rate of $0.48 on the Estimate of Assessed Valuation as of May 1, 2020, produces	$3,280,480
Maximum Annual Debt Service Requirement (2029)	$4,524,031
Tax Rate of $0.70 on the 2020 Assessed Valuation produces	$4,569,497
Tax Rate of $0.67 on the Estimate of Assessed Valuation as of May 1, 2020, produces	$4,579,003

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 a 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 an estimation of all taxes per $100 of assessed valuation levied by such jurisdictions. No recognition is given to local assessments for civic association dues, emergency medical service contributions, fire department contributions or any other charges made by entities other than political subdivisions. All the land located within the District lies within the SPLID. The following chart includes the 2020 taxes per $100 of assessed valuation levied by all such taxing jurisdictions. No prediction can be made of the tax rates that will be levied in future years by the respective taxing jurisdictions.

Taxing Jurisdiction	**Outside Limits of City of Missouri City**	**Inside Limits of City of Missouri City (a)**
The District (b)	$ 0.720000	$ 0.720000
The County (c)	0.453207	0.453207
Fort Bend Independent School District	1.240200	1.240200
SPLID	0.450000	0.450000
Houston Community College System	-	0.100263
The City	-	0.598035
Total Tax Rate	$ 2.863407	$ 3.561705

(a) A portion of the District is located within the corporate limits of the City, which overlaps the boundaries of Houston Community College System.

(b) See "TAX DATA – Tax Rate Distribution."

(c) Includes the 2020 tax rate for FBCDD (herein defined) of $0.017331 per $100 of assessed valuation.

Assessed Valuation Summary

The following illustrates the types of property comprising the District's taxable value for each of the 2016–2020 tax years:

Type of Property	2020 Taxable Assessed Valuation (a)	2019 Taxable Assessed Valuation	2018 Taxable Assessed Valuation	2017 Taxable Assessed Valuation	2016 Taxable Assessed Valuation
Land	$124,653,415	$121,235,835	$118,993,785	$115,533,845	$112,176,805
Improvements	583,645,325	559,106,380	534,641,810	531,166,880	503,673,660
Personal Property	3,309,520	3,652,700	3,357,300	3,299,370	2,731,700
Exemptions	(25,414,539)	(17,736,194)	(15,619,177)	(13,389,027)	(13,416,941)
Total	$686,193,721	$666,258,721	$641,373,718	$636,611,068	$605,165,224

(a) This amount excludes $948,728 of uncertified value, which represents 80% of the total uncertified value provided by the Appraisal District which is the estimated minimum amount of the uncertified value that will ultimately be certified.

Historical Collections

Tax Year	Assessed Valuation	Tax Rate	Adjusted Levy	Collections Current Year	Current Year Ended 9/30	Collections 8/31/2020
2015	$554,050,088	0.940000	5,208,071	99.36%	2016	100.00%
2016	605,165,224	0.840000	5,083,388	99.60%	2017	100.00%
2017	636,611,068	0.800000	5,092,889	99.72%	2018	100.00%
2018	641,373,718	0.750000	4,810,303	99.80%	2019	99.93%
2019	666,258,721	0.730000	4,863,689	98.34%	2020	99.90%
2020	686,193,721 (a)	0.720000	4,940,595	(b)	2021	(b)

(a) This amount excludes $948,728 of uncertified value, which represents 80% of the total uncertified value provided by the Appraisal District which is the estimated minimum amount of the uncertified value that will ultimately be certified.

(b) In process of collections.

Tax Rate Distribution

	2020	2019	2018	2017	2016
Debt Service	$0.605	$0.605	$0.640	$0.660	$0.670
Maintenance	0.090	0.095	0.080	0.140	0.170
Contract (a)	0.025	0.030	0.030	-	-
Total	$0.720	$0.730	$0.750	$0.800	$0.840

(a) See "TAX DATA – Contract Tax."

Principal Taxpayers

The following are the principal taxpayers in the District as shown on the Appraisal District's certified tax rolls for the 2020 tax year.

Taxpayer	Types of Property	2020 Assessed Value
SIR Sienna Grand LLC	Land & Improvements	$25,105,240
Huntington Sienna Partners Ltd	Land & Improvements	5,503,170
Centerpoint Energy Electric	Personal Property	1,867,760
Sienna/Johnson North LP (a)	Land	1,238,607
Sienergy LP	Personal Property	1,162,510
The Hawthorn and Jacobs Living Trust	Land & Improvements	960,350
Homeowner	Land & Improvements	883,710
Homeowner	Land & Improvements	808,210
Homeowner	Land & Improvements	774,120
Homeowner	Land & Improvements	764,960
Principal Taxpayers Total		$39,068,637
Principal Taxpayers Total as Percentage of District 2020 Assessed Taxable Value		5.69%

(a) See "DESCRIPTION OF THE DEVELOPERS."

THE SYSTEM

General

The internal water distribution, wastewater collection and stormwater facilities are being provided by the District. Water supply, wastewater treatment and major trunk water lines, wastewater collection and storm sewer facilities are being provided by the Master District through contractual agreement (the "Master District Contract"). All of such water, wastewater and stormwater facilities are referred to herein as the "System." The Master District was created by the TCEQ and, pursuant to the Master District Contract, has the responsibility to provide such facilities necessary to serve the District, Sienna Plantation Municipal Utility District Nos. 2, 3, 7, and 12, Sienna Municipal Utility District Nos. 4, 5 and 6, and the Sienna Plantation Management District (each a "Participant District"). Flood protection and certain stormwater drainage facilities are being provided by SPLID.

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Historical Operations of the System

The following is a schedule of revenues and expenditures associated with operations of the System. The figures below were obtained from the District's financial statements for the fiscal year ended July 31, 2019, a copy of which is attached hereto as "APPENDIX B" and reference to which is hereby made. The District is required by statute to have an independent certified public accountant audit the District's financial statements annually, such audited financial statements are filed with the TCEQ.

		For Fiscal Year Ended July 31			
	2020 (a)	2019	2018	2017	2016
Revenues					
Water service	$ 924,806	$ 858,072	$ 813,831	$ 786,461	$ 780,480
Sewer service	1,316,549	1,281,069	1,233,698	1,201,575	1,179,727
Fire service	616,166	609,515	555,001	543,441	542,068
Property Taxes	837,516	706,154	888,573	1,026,571	1,437,809
Penalties and interest	33,797	42,872	42,929	40,162	42,434
Tap connection and inspection	11,275	130,275	255,331	27,023	77,290
Surface water	752,141	630,552	626,080	615,440	620,012
Miscellaneous	34,208	23,885	15,180	24,269	11,290
Investment earnings	85,995	118,809	74,323	24,684	6,703
Total Revenues	$ 4,612,453	$ 4,401,203	$ 4,504,946	$ 4,289,626	$ 4,697,813
Expenditures					
Current service operations					
Professional fees	$ 152,364	$ 122,433	$ 132,891	$ 131,489	$ 138,976
Contracted services	527,954	572,467	538,857	442,852	414,153
Repairs and maintenance	304,572	355,404	282,473	245,284	171,079
Utilities	7,365	7,073	475	4,749	6,294
Surface water	745,982	646,408	626,338	615,440	620,012
Administrative	74,723	76,224	81,108	80,615	73,243
Other	37,082	36,086	25,428	23,403	24,797
Capital outlay	-	-	505,510	-	-
Intergovernmental					
Monthly connection charges	695,048	631,792	705,684	686,253	636,175
Lease contributions	-	108,185	119,464	121,277	128,685
Renewal and replacement fund	77,064	67,557	73,286	66,406	65,867
Contractual obligations	185,653	186,523	-	1,266	496,805
Fire protection	632,616	621,286	562,311	550,959	548,400
Contractual obligations – regional facilities	-	-	1,000,000	-	-
Elimination of contingency reserve	-	-	-	-	44,846
Total Expenditures	$ 3,440,423	$ 3,431,438	$ 4,653,825	$ 2,969,993	$ 3,369,332
Revenues Over/(Under) Expenditures	$ 1,172,030	$ 969,765	$ (148,879)	$ 1,319,633	$ 1,328,481
Internal Transfers	$ 34,918	$ 470,592			
Beginning of Year Fund Balance	$ 6,024,431	$ 4,584,074	$ 4,732,953	$ 3,413,320	$ 2,084,839
End of Year Fund Balance	$ 7,231,379	$ 6,024,431	$ 4,584,074	$ 4,732,953	$ 3,413,320

(a) The 2020 unaudited numbers.

Regulation

Sienna Plantation Levee Improvement District of Fort Bend County, Texas ("SPLID"), provides flood protection to the District with levees, flood plain reclamation (fill), detention, internal and outfall drainage facilities, and pump stations (the "Flood Protection System"). Construction and operation of the System and the Flood Protection System as they now exist or as it may be expanded from time to time is subject to the regulatory jurisdiction of several federal, state and local authorities. The TCEQ exercises continuing supervisory authority over the District. Discharge of treated sewage and stormwater runoff is subject to the regulatory authority of the TCEQ and the U.S. Environmental Protection Agency. Construction of drainage facilities is subject to the regulatory authority of Fort Bend County, and, in some instances, SPLID, the TCEQ and the U.S. Army Corps of Engineers. The City and Fort Bend County also exercise regulatory jurisdiction over the District's System.

Master District Contract

Each of the Participant Districts, including the District, and the Master District entered the "Contract for Financing, Operation and Maintenance of Regional Water, Sanitary Sewer and Storm Sewer Facilities" (the "Master District Contract"). Under the Master District Contract, the Master District is obligated to provide the water supply, storm sewer collection, wastewater treatment facilities and regional water distribution and regional wastewater collection trunk lines necessary to serve each of the Participant Districts. To provide funds necessary to acquire the needed facilities, each of the Participant Districts are required under the contract to pay connection charges to the Master District in amounts sufficient to enable the Master District to provide such services. The connection charge, which is subject to recalculation periodically, is determined by dividing the current estimated costs of all the aforementioned regional facilities to be constructed minus the payments which have previously been received for connections purchased, by the anticipated number of connections remaining to be purchased, within such Participant District. Between recalculation dates, the ENR Construction Cost Index may be applied as an escalator to the connection charge. In lieu of payment of connection charges, the District, with the approval of the Master District, may construct facilities for the Master District which after completion are conveyed to the Master District as a credit against connection charges. Currently, the connection charge to each of the Participant Districts is $5,380/per equivalent single-family connection ("ESFC").

The Master District bills each of the Participant Districts on a monthly basis for amounts sufficient to pay the Master District's costs and expenses of operating and maintaining its regional facilities. The Master District is currently charging each of the Participating Districts $24.60 per ESFC per month for both water and sewer services and $0.25 per 1,000 gallons of usage to fund renewal and replacement of Master District facilities. The obligation of the District to make monthly payments to the Master District is secured by the taxing power of the District, and the obligation of each of the other Participant Districts to make monthly payments is secured by the taxing powers of such Participant District.

Water Supply

The District's source of water supply is surface water from the City through the Master District. Pursuant to the Groundwater Reduction Plan, of which SPMUD1 is a participant, the City has become the permitted entity for water supply. The City owns and operates a 10,000,000 gallons per day ("gpd") surface water plant located within Sienna. In addition, SPMUD1 has an emergency interconnect with the City.

The Master District owns and operates Sienna Plantation Water Plant Nos. 1, 2 and 3, which currently consist of five (5) wells totaling 5,900 gallons per minute ("gpm"), 3,872,000 gallons of ground water storage tank capacity, 280,000 gallons of hydropneumatic tank capacity, 25,257 gpm of booster pump capacity, an auxiliary diesel-powered generator at each site, and related appurtenances. Currently, such plants are rated to serve 16,000 equivalent single-family residential connections ("ESFCs"). As of September 30, 2020, the Master District was serving approximately 10,414 active ESFCs, which is sufficient to serve the District. However, future expansions to the water supply system will be necessary to serve the ultimate build-out of Sienna.

However, future expansions to the water supply system will be necessary to serve the ultimate build-out of Sienna.

The Master District entered an interlocal agreement with the City on January 7, 2008, under this agreement, the Master District is entitled to all of the capacities and facilities necessary to support 1,000 ESFCs from the

City's Mustang Bayou Plant. The Master District's existing water supply system with the interconnect is capable of serving 17,000 ESFCs.

Wastewater Treatment

Currently, Sienna is split into three (3) interim wastewater treatment regions, the North, Central and South regions. The Master District provides wastewater treatment to the North and Central regions, including the District, while SMUD5 supplies provides wastewater treatment to the South region.

The Master District owns and operates a 1,200,000 gpd wastewater treatment plant ("WWTP") located in the Central region (sufficient to serve 5,714 ESFCs at 210 gpd/ESFC) and leases and operates a 902,000 gpd WWTP located in the North region ("WWTP No. 3") (sufficient to serve 4,100 ESFCs at 220 gpd/ESFC). As of September 30, 2020, the Master District was serving approximately 4,685 active ESFCs in the Central region and approximately 3,813 active ESFCs in North region. In October 2019, approximately 450,000 gpd of flow was diverted from WWTP #3 to the City's Steep Bank/Flat Bank WWTP. Once an expansion is completed to the City's Steep Bank/Flat Bank WWTP, the balance of the flow will be diverted from WWTP No. 3 and it will be decommissioned. The project is expected to be completed by the end of 2021.

In May 2018, the Master District issued $25,010,000 principal amount of contract revenue bonds through the Texas Water Development Board for the construction of permanent wastewater capacity to serve Sienna. The Participant Districts, including the District, pursuant to the Master District Contract (herein defined), are responsible for their pro rata share of such bonds. Of the $25,010,000 principal amount issued, $12,695,000 principal amount is attributable to the Master District (on behalf of the Participant Districts), of which the District is contractually obligated to pay its pro rata share of the annual debt service. At the delivery of the Bonds, $12,695,000 principal amount of the Master District's obligation will remain outstanding. See "MASTER DISTRICT CONTRACT."

In June 2018, the Master District began construction of a 1,800,000 gpd permanent WWTP to serve the Central and South regions (the "South WWTP"). Upon completion, the South WWTP will have the capacity to serve approximately 8,500 ESFCs. Construction is anticipated to be complete in the fourth quarter of 2020.

Fire Protection

Pursuant to a contract between the District and the City, fire protection to residents of the District is provided by the Missouri City Fire Department from an 8,400-square-foot fire station located on Sienna Parkway, approximately 0.5 miles from the boundary of the District. The District pays the City a monthly fee for such services. A second 7,700-square-foot fire station has been constructed and is located along Sienna Parkway approximately 1.8 miles from the boundary of the District. This fire station became operational on July 1, 2015, and residents currently pay $22.50 per month for fire protection from the City.

THE FLOOD PROTECTION SYSTEM

Design Standards and Atlas 14

As noted above, the design of the Flood Protection System is subject to regulations promulgated by the County and Fort Bend County Drainage District ("FBCDD"), among others. A main design concept at the core of the design standards applicable to the Flood Protection System is the "100-year flood plain." The "100-year flood plain" is a hypothetical engineering and meteorological concept that defines the geographical area of land that is predicted to be inundated from a flood with a 1% chance of occurring in any particular year. The County and FBCDD design standards require homes to be built with foundational slabs at least two (2) feet above the 100-year Base Flood Elevation ("BFE") for areas mapped within a Special Flood Hazard Area ("SFHA") as delineated on a Flood Insurance Rate Map (100-year flood plain), and federal regulations require homes to be built above this 100-year water surface elevation to be eligible for federal flood insurance subsidies.

The current County and FBCDD design standards, and the geographical area within the District that comprises the 100-year flood plain, are based on various historical rainfall and river hydrological data sources. The National Weather Service recently completed a rainfall study known as NOAA Atlas 14, Volume 11 Participation-Frequency Atlas of the United States ("Atlas 14"). Floodplain boundaries within the Service Area, including the District, may be redrawn based on the Atlas 14 study based on a higher statistical rainfall amount, resulting in the application of more stringent floodplain regulations applying to a larger area and potentially leaving less developable property within the Service Area. The application of such regulations could additionally result in higher insurance rates, increased development fees, and stricter building codes for any property located within the expanded boundaries of the floodplain. On January 1, 2020, the County adopted Atlas 14 criteria for all new development within the County. However, existing development was exempt from these requirements.

The Flood Protection System and homes in the Service Area have been constructed in compliance with all design standards in effect at the time of construction. Moreover, even absent any additional improvements to the current Flood Protection System, the Engineer estimates, but does not guarantee, that based on the design standards at the time of construction that required foundational slabs to be built at least one foot above the FEMA BFE for areas mapped in a SFHA, any 100-year flood event meeting Atlas 14 estimates would be unlikely to result in structural flooding of any buildings and facilities within the District (i.e. based on the current state of the Flood Protection System, an Atlas 14 100-year flooding event would likely not be more than 1.5 feet greater than a 100-year flooding event estimated by past design standards).

Notwithstanding the information provided above regarding the Flood Protection System, the Flood Protection System does not protect against, and no flood protection system can protect against, all flooding scenarios. Further, because any definition of the composition of the "100-year flood plain" is based on statistical averages, it is possible that 100-year flooding events can occur more often than every 100 years. In fact, the greater Houston area has experienced three (3) 500-year flooding events since 2015 (i.e. a flooding event that has a 0.2% chance of occurring in any particular year). In addition, not every structure in SPLID is equally protected by the Flood Protection System. While all structures within SPLID have been built to the design standards in effect at the time of their construction, some structures within SPLID will always be at greater risk of structural flooding as compared to others.

Although flooding in SPLID, including the District, could occur for a variety of reasons, SPLID's engineer has identified the three (3) most likely flooding scenarios that could occur within SPLID: (1) an overtopping of the levee, (2) a failure (or breach) of the Flood Protection System, or (3) localized rainfall in excess of the 100-year event. See "INVESTMENT CONSIDERATIONS – Possible Flooding Events."

Flood Protection, Reclamation, and Drainage Facilities

Approximately 8,520 of Sienna's approximate 10,230 acres are located within SPLID. The system consists of two (2) independent levee and outfall drainage networks, as well as flood plain reclamation (fill) sites for certain land within SPLID not protected by a levee.

Sienna North Levee and Drainage System: SPLID's Amended Plan of Reclamation covers approximately 2,516 acres (the "North Levee System"). The original construction of the levee and related outfall structures and channels were completed in 2004.

According to SPLID's engineer, as a result of the construction of the facilities financed by SPLID, all land located within the North Levee System was removed from the 100-year flood plain of the Brazos River. Such area located within SPLID is now designated by the applicable FEMA Flood Insurance Rate Map as lying within a designated "shaded Zone X," which designates an area protected from the Brazos River BFE by a levee. As a result of SPLID's construction of the Flood Protection System, SPLID's engineer has defined "internal" SFHAs (100-year flood plain). This flood plain is designated as at least one (1) foot below the lowest floor slab elevation for residential construction, as required by applicable federal and local regulations.

SPLID has completed the construction of all components of the North Levee System to accommodate full development of the land within that system. According to SPLID's engineer, the existing levee and drainage outfall Flood Protection System is sufficient to serve the development within the North Levee System area, including the lots under development. See "THE FLOOD PROTECTION SYSTEM – Design Standards and Atlas 14."

As discussed under "INVESTMENT CONSIDERATIONS – Extreme Weather Events," the area within the North Levee System has experienced unanticipated water infiltration in the past. One (1) confirmed source of infiltration was a reversed flow of flood water through the gates at the North Levee System storm water outfall structures. According to SPLID's engineer, improvements to those structures made after Hurricane Harvey will prevent reversed water flows in the future. SPLID's engineer suspects that a second source of infiltration was groundwater. To remediate this suspected water infiltration source as well as provide the required pumping capacity for Brazos River events when the gates are closed, SPLID has constructed two 100,000 gpm pump stations to serve the North Levee System. According to SPLID's engineer, these pumping facilities should be sufficient to handle calculated infiltration sources for a flooding event similar to Hurricane Harvey.

SPLID anticipates making further improvements to the North Levee System as generally described under "THE FLOOD PROTECTION SYSTEM – Construction of Future Internal Drainage Facilities."

Sienna South Levee and Drainage System: SPLID's initial Plan of Reclamation covers approximately 6,465 acres (the "South Levee System"). The original levee and related outfall structures and channels were completed in 1984.

According to SPLID's engineer, as a result of the construction of the facilities financed by SPLID, all land located within the South Levee System was removed from the FEMA SFHA of the Brazos River. Such area located within SPLID is now designated by the applicable FEMA Flood Hazard Boundary Map as lying within a designated "shaded Zone X," which designates an area protected from the Brazos River BFE by a levee. As a result of SPLID's construction of the levee, internal detention and drainage systems, SPLID's engineer has defined "internal" SFHAs (100-year flood plain) that comply with current design standards. The lowest foundational slab elevation for residential construction, as required by applicable federal and local regulations, are at least one (1) foot above the designated flood plain.

As discussed under "INVESTMENT CONSIDERATIONS – Extreme Weather Events," the area within the South Levee System has experienced inundation related to rain and rain events. SPLID has undertaken several projects to prevent future flooding events. Among the projects that have been completed to serve the South Levee System are (1) expansion of several drainage channels, which will provide additional storage in the case of a high rain event, (2) additional back-up control gates to major outfalls and (3) the purchase of mobile pumps to aid in flood-fighting. In addition to these projects, SPLID has initiated a capital improvement plan (the "CIP") to address the high river and flooding events that have impacted its protection area. The CIP sets out to strengthen SPLIDs protections through additional facilities and redundancies to make the existing facilities more resilient. See "THE FLOOD PROTECTION SYSTEM – Construction of Future Internal Drainage Facilities."

According to SPLID's engineer, the existing levee, drainage outfall system, and pump station are sufficient to provide flood plain reclamation, flood protection and outfall drainage necessary to serve the existing development within the South Levee System area, including the lots under development. See "THE FLOOD PROTECTION SYSTEM – Design Standards and Atlas 14" and "THE FLOOD PROTECTION SYSTEM – Construction of Future Internal Drainage Facilities."

An engineering or regulatory determination that an area is above the BFE is no assurance that homes built in such areas will not be flooded. If substantial or frequent flooding of homes were to occur in SPLID the marketing of homes and the future growth of property values in SPLID could be adversely affected.

Construction of Future Internal Drainage Facilities

The Flood Protection System currently provides flood protection from overflows of the Brazos River to the majority of the land within SPLID. The Flood Protection System also provides detention and outfall drainage facilities to maintain internal water surface elevations in the developed areas below the acceptable criteria levels. SPLID's original development plans contemplated that as development continued in SPLID, the District, the municipal utility districts within the boundaries of SPLID, and/or developers within SPLID would construct additional pump stations, detention facilities and outfall drainage facilities to maintain water surface elevations at acceptable criteria levels. While these development plans remain in place, following Hurricane Harvey and partially in response to new data provided by Atlas 14, the District modified its development plans to improve the Flood Protection System to allow it to better manage extreme weather events such as Hurricane Harvey. In order to implement these modified plans and accelerate improvements to the levee and pump systems in SPLID, in 2018 SPLID held an election and received voter approval authorizing $139,000,000 in additional levee improvement bonds. SPLID issued its first series of bonds pursuant to such authorization in April 2019, and SPLID currently plans to issue the remaining portion of this authorization and construct the projects authorized by the election within five (5) to seven (7) years. For a discussion on the effectiveness of SPLID's development plans on the mitigation of future flooding events, see "INVESTMENT CONSIDERATIONS – Possible

Flooding Events." While not an exhaustive list, SPLID is currently undertaking the following major projects to protect the land within its boundaries:

Storm Water Pump Station: SPLID is currently constructing an additional water pumping station to serve the South Levee System. Such pumping station will provide additional capacity to remove water from within the levee in the event that the area within South Levee System is experiencing a high rain event while the outfall gates are closed due to a high river event. Upon completion of the pump station, the South Levee System will be served by two (2) pump stations with a combined pumping capacity of 529,500 gpm. The pump station is anticipated to be completed in late 2020.

Additional Control Gates: SPLID is currently installing 25 additional control gates (six (6) of which will serve the North Levee System and 19 of which will serve the South Levee System) to the protect the Flood Protection System in case of a high river event. The control gates will be installed from late 2020 to mid-2021.

Outfall Structure: SPLID is currently designing its third major outfall structure, which will serve the South Levee System. Such outfall structure will allow for additional water to flow out of the South Levee System area during a heavy rain event, when the control gates are open. The structure is needed to comply with the additional standards put in place due to Atlas 14. The outfall structure is anticipated to be completed in 2022.

Detention Pond Expansion: SPLID is designing a detention pond to provide additional capacity to serve the South Levee System. Such facility will assist SPLID in a high rain event. The detention pond is anticipated to be completed in 2022.

SPLID, nor the District, make guarantee that such improvements will prevent any future flooding events occur within its boundaries. Additionally, the District makes no representations regarding the timing of completion for any of the projects outlined above.

INVESTMENT CONSIDERATIONS

General

The Bonds are obligations of the District and are not obligations of the State of Texas; Fort Bend County, Texas; the City; or any political subdivision other than the District. The Bonds will be secured by a continuing, direct, annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District. The 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 property within the District is directly related to the economics of the residential housing industry, not only due to general economic conditions, but also due to the particular factors discussed below.

Possible Flooding Events

The District lies within SPLID, which provides flood protection for Sienna.

Overtopping, Levee Failure and Excessive Rainfall: The District and SPLID's levee and drainage system have been designed and constructed to meet all current regulatory standards. See "THE SYSTEM" and "THE FLOOD PROTECTION SYSTEM." However, the levee system does not protect against all flooding scenarios. There are three (3) instances in which flooding could occur in the District: (1) an overtopping of the levee, (2) a failure (or breach) of the levee system, or (3) localized rainfall in excess of the 100-year event.

An overtopping of the levee could occur if the Brazos River or its tributaries reach flood stages higher than the 100-year event. The "100-year event" means the river elevation has a statistical 1% chance of occurring in any given year. Current FEMA regulations require an earthen levee to be constructed a minimum of three (3) feet above the level of a 100-year event. The 100-year event elevation for the Brazos River adjacent to SPLID's levee, ranges from 58.72 feet above mean sea level to 66.40 feet above mean sea level. According to SPLID's engineer, overtopping of the SPLID levee system may occur from river events with a recurrence interval of less than 0.2% (500-year event) based on the effective FEMA models for the Brazos River in Fort Bend County, Texas.

In addition to the risk of overtopping, a portion of the SPLID, including the District, would experience flooding if the levee failed (or breached) while the Brazos River (or its tributaries) were at a flood stage of less than the 100-year event. In order to mitigate the risk, SPLID performs weekly inspections of the levee to observe any visible deterioration of the levee that is in need of repair. Further, flooding in the SPLID, including the District, could occur if there was a failure of the pump system during a rain event and at the same time the water level in the Brazos River required the gates to be closed. In this event, water could not get out of the internal system fast enough, causing the internal channels and lakes to overflow.

In addition, SPLID, including the District, could experience flooding if a localized rainfall event in excess of the 100-year event were to happen within the levee. The statistical chance of this happening is 1% in any given year. Hurricane Harvey produced this kind of rainfall event, which resulted in significant street flooding and some structural flooding within SPLID, including the District. See "THE FLOOD PROTECTION SYSTEM – Extreme Weather Events."

During significant high river events in 2016, 2017 and 2018 the Brazos River eroded a portion of the river bank below the river and a portion of SPLID's south levee. SPLID is currently designing an erosion control system to prevent additional erosion that may threaten the levee. The cost of these improvements is estimated to be approximately $15,000,000.

Inability to Mitigate All Flooding Risks: The Flood Protection System does not protect against, and no flood protection system can protect against, all flooding scenarios. Further, because any definition of the composition of the "100-year flood plain" is based on statistical averages, it is possible that 100-year flooding events can occur more often than every 100 years.

SPLID, including the District, experienced two (2) consecutive 100-year Brazos River flood events in April and May of 2016. During the April 2016 event (also known as the Tax Day event), three (3) gates on the North Pump Station Outfall were significantly damaged by debris due to elevated river levels. This led to an infiltration of the Flood Protection System through the damaged gates. This flood event continued into May 2016 (also known as the Memorial Day event) when another 100-year flood event impacted SPLID, including the District. The length of time of this river event, coupled with infiltration through the broken gates, caused several of the pumps to fail. However, SPLID immediately mitigated the flood risk by bringing in temporary drainage pumps, which allowed SPLID to pump out water resulting from the river infiltration until October 2016, when the Brazos River levels eventually returned to below flood stage. During the duration of the 2016 flood events, no structures were damaged or compromised due to floodwaters entering SPLID. Further, it should be noted SPLID has made significant improvements to the pumps and pumping structure, including purchasing 14 additional stand-by pumps, in order to improve flood fighting ability and further minimize flood risk.

In addition, not every structure in SPLID, including the District, is equally protected by the Flood Protection System. While all structures within SPLID, including the District, have been built to the design standards in effect at the time of their construction, structures with foundational slabs at a lower elevation within the District may be at greater risk of structural flooding as compared to structures with foundational slabs at a higher elevation, and some areas in SPLID, including the District, may be more prone to flooding events than other areas.

Changing Conditions – As described in "THE FLOOD PROTECTION SYSTEM," new Atlas 14 rainfall data has begun to replace the historical rainfall data upon which the design of the Flood Protection System was based. Additional and more detailed rainfall data may be provided in the future that could cause the assumptions upon which current design standards are based to be inaccurate and cause the Flood Protection System to be insufficient to mitigate future flooding events. Further, weather and rainfall patterns are subject to a variety of environmental factors. Changing environmental conditions and changing rainfall patterns could also cause the assumptions and design standards upon which the Flood Protection System is based to be inaccurate and cause the Flood Protection System to be insufficient to mitigate future flooding events. Neither SPLID nor the District can make a prediction regarding the effect that any such future changing conditions would have on SPLID's Flood Protection System or its ability to mitigate future flooding events.

Extreme Weather Events

The greater Houston area, including the District, has experienced four (4) 100-year flood events since 2015, the most recent of which was Hurricane Harvey, which made landfall along the Texas gulf coast on August 26, 2017, and brought historic levels of rainfall during the succeeding four (4) days.

The 100-year flood events in 2015 and 2016, while severe, did not cause any structural flooding in the District or the SPLID.

Hurricane Harvey produced an estimated 40 inches of rain in the SPLID over a four-day period, well in excess of the 100-year threshold across most of the Houston metropolitan area. Additionally, the Fort Bend County Judge called for a mandatory evacuation of SPLID, including the District, due to the rise of the Brazos River and the risk of a breach or overtopping of SPLID's levee system. Rainfall from Hurricane Harvey did not result in an overtopping or breach of the District's levee system and no homes in the District experienced either street or structural flooding due to Hurricane Harvey. In addition, a tornado touched down and approximately 64 homes were damaged by the tornado within SPLID, none of which were within the District.

According to SPLID's engineer, SPLID experienced significant street flooding and approximately 67 homes had water damage from flooding. All flooding was due to the rainfall amounts in SPLID exceeding the design capacity of internal drainage facilities. No flooding occurred due to a breach or overtopping of SPLID's levee system. See "TAXING PROCEDURES – Valuation of Property for Taxation."

The District cannot predict the effect that additional extreme weather events may have upon the District or SPLID's levee and drainage system. Additional extreme weather events have the potential to cause damage within SPLID, including the District, that could have a negative effect on taxable assessed valuations in the District which could cause tax rates to rise. See "– Factors Affecting Taxable Values and Tax Payments – Maximum Impact on District Tax Rates" below.

Potential Impact of Natural Disaster

The District is located near the Texas Gulf Coast and, as it has in the past, could be impacted by wide-spread fires, earthquakes, or weather events such as hurricanes, tornadoes, tropical storms, or other severe weather events that could produce high winds, heavy rains, hail, and flooding. In the event that a natural disaster should damage or destroy improvements and personal property in the District, the assessed value of such taxable properties could be substantially reduced, resulting in a decrease in the taxable assessed value of the District or an increase in the District's tax rates.

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

Potential Effects of Oil Price Declines on the Houston 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 Houston area has, in the past, been particularly affected by adverse conditions in the oil and gas industry, and such conditions and their spillover effects into other industries could result in declines in the demand for residential and commercial property in the Houston area and could reduce or negatively affect property values or homebuilding activity within the District. As previously stated, the Bonds are secured by an unlimited ad valorem tax, and a reduction in property values may require an increase in the ad valorem tax rate required to pay the Bonds as well as the District's share of operations and maintenance expenses payable from ad valorem taxes.

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.

Infectious Disease Outbreak – 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 Governor of Texas (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 since issued a number of executive orders relating to COVID-19 preparedness and mitigation. In addition to the actions by the State and federal officials, certain local officials have declared a local state of disaster and have issued "shelter-in-place" orders. Many of the federal, State and local actions and policies under the aforementioned disaster declarations and shelter-in-place orders are focused on limiting instances where the public can congregate or interact with each other, which negatively affects the operation of businesses and the State and national economies.

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 Houston metropolitan area and could reduce or negatively affect property values or homebuilding activity 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.

The District continues to monitor the spread of COVID-19 and the potential impact of COVID-19 on the District. While the potential impact of COVID-19 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.

Factors Affecting Taxable Values and Tax Payments

Economic Factors: The rate of development within the District is directly related to the vitality of the residential housing industry in the Houston metropolitan area, including particularly the vitality of the market for higher priced homes. New residential housing construction can be significantly affected by factors such as interest rates, construction costs, and consumer demand. Decreased levels of home construction activity would restrict the growth of property values in the District. Although, as of November 1, 2020, residential development in the District included 2,223 homes (0 of which being under construction), the District cannot predict the pace or magnitude of future construction in the District. See "DEVELOPMENT WITHIN THE DISTRICT."

Location and Access: The District is located in an outlying area of the Houston metropolitan area, approximately 19 miles from the central business district of the City of Houston, Texas, approximately one (1) mile from a major toll road system, and approximately eight (8) miles from two major highways, U.S. Hwy 59 and Texas State Hwy 288. The Developers and homebuilders active within the District compete for the sale of developed lots and homes with numerous residential development projects located closer to major employment centers and closer to major freeways. In addition, many of the residential developments with which the District competes have lower overlapping taxes. As a result, particularly during times of increased competition, the Developers and homebuilders may find themselves at a competitive disadvantage to the developers and homebuilders in other residential projects located closer to major urban centers or with lower overlapping taxes. See "THE DISTRICT."

Maximum Impact on District Tax Rates: Assuming no further development or home construction, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of property owners to pay their taxes. The 2020 Assessed Valuation of all taxable property located within the District is $687,142,449 and the Estimate of Assessed Valuation as of May 1, 2020, is $719,403,526 (see "TAX DATA"). After issuance of the Bonds, the maximum annual debt service requirement on the Outstanding Bonds and the Bonds will be $4,524,031 (2029) and the average annual debt service requirement will be $3,250,305 (2021-2045). Assuming no increase to nor decrease from the 2020 Assessed Taxable Valuation, tax rates of $0.70 and $0.50 per $100 of assessed valuation at a 95% tax collection rate would be necessary to pay the maximum annual debt service requirement and the average annual debt service requirement, respectively. Assuming no increase to nor decrease from the Estimate of Assessed Valuation as of May 1, 2020, tax rates of $0.67 and $0.48 per $100 of assessed valuation at a 95% tax collection rate would be necessary to pay the maximum annual debt service requirement and the average annual debt service requirement, respectively.

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 homes 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.

District Tax Levy and Overlapping District Taxes and Functions

The District is located within SPLID. SPLID has constructed certain improvements to remove land within SPLID from the flood plain and to accommodate storm water drainage within SPLID. As of November 1, 2020, SPLID had $158,435,000 principal amount of unlimited tax bonds outstanding. The principal of and interest on SPLID bonds are payable from the proceeds of a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within SPLID, including the District but not the area in the City of Missouri City Tax Increment Reinvestment Zone No. 3 (the "TIRZ"). For the 2020 tax year, SPLID levied a debt service tax rate of $0.34 per $100 of assessed valuation, plus a maintenance tax rate of $0.11 per $100 of assessed valuation, for a total tax rate of $0.45 per $100 of assessed valuation. Since SPLID's debt is payable from an unlimited tax, the full and timely payment of such tax by the owners of property located within SPLID will directly affect SPLID's ability to meet its debt obligations. Furthermore, the absence of continued development and growth of taxable values in SPLID or other factors could result in increases in SPLID's tax rate.

The combined tax rates of the District and SPLID (which total $1.17 per $100 of assessed valuation) are higher than the tax levy of many municipal utility districts in the Houston metropolitan area.

In the event that SPLID's debt service tax rate of $0.34 per $100 of assessed valuation, plus its maintenance tax rate of $0.11 per $100 of assessed valuation, prove to be insufficient to enable SPLID to meet debt service requirements on its indebtedness and/or its maintenance and operating requirements, SPLID would be required to increase its tax rate to a level sufficient to meet such requirements. SPLID's 2020 assessed valuation is $4,109,959,129. Such value includes $50,720,576 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 SPLID will levy its tax.

In April of 2008, the City approved the creation of the TIRZ, encompassing approximately 582 acres. The TIRZ is located in the southern portion of the City along Texas State Highway 6. A portion of SPLID lies within the boundaries of the TIRZ. The purpose of the TIRZ is to fund certain infrastructure costs for new commercial, retail, office, multi-family and town center facilities located within its boundaries. The TIRZ will collect ad valorem tax revenue from the City, the County, FBCDD, Houston Community College and SPLID on the incremental increase in assessed value within the TIRZ from January 1, 2007, to January 1, 2037.

As described under "SIENNA," the development and construction activity completed within Sienna as of November 1, 2020, includes the development of approximately 15,725 single-family residential lots consisting of approximately 9,252 completed homes, approximately 186 homes under construction, approximately 299 vacant and developed lots, and approximately 641 lots under development and the development of 104 rural estate lots in The Woods at Sienna, plus certain amenities and commercial improvements. Such development and construction activity, together with development and construction activity anticipated to occur within Sienna in the future, are expected to contribute to increases in Sienna's assessed valuation. The District cannot guarantee whether any of the land development projects which are planned for or are underway in the District will be successful or whether the assessed valuation of the land located within the District will increase sufficiently to justify continued payment of the District tax by property owners. Increases in SPLID's tax rate so that the combined tax rate between the District and SPLID rises above $1.17 per $100 valuation would have an adverse impact upon future development 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.

SPLID has agreed to contribute 100% of its tax increment on the area that lies within the TIRZ to the City for the life of the TIRZ or 30 years, whichever is less. SPLID's participation in the TIRZ has the effect of reducing the tax revenues that are available to SPLID to finance SPLID facilities during the life of the TIRZ. For the 2019 tax year, SPLID's tax increment equaled $175,728,319 and generated approximately $751,239 in revenues at SPLID's total tax rate for the 2019 tax year of $0.45 per $100 of assessed valuation, which revenues will be contributed to the TIRZ. After the TIRZ is dissolved or after 30 years, SPLID will collect and retain the tax revenue on all of the land within SPLID previously located in the TIRZ.

As discussed under "THE SYSTEM – Master District Contract," on May 24, 2007, the District executed the Master District Contract that requires the Master District to supply water to the District and to provide wastewater treatment service to the District. The Master District Contract defines the means by which the District's pro rata share of the cost of such service (as well as the pro rata share of each of the other Participating Districts) will be determined. The Master District Contract obligates the District to pay such pro rata share, in the form of monthly charges per connection and one-time connection charges for each equivalent single-family connection, from the proceeds of ad valorem taxes levied for such purpose or from any other lawful source of District income. The District has never levied a tax to make its payments to the Master District. Any tax levied by the District to make such payments would be in addition to the other taxes levied by the District. See "INVESTMENT CONSIDERATIONS – Factors Affecting Taxable Values and Tax Payments – *Maximum Impact on District Tax Rates*."

The tax rate that may be required to service debt on any bonds issued by the District or SPLID is subject to numerous uncertainties such as the growth of taxable values within such districts, the impact of the TIRZ, the amount of the bonds issued, regulatory approvals, construction costs, and market interest rates. There can be no assurances that composite tax rates imposed by overlapping jurisdictions on property situated in the Participating Districts, including the District, will be competitive with the tax rates of competing projects. To the extent that such composite tax rates are not competitive with competing developments, the growth of property tax values in the District and the investment quality or security of the Bonds could be adversely affected.

Tax Collection Limitations

The District's ability to make debt service payments may be adversely affected by its inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on a parity with the liens of all other state and local taxing authorities on the property against which taxes are levied, and such lien may be enforced by foreclosure. The District's ability to collect ad valorem taxes through such foreclosure may be impaired by (a) cumbersome, time-consuming and expensive collection procedures, (b) a bankruptcy court's stay of tax collection procedures against a taxpayer, (c) market conditions limiting the proceeds from a foreclosure sale of taxable property, or (d) the taxpayer's right to redeem the property within six months for commercial property and two years for residential and all other property after the purchaser's deed issued at the foreclosure sale is filed in the county records. 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, any bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the District pursuant to the Federal Bankruptcy Code could stay any attempt by the District to collect delinquent ad valorem taxes 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 and Bankruptcy

In the event of default in the payment of principal of or interest on the Bonds, the Registered Owners have a right to seek a writ of mandamus requiring the District to levy adequate taxes each year to make such payments. Except for mandamus, the Bond Resolution does not specifically provide for remedies to protect and enforce the interests of the Registered Owners. There is no provision for acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Although the Registered Owners could obtain a judgment against the District, such a judgment could not be enforced by a direct levy and execution against the District's property. Further, the Registered Owners cannot themselves foreclose on property within the District or sell property within the District in order to pay the principal of and interest on the Bonds. Since there is no trust indenture or trustee, the Registered Owners would have to initiate and finance the legal process to enforce their remedies. The enforceability of the rights and remedies of the Registered Owners further 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. In this regard, should the District file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of the District to seek judicial foreclosure of its tax lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See "THE BONDS - Bankruptcy Limitation to Registered Owners' Rights."

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 District which is recovered by the District 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 bond 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 "MUNICIPAL BOND INSURANCE" and "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 the Initial Purchaser (herein defined) have made independent investigation into the claims paying ability of the bond insurer and no assurance or representation regarding the financial strength or projected financial strength of the bond insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal and interest on the Bonds and the claims paying ability of the bond insurer, particularly over the life of the investment. See "MUNICIPAL BOND INSURANCE" and "RATINGS" herein for further information provided by the bond insurer and the Policy, which includes further instructions for obtaining current financial information concerning the bond insurer.

Marketability

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

Future Debt

After the issuance of the Bonds, the District will have $1,010,000 authorized but unissued unlimited tax bonds remaining for the Park System, $56,555,000 authorized but unissued unlimited tax bonds remaining for the System, and $72,760,000 authorized but unissued unlimited tax bonds remaining for refunding purposes, and such additional bonds as may hereafter be approved by both the Board and voters of the District (see "THE BONDS – Issuance of Additional Debt"). The District also has the right to issue certain other additional bonds, special project bonds, and other obligations described in the Bond Resolution. If additional bonds are issued in the future and property values have not increased proportionately, such issuance may increase gross debt-property valuation ratios and thereby adversely affect the investment quality or security of the Bonds.

Following the issuance of the Bonds, there will be no outstanding expenditures owed to the Developer for the Park System. There are no outstanding expenditures owed to the Developer for the System. See "THE SYSTEM" and "DEVELOPMENT WITHIN THE DISTRICT."

The District plans to refund a portion of its $4,700,000 Unlimited Tax Bonds, Series 2013 (the "Refunded Bonds") prior to delivery of the Bonds, and anticipates closing on the Refunded Bonds in the first quarter of 2021.

In addition, the District entered into a "Recreational Facilities Reimbursement Agreement" with the Master District and SPLID on November 6, 2014, which established the terms and conditions under which certain recreational facilities would be financed. SPMUD 12 and SPMD have entered into similar agreements with the Master District and SPLID. The District, SPMUD 12 and SPMD are collectively referred to as the "Sienna North Districts." Pursuant to such agreements, SPLID assumed responsibility from the Sienna North Districts for providing funds to the Master District for reimbursing the Developer for a portion of the costs associated with the construction of a walking trail to serve the Sienna North Districts, of which each of the Sienna North Districts will pay an equal one-third share of the costs. The District is responsible for $1,109,000 of the obligation to the SPLID. See "THE SYSTEM."

Competitive Nature of Houston Area Residential Housing Market

The housing industry in the Houston area is very competitive, and the District can give no assurance that the building programs which are planned by the Developers will be continued or completed. The respective competitive positions of the Developers and any of the homebuilders are affected by most of the factors discussed in this section, and such competitive positions are directly related to tax revenues received by the District and the growth and maintenance of taxable values in the District.

Continuing Compliance with Certain Covenants

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

Approval of the Bonds

The Attorney General of Texas must approve the legality of the Bonds prior to their delivery. The Attorney General of Texas does not pass upon or guarantee the security of the Bonds as an investment, nor does he pass upon the adequacy or accuracy of the information contained in this Official Statement.

Changes in Tax Legislation

Certain tax legislation, whether currently proposed or proposed in the future, may directly or indirectly reduce or eliminate the benefit of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, may also affect the value and liquidity of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed, pending or future legislation.

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.

<u>Air Quality Issues</u>. Air quality control measures required by the United States Environmental Protection Agency (the "EPA") and the Texas Commission on Environmental Quality (the "TCEQ") may impact new industrial, commercial and residential development in the Houston area. Under the Clean Air Act ("CAA") Amendments of 1990, the eight-county Houston-Galveston-Brazoria area ("HGB Area")—Harris, Galveston, Brazoria, Chambers, Fort Bend, Waller, Montgomery and Liberty Counties—has been designated a nonattainment area under three separate federal ozone standards: the one-hour (124 parts per billion ("ppb")) and eight-hour (84 ppb) standards promulgated by the EPA in 1997 (the "1997 Ozone Standards"); the tighter, eight-hour ozone standard of 75 ppb promulgated by the EPA in 2008 (the "2008 Ozone Standard"), and the EPA's most-recent promulgation of an even lower, 70 ppb eight-hour ozone standard in 2015 (the "2015 Ozone Standard"). While the State of Texas has been able to demonstrate steady progress and improvements in air quality in the HGB Area, the HGB Area remains subject to CAA nonattainment requirements.

While the EPA has revoked the 1997 Ozone Standards, the EPA historically has not formally redesignated nonattainment areas for a revoked standard. As a result, the HGB Area remained subject to continuing severe nonattainment area "anti-backsliding" requirements, despite the fact that HGB Area air quality has been attaining the 1997 Ozone Standards since 2014. In late 2015, the EPA approved the TCEQ's "redesignation substitute" for the HGB Area under the revoked 1997 Ozone Standards, leaving the HGB Area subject only to the nonattainment area requirements under the 2008 Ozone Standard (and later, the 2015 Ozone Standard).

In February 2018, the U.S. Court of Appeals for the District of Columbia Circuit issued an opinion in South Coast Air Quality Management District v. EPA, 882 F.3d 1138 (D.C. Cir. 2018) vacating the EPA redesignation substitute rule that provided the basis for the EPA's decision to eliminate the anti-backsliding requirements that had applied in the HGB Area under the 1997 Ozone Standard. The court has not responded to the EPA's April 2018 request for rehearing of the case. To address the uncertainty created by the South Coast court's ruling, the TCEQ developed a formal request that the HGB Area be redesignated to attainment under the 1997 Ozone Standards. The TCEQ Commissioners adopted the request and maintenance plan for the 1997 one-hour and eight-hour standards on December 12, 2018. On May 16, 2019, the EPA proposed a determination that the HGB Area has met the redesignation criteria and continues to attain the 1997 one-hour and eight-hour standards, the termination of the anti-backsliding obligations, and approval of the proposed maintenance plan.

The HGB Area is currently designated as a "serious" nonattainment area under the 2008 Ozone Standard, with an attainment deadline of July 20, 2021. If the EPA ultimately determines that the HGB Area has failed to meet the attainment deadline based on the relevant data, the area is subject to reclassification to a nonattainment classification that provides for more stringent controls on emissions from the industrial sector. In addition, the EPA may impose a moratorium on the awarding of federal highway construction grants and other federal grants for certain public works construction projects if it finds that an area fails to demonstrate progress in reducing ozone levels.

The HGB Area is currently designated as a "marginal" nonattainment area under the 2015 Ozone Standard, with an attainment deadline of August 3, 2021. For purposes of the 2015 Ozone Standard, the HGB Area consists of only six counties: Brazoria, Chambers, Fort Bend, Galveston, Harris, and Montgomery Counties.

In order to demonstrate progress toward attainment of the EPA's ozone standards, the TCEQ has established a state implementation plan ("SIP") for the HGB Area setting emission control requirements, some of which regulate the inspection and use of automobiles. These types of measures could impact how people travel, what distances people are willing to travel, where people choose to live and work, and what jobs are available in the HGB Area. These SIP requirements can negatively impact business due to the additional permitting/regulatory constraints that accompany this designation and because of the community stigma associated with a nonattainment designation. It is possible that additional controls will be necessary to allow the HGB Area to reach attainment with the ozone standards by the EPA's attainment deadlines. These additional controls could have a negative impact on the HGB Area's economic growth and development.

<u>Water Supply & Discharge Issues.</u> 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 District, along with all other Sienna Plantation districts, is subject to the TCEQ's General Permit for Phase II (Small) Municipal Separate Storm Sewer Systems (the "MS4 Permit"), which was issued by the TCEQ on January 24, 2019. The MS4 Permit authorizes the discharge of stormwater to surface water in the state from small municipal separate storm sewer systems. The District has applied for coverage under the MS4 Permit and is awaiting final approval from the TCEQ. In order to maintain compliance with the MS4 Permit, the District continues to develop, implement, and maintain the required 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. Costs associated with these compliance activities could be substantial in the future.

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

In 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 is effective June 22, 2020, and is currently 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.

LEGAL MATTERS

Legal Opinions

Delivery of the Bonds will be accompanied by the approving legal opinion of the Attorney General of Texas to the effect that the Bonds are valid and legally binding obligations of the District under the Constitution and laws of the State of Texas, payable from the proceeds of an annual ad valorem tax levied, without limit as to rate or amount, upon all taxable property within the District, and, based upon their examination of a transcript of certified proceedings relating to the issuance and sale of the Bonds, the approving legal opinion of Bond Counsel, to a like effect and to the effect that, under existing law, interest on the Bonds is excludable from gross income for federal income tax purposes and interest on the Bonds will not be subject to the alternative minimum tax on individuals.

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

Allen Boone Humphries Robinson LLP also serves as general counsel to the District on matters other than the issuance of bonds. The legal fees paid to Bond Counsel for services rendered in connection with the issuance of the Bonds are based on a percentage of the bonds actually issued, sold and delivered and, therefore, such fees are contingent upon the sale and delivery of the Bonds.

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

No-Litigation Certificate

The District will furnish the Initial Purchaser a certificate, executed by the President of the Board and the Secretary of the Board, and dated as of the date of delivery of the Bonds, that to their knowledge, no litigation is pending or threatened affecting the validity of the Bonds, or the levy and/or collection of taxes for the payment thereof, or the organization or boundaries of the District, or the title of the officers thereof to their respective offices.

No Material Adverse Change

The obligations of the Initial Purchaser to take and pay for the Bonds, and of the District to deliver the Bonds, are subject to the condition that, up to the time of delivery of and receipt of payment for the Bonds, there shall have been no material adverse change in the condition (financial or otherwise) of the District 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.

TAX MATTERS

In the opinion of Allen Boone Humphries Robinson LLP, Bond Counsel, under existing law, interest on the Bonds is excludable from gross income for federal income tax purposes and interest on the Bonds is not subject to the alternative minimum tax on individuals.

The Internal Revenue Code of 1986, as amended (the "Code") imposes a number of requirements that must be satisfied for interest on state or local obligations, such as the Bonds, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of proceeds and the source of repayment, limitations on the investment of proceeds prior to expenditure, a requirement that excess arbitrage earned on the investment of proceeds be paid periodically to the United States and a requirement that the issuer file an information report with the Internal Revenue Service (the "Service"). The District has covenanted in the Resolution that is will comply with these requirements.

Bond Counsel's opinion will assume continuing compliance with the covenants of the Resolution pertaining to those sections of the Code which affect the exclusion from gross income of interest on the Bonds for federal income tax purpose, and in addition, will rely on representations by the District, the District's Financial Advisor and the Initial Purchaser with respect to matters solely within the knowledge of the District, the District's Financial Advisor and the Initial Purchaser, respectively, which Bond Counsel has not independently verified. If the District should fail to comply with the covenants in the Resolution or if the foregoing representations or report should be determined to be inaccurate or incomplete, interest on the Bonds could become taxable from the date of delivery of the Bonds, regardless of the date on which the event causing such taxability occurs.

Under the Code, taxpayers are required to report on their returns the amount of tax-exempt interest, such as interest on the Bonds, received or accrued during the year. Payments of interest on tax-exempt obligations such as the Bonds are in many cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any owner who is not an "exempt recipient" and who fails to provide certain identifying information. Individuals generally are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients.

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.

Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to financial institutions, life insurance and property and casualty insurance companies, certain S corporations with Subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, taxpayers owning an interest in a FASIT that holds tax-exempt obligations, and individuals otherwise qualifying for the earned income credit. In addition, certain foreign corporations doing business in the United States may be subject to the "branch profits tax" on their effectively-connected earnings and profits, including tax-exempt interest such as interest on the Bonds. These categories of prospective purchasers should consult their own tax advisors as to the applicability of these consequences.

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

Tax Accounting Treatment of Original Issue Discount

The issue price of certain of the Bonds (the "Original Issue Discount Bonds") is less than the stated redemption price at maturity. In such case, under existing law, and based upon the assumptions hereinafter stated (a) the difference between (i) the stated amount payable at the maturity of each Original Issue Discount Bond and (ii) the issue price 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 at the initial public offering price in the initial public offering of the Bonds; and (b) 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.

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 Bond was held by such initial owner) is includable in gross income. (Because original issue discount is treated as interest for federal income tax purposes, the discussion regarding interest on the Bonds under the caption "TAX MATTERS" generally applies, except as otherwise provided below, to original issue discount on an Original Issue Discount Bond held by an owner who purchased such Bond at the initial offering price in the initial public offering of the Bonds, and should be considered in connection with the discussion in this portion of the Official Statement.)

The foregoing is based on the assumptions that (a) the Initial Purchaser has purchased the Bonds for contemporaneous sale to the general public and not for investment purposes, and (b) all of the Original Issue Discount Bonds have been offered, and a substantial amount of each maturity thereof has been sold, to the general public in arm's-length transactions for a cash price (and with no other consideration being included) equal to the initial offering prices thereof stated on the inside cover page of this Official Statement, and (c) the respective initial offering prices of the Original Issue Discount Bonds to the general public are equal to the fair market value thereof. Neither the District nor Bond Counsel warrants that the Original Issue Discount Bonds will be offered and sold in accordance with such assumptions.

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 Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Bond for purposes of determining the amount of gain or loss recognized by such owner upon 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 plus the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Bond.

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

Qualified Tax-Exempt Obligations

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

The District has designated the Bonds as "qualified tax-exempt obligations" and has represented that the aggregate amount of tax-exempt bonds (including the Bonds) issued by the District and entities subordinate to the District during calendar year 2020 is not expected to exceed $10,000,000 and that the District and entities subordinate to the District have not designated more than $10,000,000 in "qualified tax-exempt obligations" (including the Bonds) during calendar year 2020.

Notwithstanding this exception, financial institutions acquiring the bonds will be subject to a 20% disallowance of allocable interest expense.

CONTINUING DISCLOSURE OF INFORMATION

In the Bond Resolution, 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 certain events, to the Municipal Securities Rulemaking Board ("MSRB"). The MSRB has established the Electronic Municipal Market Access ("EMMA") system.

Annual Reports

The District will provide certain updated financial information and operating data to EMMA 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 the headings "DISTRICT DEBT" (except under the subheading "– Estimated Direct and Overlapping Debt Statement"), "TAX DATA," and "APPENDIX B." The District will update and provide this information within six (6) months after the end of each of its fiscal years ending in or after 2020. The District will provide the updated information to EMMA.

Any information so provided shall be prepared in accordance with generally accepted auditing standards 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 EMMA within such six month period, and audited financial statements when the audit report becomes available.

The District's current fiscal year end is July 31. Accordingly, it must provide updated information by January 31 in each year, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify EMMA of the change.

Event Notices

The District will provide timely notices of certain events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten business days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other material 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 of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District or other obligated person; (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person or the sale of all or substantially all of the assets of the District or other obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or other obligated person, any of which affect Beneficial Owners of the Bonds, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District or other obligated person, any of which reflect financial difficulties. The terms "obligated person" and "financial obligation" shall have the meanings ascribed to them under SEC Rule 15c2-12 (the "Rule"). The term "material" when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Resolution makes any provision for debt service reserves or liquidity enhancement. In addition, the District will provide timely notice of any failure by the District to provide information, data, or financial statements in accordance with its agreement described above under "Annual Reports."

Availability of Information from EMMA

The District has agreed to provide the information only to the MSRB. The MSRB has prescribed that such information must be filed via 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 or beneficial owners of Bonds may seek a writ of mandamus to compel the District to comply with its agreement.

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

Compliance with Prior Undertakings

During the last five (5) years, the District has complied in all material respects with all its prior continuing disclosure agreements made by it in accordance with SEC Rule 15c2-12.

OFFICIAL STATEMENT

General

The information contained in this Official Statement has been obtained primarily from the District's records, the Engineer, the Developers, the Tax Assessor/Collector and other sources believed to be reliable; however, no representation is made as to the accuracy or completeness of the information contained herein, except as described below. The summaries of the statutes, resolutions and engineering and other related reports set forth herein are included subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information.

Experts

The information contained in this Official Statement relating to engineering and to the description of the System, and, in particular, that engineering information included in the sections entitled "THE BONDS – Use and Distribution of Bond Proceeds," "THE DISTRICT – Description" and "DEVELOPMENT WITHIN THE DISTRICT," has been provided by LJA Engineering, Inc. and that engineering information included in the section entitled "THE SYSTEM," as it relates to "Water Supply" and "Wastewater Treatment," has been provided by Costello, Inc. and has been included herein in reliance upon the authority of said firm as experts in the field of civil engineering.

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

Certification as to Official Statement

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

Updating of Official Statement

If, subsequent to the date of the Official Statement, the District learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Initial Purchaser, of any adverse event which causes the 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 the Official Statement satisfactory to the Initial Purchaser; provided, however, that the obligation of the District to so amend or supplement the Official Statement will terminate when the District delivers the Bonds to the Initial Purchaser, unless the Initial Purchaser notifies the District in writing on or before such date that less than all of the Bonds have been sold to ultimate customers, in which case the District's obligations hereunder will extend for an additional period of time (but not more than 90 days after the date the District delivers the Bonds) until all of the Bonds have been sold to ultimate customers.

CONCLUDING STATEMENT

The information set forth herein has been obtained from the District's records, audited financial statements and other sources which are considered to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will ever be realized. All of the summaries of the statutes, documents and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such summarized documents for further information. Reference is made to official documents in all respects.

This Official Statement was approved by the Board of Directors of Sienna Plantation Municipal Utility District No. 10 as of the date shown on the first page hereof.

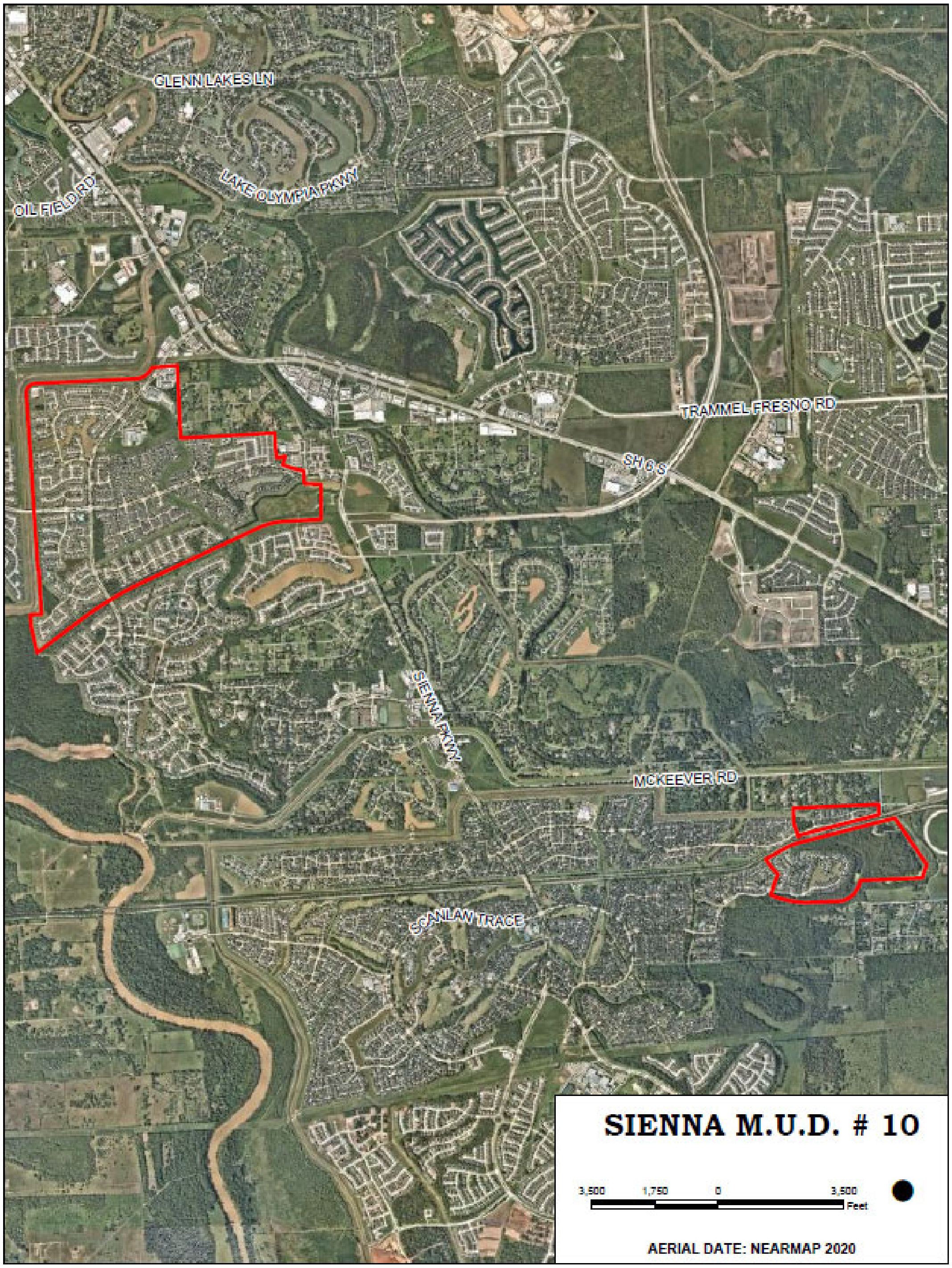
/s/ Emily Shepard
President, Board of Directors
Sienna Plantation Municipal Utility District No. 10

ATTEST:

/s/ Nathaniel Shipley
Secretary, Board of Directors
Sienna Plantation Municipal Utility District No. 10

APPENDIX A

AERIAL PHOTOGRAPH OF THE DISTRICT



APPENDIX B

FINANCIAL STATEMENTS OF THE DISTRICT

SIENNA PLANTATION COUNTY MUNICIPAL UTILITY DISTRICT NO. 10

FORT BEND COUNTY, TEXAS

FINANCIAL REPORT

July 31, 2019

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McGRATH & CO., PLLC
Certified Public Accountants
2500 Tanglewilde, Suite 340
Houston, Texas 77063

Independent Auditors' Report

Board of Directors
Sienna Plantation Municipal Utility District No. 10
Fort Bend County, Texas

We have audited the accompanying financial statements of the governmental activities and each major fund of Sienna Plantation Municipal Utility District No. 10, as of and for the year ended July 31, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as 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 basic 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 basic financial statements are free of 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 principles 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 to provide a basis for our audit opinions.

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Board of Directors
Sienna Plantation Municipal Utility District No. 10
Fort Bend County, Texas

Opinion

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 Sienna Plantation Municipal Utility District No. 10, as of July 31, 2019, and the respective changes in financial position thereof for the year then ended in conformity 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 information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 Texas Supplementary Information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Texas Supplementary Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied to the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

McGrath & Co, PLLC

Houston, Texas
December 5, 2019

Management's Discussion and Analysis

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Using this Annual Report

Within this section of the financial report of Sienna Plantation Municipal Utility District No. 10 (the "District"), the District's Board of Directors provides a narrative discussion and analysis of the financial activities of the District for the fiscal year ended July 31, 2019. This analysis should be read in conjunction with the independent auditors' report and the basic financial statements that follow this section.

In addition to this discussion and analysis, this annual report consists of:

- The District's basic financial statements;
- Notes to the basic financial statements, which provide additional information essential to a full understanding of the data provided in the financial statements;
- Supplementary information required by the Governmental Accounting Standards Board (GASB) concerning the District's budget; and
- Other Texas supplementary information required by the District's state oversight agency, the Texas Commission on Environmental Quality (TCEQ).

Overview of the Financial Statements

The District prepares its basic financial statements using a format that combines fund financial statements and government-wide statements onto one financial statement. The combined statements are the *Statement of Net Position and Governmental Funds Balance Sheet* and the *Statement of Activities and Governmental Funds Revenues*, *Expenditures and Changes in Fund Balances*. Each statement contains an adjustments column which quantifies the differences between the government-wide and fund level statements. Additional details of the adjustments are provided in Note 2 to the basic financial statements.

Government-Wide Financial Statements

The focus of government-wide financial statements is on the overall financial position and activities of the District, both long-term and short-term. The District's government-wide financial statements consist of the *Statement of Net Position* and the *Statement of Activities*, which are prepared using the accrual basis of accounting. The *Statement of Net Position* includes all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the residual reported as net position. Over time, changes in net position may provide a useful indicator of whether the financial position of the District as a whole is improving or deteriorating.

Accounting standards establish three components of net position. The net investment in capital assets component represents the District's investments in capital assets, less any outstanding debt or other borrowings used to acquire those assets. Resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The restricted component of net position consists of financial resources that are restricted for a specific purpose by enabling legislation or external parties. The unrestricted component of net position represents resources not included in the other components.

The *Statement of Activities* reports how the District's net position has changed during the fiscal year. All revenues and expenses are included on this statement, regardless of whether cash has been received or paid.

Fund Financial Statements

The fund financial statements include the *Governmental Funds Balance Sheet* and the *Governmental Funds Revenues, Expenditures and Changes in Fund Balances*. The focus of fund financial statements is on specific activities of the District rather than the District as a whole, reported using modified accrual accounting. These statements report on the District's use of available financial resources and the balances of available financial resources at the end of the year. Except for the General Fund, a specific fund is established to satisfy managerial control over resources or to satisfy finance-related legal requirements established by external parties, governmental statutes or regulations.

For further discussion on the government-wide and fund financial statements, please refer to Note 1 in the financial statements.

Financial Analysis of the District as a Whole

The District's net position at July 31, 2019, was negative $7,242,039. A comparative summary of the District's overall financial position, as of July 31, 2019 and 2018, is as follows:

	2019	2018
Current and other assets	$ 10,167,885	$ 9,430,831
Capital assets	42,854,403	43,205,129
Total assets	53,022,288	52,635,960
Total deferred outflows of resources	1,486,726	1,625,840
Current liabilities	4,194,467	3,525,795
Long-term liabilities	57,556,586	59,251,169
Total liabilities	61,751,053	62,776,964
Net position		
Net investment in capital assets	(16,317,159)	(16,036,580)
Restricted	3,093,692	2,980,087
Unrestricted	5,981,428	4,541,329
Total net position	$ (7,242,039)	$ (8,515,164)

The total net position of the District increased during the current fiscal year by $1,273,125. A comparative summary of the District's *Statement of Activities* for the past two years is as follows:

	2019	2018
Revenues		
Property taxes, penalties and interest	$ 4,875,361	$ 5,144,561
Water and sewer service	2,139,141	2,047,529
Other	1,580,594	1,567,831
Total revenues	8,595,096	8,759,921
Expenses		
Current service operations	1,992,490	1,780,582
Interest and fees	2,094,066	2,150,164
Developer interest	5,600	
Debt issuance costs	11,260	94,068
Intergovernmental - Master District	1,821,741	2,460,745
Depreciation and amortization	1,396,814	1,350,378
Total expenses	7,321,971	7,835,937
Change in net position	1,273,125	923,984
Net position, beginning of year	(8,515,164)	(9,439,148)
Net position, end of year	$ (7,242,039)	$ (8,515,164)

Financial Analysis of the District's Funds

The District's combined fund balances, as of July 31, 2019, were $9,793,769, which consists of $6,024,431 in the General Fund, $3,695,645 in the Debt Service Fund and $73,693 in the Capital Projects Fund.

General Fund

A comparative summary of the General Fund's financial position as of July 31, 2019 and 2018 is as follows:

	2019	2018
Total assets	$ 6,348,835	$ 5,430,672
Total liabilities	$ 316,802	$ 838,738
Total deferred inflows	7,602	7,860
Total fund balance	6,024,431	4,584,074
Total liabilities, deferred inflows and fund balance	$ 6,348,835	$ 5,430,672

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

	2019	2018
Total revenues	$ 4,401,203	$ 4,504,946
Total expenditures	(3,431,438)	(4,653,825)
Revenues over/(under) expenditures	969,765	(148,879)
Other changes in fund balance	470,592	
Net change in fund balance	$ 1,440,357	$ (148,879)

The District manages its activities with the objectives of ensuring that expenditures will be adequately covered by revenues each year and that an adequate fund balance is maintained. The District's primary financial resources in the General Fund are from a property tax levy, the provision of water, sewer, and fire protection services to customers within the District, and tap connection fees charged to homebuilders in the District. Financial resources are influenced by a variety of factors each year:

- Property tax revenues are dependent upon assessed values in the District and the maintenance tax rate set by the District. While assessed values in the District increased from the prior year, property tax revenues decreased because the District decreased the maintenance component of the levy.
- Water, sewer and surface water revenues are dependent upon customer usage, which fluctuates from year to year as a result of factors beyond the District's control.
- Revenues from providing fire protection services are based on the number of connections in the District and increases as the number of connections increases.
- Tap connection fees fluctuate with homebuilding activity within the District.

Debt Service Fund

A comparative summary of the Debt Service Fund's financial position as of July 31, 2019 and 2018 is as follows:

	2019	2018
Total assets	$ 3,745,357	$ 3,654,348
Total liabilities	$ -	$ 2,417
Total deferred inflows	49,712	42,936
Total fund balance	3,695,645	3,608,995
Total liabilities, deferred inflows and fund balance	$ 3,745,357	$ 3,654,348

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

	2019	2018
Total revenues	$ 4,184,020	$ 4,237,345
Total expenditures	(4,097,370)	(4,172,391)
Revenues over expenditures	86,650	64,954
Other changes in fund balance		102,977
Net change in fund balance	$ 86,650	$ 167,931

The District's financial resources in the Debt Service Fund in both the current year and prior year are from property tax revenues. The difference between these financial resources and debt service requirements resulted in an increase in fund balance each year. It is important to note that the District sets its annual debt service tax rate as recommended by its financial advisor, who monitors projected cash flows in the Debt Service Fund to ensure that the District will be able to meet its future debt service requirements.

During the prior year, the District issued $3,670,000 in refunding bonds to refund $3,425,000 of its outstanding Series 2009, Series 2010, Series 2011 and Series 2012 bonds. This refunding will save the District $191,454 in future debt service requirements.

Capital Projects Fund

A comparative summary of the Capital Projects Fund's financial position as of July 31, 2019 and 2018 is as follows:

	2019	2018
Total assets	$ 73,693	$ 345,811
Total liabilities	$ -	$ 2,796
Total fund balance	73,693	343,015
Total liabilities and fund balance	$ 73,693	$ 345,811

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

	2019	2018
Total revenues	$ 3,355	$ 7,934
Total expenditures	(928,085)	(1,114,167)
Revenues under expenditures	(924,730)	(1,106,233)
Other changes in fund balance	655,408	
Net change in fund balance	$ (269,322)	$ (1,106,233)

The District has had considerable capital asset activity in the last two years, which was financed with proceeds from its Series 2018 Bond Anticipation Note in the current year and from its Series 2016 Unlimited Tax Park Bonds and Series 2017 Unlimited Tax Bonds in the prior year.

General Fund Budgetary Highlights

The Board of Directors adopts an annual unappropriated budget for the General Fund prior to the beginning of each fiscal year. The Board amended the budget during the year to reflect changes in anticipated revenues and expenditures.

Since the District's budget is primarily a planning tool, actual results varied from the budgeted amounts. Actual net change in fund balance was $1,511,682 greater than budgeted. The *Budgetary Comparison Schedule* on page 38 of this report provides variance information per financial statement line item.

Capital Assets

The District has entered into financing agreements with its developer for the financing of the construction of capital assets within the District. The developer will be reimbursed from proceeds of future bond issues or other lawfully available funds. These developer funded capital assets are recorded on the District's financial statements upon completion of construction.

Capital assets held by the District at July 31, 2019 and 2018 are summarized as follows:

	2019	2018
Capital assets not being depreciated		
Land and improvements	$ 4,947,682	$ 5,032,632
Construction in progress	278,892	505,510
	5,226,574	5,538,142
Capital assets being depreciated/amortized		
Infrastructure	30,846,982	30,409,587
Master District connection fees	17,816,250	17,816,250
Other facilities	3,098,454	2,198,413
Impact fees	87,959	87,959
	51,849,645	50,512,209
Less accumulated depreciation/amortization		
Infrastructure	(6,877,864)	(6,214,237)
Master District connection fees	(6,534,929)	(6,031,967)
Other facilities	(787,033)	(581,426)
Impact fees	(21,990)	(17,592)
	(14,221,816)	(12,845,222)
Depreciable capital assets, net	37,627,829	37,666,987
Capital assets, net	$ 42,854,403	$ 43,205,129

Capital asset additions during the current year include the following:

- Utilities to serve Village of Anderson Springs, Section 27B
- Anderson Springs, Section 27A Park
- Landscaping improvements to serve Anderson Springs, Section 27A Park

The District's construction in progress is for natural gas generators to serve the District's lift stations.

During the current year, it was determined that payments made to Sienna Plantation Municipal Utility District No. 1 for the natural gas generators had been classified as infrastructure instead of construction in progress. Amounts reported for 2018 have been restated from the prior year report to reflect the revised classification. This reclassification had no impact on total assets or net position.

Long-Term Debt and Related Liabilities

As of July 31, 2019, the District owes $2,371,991 to its developer for completed projects and operating advances. The initial cost of the completed project and related liability is estimated based on actual construction costs plus 10-15% for engineering and other fees and is recorded on the District's financial statements upon completion of construction. The District intends to reimburse the developer from proceeds of future bond issues or other lawfully available funds. The estimated cost of amounts owed to the developer is trued up when the developer is reimbursed.

At July 31, 2019 and 2018, the District had total bonded debt outstanding as shown below:

Series	2019	2018
2009	$ -	$ 250,000
2010	195,000	375,000
2011	560,000	820,000
2012	4,970,000	5,150,000
2013	3,985,000	4,125,000
2014	9,735,000	9,735,000
2014 Refunding	4,200,000	4,520,000
2015 Refunding	8,520,000	8,965,000
2015	8,165,000	8,165,000
2016 Refunding	7,745,000	7,770,000
2016	4,130,000	4,260,000
2017	1,215,000	1,250,000
2017 Refunding	3,565,000	3,610,000
	$ 56,985,000	$ 58,995,000

At July 31, 2019, the District had $58,270,000 unlimited tax bonds authorized, but unissued for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage systems within the District; $4,205,000 for parks and recreational facilities; and $72,895,000 for refunding purposes.

During the year, the District issued a $1,126,000 bond anticipation note (BAN) to provide short term financing for developer reimbursements. The District intends to repay the BAN with proceeds from the issuance of long-term debt. See Note 6 for additional information.

Next Year's Budget

In establishing the budget for the next fiscal year, the Board considered various economic factors that may affect the District, most notably projected revenues from property taxes and water/sewer services and the projected cost of operating the District and providing services to customers. A comparison of next year's budget to current year actual amounts for the General Fund is as follows:

	2019 Actual	2020 Budget
Total revenues	$ 4,401,203	$ 3,803,612
Total expenditures	(3,431,438)	(3,122,804)
Revenues over expenditures	969,765	680,808
Other changes in fund balance	470,592	
Net change in fund balance	1,440,357	680,808
Beginning fund balance	4,584,074	6,024,431
Ending fund balance	$ 6,024,431	$ 6,705,239

Property Taxes

The District's property tax base increased approximately $21,282,000 for the 2019 tax year from $641,478,828 to $662,760,781. This increase was primarily due to new construction in the District. For the 2019 tax year, the District has levied a maintenance tax rate of $0.095 per $100 of assessed value, a contract tax rate of $0.03 per $100 of assessed value, and a debt service tax rate of $0.605 per $100 of assessed value, for a total combined tax rate of $0.73 per $100. Tax rates for the 2018 tax year were $0.08 per $100 for maintenance and operations, $0.03 per $100 for contract tax and $0.64 per $100 for debt service for a combined total of $0.75 per $100 of assessed value.

Basic Financial Statements

Sienna Plantation Municipal Utility District No. 10
Statement of Net Position and Governmental Funds Balance Sheet
July 31, 2019

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets						
Cash	$ 403,612	$ 1,161,810	$ 115,470	$ 1,680,892	$ -	$ 1,680,892
Investments	5,537,625	2,535,323	2,790	8,075,738		8,075,738
Taxes receivable	7,602	49,712		57,314		57,314
Customer service receivables, net	350,172			350,172		350,172
Internal balances	46,493	(1,926)	(44,567)			
Other receivables	3,331	438		3,769		3,769
Capital assets not being depreciated					5,226,574	5,226,574
Capital assets, net					37,627,829	37,627,829
Total Assets	$ 6,348,835	$ 3,745,357	$ 73,693	$ 10,167,885	42,854,403	53,022,288
Deferred Outflows of Resources						
Deferred difference on refunding					1,486,726	1,486,726
Liabilities						
Accounts payable	$ 300,809	$ -	$ -	$ 300,809		300,809
Customer deposits	7,725			7,725		7,725
Unearned revenue	85			85		85
Due to other governments	8,183			8,183		8,183
Accrued interest payable					651,665	651,665
Bond anticipation note payable					1,126,000	1,126,000
Due to developer					2,371,991	2,371,991
Long-term debt						
Due within one year					2,100,000	2,100,000
Due after one year					55,184,595	55,184,595
Total Liabilities	316,802			316,802	61,434,251	61,751,053
Deferred Inflows of Resources						
Deferred property taxes	7,602	49,712		57,314	(57,314)	
Fund Balances/Net Position						
Fund Balances						
Restricted		3,695,645	73,693	3,769,338	(3,769,338)	
Unassigned	6,024,431			6,024,431	(6,024,431)	
Total Fund Balances	6,024,431	3,695,645	73,693	9,793,769	(9,793,769)	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 6,348,835	$ 3,745,357	$ 73,693	$ 10,167,885		
Net Position						
Net investment in capital assets					(16,317,159)	(16,317,159)
Restricted for debt service					3,093,692	3,093,692
Unrestricted					5,981,428	5,981,428
Total Net Position					$ (7,242,039)	$ (7,242,039)

See notes to basic financial statements.

Sienna Plantation Municipal Utility District No. 10
Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances
For the Year Ended July 31, 2019

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues						
Water service	$ 858,072	$ -	$ -	$ 858,072	$ -	$ 858,072
Sewer service	1,281,069			1,281,069		1,281,069
Fire service	609,515			609,515		609,515
Property taxes	706,154	4,101,952		4,808,106	4,204	4,812,310
Penalties and interest	42,872	17,865		60,737	2,314	63,051
Tap connection and inspection	130,275			130,275		130,275
Surface water	630,552			630,552		630,552
Miscellaneous	23,885			23,885		23,885
Investment earnings	118,809	64,203	3,355	186,367		186,367
Total Revenues	4,401,203	4,184,020	3,355	8,588,578	6,518	8,595,096
Expenditures/Expenses						
Current service operations						
Professional fees	122,433		94,276	216,709		216,709
Contracted services	572,467	76,548		649,015		649,015
Repairs and maintenance	355,404			355,404		355,404
Utilities	7,073			7,073		7,073
Surface water	646,408			646,408		646,408
Administrative	76,224	5,157	284	81,665		81,665
Other	36,086	130		36,216		36,216
Capital outlay			816,665	816,665	(816,665)	
Debt service						
Principal		2,010,000		2,010,000	(2,010,000)	
Interest and fees		2,005,535		2,005,535	88,531	2,094,066
Developer interest			5,600	5,600		5,600
Debt issuance costs			11,260	11,260		11,260
Intergovernmental - Master District						
Monthly connection charges	631,792			631,792		631,792
Lease contributions	108,185			108,185		108,185
Renewal and replacement fund	67,557			67,557		67,557
Contractual obligations	186,523			186,523		186,523
Fire protection	621,286			621,286		621,286
Capital contribution - regional facilities					206,398	206,398
Depreciation and amortization					1,396,814	1,396,814
Total Expenditures/Expenses	3,431,438	4,097,370	928,085	8,456,893	(1,134,922)	7,321,971
Revenues Over/ (Under) Expenditures	969,765	86,650	(924,730)	131,685	131,685	
Other Financing Sources/(Uses)						
Proceeds from bond anticipation note			1,126,000	1,126,000	(1,126,000)	
Internal transfers	470,592		(470,592)			
Net Change in Fund Balances	1,440,357	86,650	(269,322)	1,257,685	(1,257,685)	
Change in Net Position					1,273,125	1,273,125
Fund Balance/Net Position						
Beginning of the year	4,584,074	3,608,995	343,015	8,536,084	(17,051,248)	(8,515,164)
End of the year	$ 6,024,431	$ 3,695,645	$ 73,693	$ 9,793,769	$ (17,035,808)	$ (7,242,039)

See notes to basic financial statements.

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Note 1 – Summary of Significant Accounting Policies

The accounting policies of Sienna Plantation Municipal Utility District No. 10 (the "District") conform with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board. The following is a summary of the most significant policies:

Creation

The District was organized, created and established pursuant to an order of the Texas Commission on Environmental Quality dated September 26, 2002, and operates in accordance with the Texas Water Code, Chapters 49 and 54. The Board of Directors held its first meeting on February 24, 2004 and the first bonds were sold on August 23, 2005.

The District's primary activities include construction, maintenance and operation of water, sewer and drainage facilities. The District has contracted with various consultants to provide services to operate and administer the affairs of the District. The District has no employees, related payroll or pension costs.

Reporting Entity

The District is a political subdivision of the State of Texas governed by an elected five-member board. The Governmental Accounting Standards Board has established the criteria for determining whether or not an entity is a primary government, a component unit of a primary government or a related organization. A primary government has a separately elected governing body; is legally separate; and is fiscally independent of other state and local governments. Fiscal independence implies that the government has the authority to adopt a budget, levy taxes, set rates, and/or issue bonds without approval from other governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District's financial statements as component units.

Government-Wide and Fund Financial Statements

Government-wide financial statements display information about the District as a whole. These statements focus on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. Interfund activity, if any, has been removed from these statements. These aggregated statements consist of the *Statement of Net Position* and the *Statement of Activities*.

Fund financial statements display information at the individual fund level. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for a specific purpose. Each fund is considered to be a separate accounting entity. Most governments typically have many funds; however, governmental financial statements focus on the most important or "major" funds with non-major funds aggregated in a single column. The District has three governmental funds, which are all considered major funds.

Note 1 – Summary of Significant Accounting Policies (continued)

Government-Wide and Fund Financial Statements (continued)

The following is a description of the various funds used by the District:

- The General Fund is used to account for the operations of the District's water and sewer system and all other financial transactions not reported in other funds. The principal sources of revenue are property taxes and fees charged to customers for the provisions of water, sewer and fire protection service. Expenditures include costs associated with the daily operations of the District.
- The Debt Service Fund is used to account for the payment of interest and principal on the District's general long-term debt. The primary source of revenue for debt service is property taxes. Expenditures include costs incurred in assessing and collecting these taxes.
- The Capital Projects Fund is used to account for the expenditures of bond proceeds for the construction of the District's water, sewer and drainage, and parks and recreational facilities.

As a special-purpose government engaged in a single governmental program, the District has opted to combine its government-wide and fund financial statements in a columnar format showing an adjustments column for reconciling items between the two.

Measurement Focus and Basis of Accounting

The government-wide financial statements use the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied.

The fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized in the accounting period in which it becomes both available and measurable to finance expenditures of the current period. For this purpose, the government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Revenues susceptible to accrual include property taxes, interest earned on investments and income from District operations. Property taxes receivable at the end of the fiscal year are treated as deferred inflows because they are not considered available to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for unmatured interest on long-term debt, which is recognized when due.

Note 2 further details the adjustments from the governmental fund presentation to the government-wide presentation.

Use of Restricted Resources

When both restricted and unrestricted resources are available for use, the District uses restricted resources first, then unrestricted resources as they are needed.

Note 1 – Summary of Significant Accounting Policies (continued)

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Receivables from and payables to external parties are reported separately and are not offset, unless a legal right of offset exists. At July 31, 2019, an allowance of $5,000 was provided for possible uncollectible water/sewer accounts. An allowance for possible uncollectible property taxes was not considered necessary.

Interfund Activity

During the course of operations, transactions occur between individual funds. This can include internal transfers, payables and receivables. This activity is combined as internal balances and is eliminated in both the government-wide and fund financial statement presentation.

Capital Assets

Capital assets do not provide financial resources at the fund level, and, therefore, are reported only in the government-wide statements. The District defines capital assets as assets with an initial cost of $5,000 or more and an estimated useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire the asset on the acquisition date. The District has not capitalized interest incurred during the construction of its capital assets. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Depreciable capital assets, which primarily consist of Master District connection fees and water, wastewater and drainage facilities, are depreciated or amortized using the straight-line method as follows:

Assets	Useful Life
Infrastructure	45 years
Master District connection fees	Remaining life of contract
Other facilities	15-20 years
Impact fees	20 years

The District's detention facilities and drainage channels are considered improvements to land and are non-depreciable.

Note 1 – Summary of Significant Accounting Policies (continued)

Deferred Inflows and Outflows of Financial Resources

A deferred inflow of financial resources is the acquisition of resources in one period that is applicable to a future period, while a deferred outflow of financial resources is the consumption of financial resources in one period that is applicable to a future period. A deferred inflow results from the acquisition of an asset without a corresponding revenue or assumption of a liability. A deferred outflow results from the use of an asset without a corresponding expenditure or reduction of a liability.

At the fund level, property taxes receivable not collected within 60 days of fiscal year end do not meet the availability criteria required for revenue recognition and are recorded as deferred inflows of financial resources.

Deferred outflows of financial resources at the government-wide level are from a refunding bond transaction in which the amount required to repay the old debt exceeded the net carrying amount of the old debt. This amount is being amortized to interest expense.

Net Position – Governmental Activities

Governmental accounting standards establish the following three components of net position:

Net investment in capital assets – represents the District's investments in capital assets, less any outstanding debt or other borrowings used to acquire those assets.

Restricted – consists of financial resources that are restricted for a specific purpose by enabling legislation or external parties.

Unrestricted – resources not included in the other components.

Fund Balances – Governmental Funds

Governmental accounting standards establish the following fund balance classifications:

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

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments. The District's restricted fund balances consist of unspent bond and bond anticipation note proceeds in the Capital Projects Fund and property taxes levied for debt service in the Debt Service Fund.

Note 1 – Summary of Significant Accounting Policies (continued)

Fund Balances – Governmental Funds (continued)

Committed - amounts that can be used only for specific purposes determined by a formal action of the Board of Directors. The Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements. The District does not have any committed fund balances.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The District has not adopted a formal policy regarding the assignment of fund balances and does not have any assigned fund balances.

Unassigned - all other spendable amounts in the General Fund.

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses/expenditures during the period reported. These estimates include, among others, the collectability of receivables; the useful lives and impairment of capital assets; the value of amounts due to developer; and the value of capital assets for which the developer has not been fully reimbursed. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from the estimates.

Note 2 – Adjustment from Governmental to Government-wide Basis

Reconciliation of the *Governmental Funds Balance Sheet* to the *Statement of Net Position*

Total fund balance, governmental funds		$ 9,793,769
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
Historical cost	$ 57,076,219	
Less accumulated depreciation/amortization	(14,221,816)	
Change due to capital assets		42,854,403
The difference between the face amount of bonds refunded and the amount paid to the escrow agent is recorded as a deferred difference on refunding in the *Statement of Net Position* and amortized to interest expense. It is not recorded in the fund statements because it is not a financial resource.		1,486,726
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. The difference consists of:		
Bonds payable, net	(57,284,595)	
Bond anticipation note payable	(1,126,000)	
Interest payable on bonds	(651,665)	
Change due to long-term debt		(59,062,260)
Amounts due to the District's developer for prefunded construction and operating advances are recorded as a liability in the *Statement of Net Position.*		(2,371,991)
Property taxes receivable and related penalties and interest have been levied and are due, but are not available soon enough to pay current period expenditures and, therefore, are deferred in the funds.		
Property taxes receivable	45,459	
Penalty and interest receivable	11,855	
Change due to property taxes		57,314
Total net position - governmental activities		$ (7,242,039)

Note 2 – Adjustment from Governmental to Government-wide Basis (continued)

Reconciliation of the *Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances* to the *Statement of Activities*

Net change in fund balances - total governmental funds		$ 1,257,685
Governmental funds do not report revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned. The difference is for property taxes and related penalties and interest.		6,518
Governmental funds report capital outlays for developer reimbursements and construction costs as expenditures in the funds; however, in the *Statement of Activities,* the cost of capital assets is charged to expense over the estimated useful life of the asset.		
Capital outlays	$ 816,665	
Depreciation/amortization expense	(1,396,814)	
		(580,149)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal uses current financial resources. However, neither transaction has any effect on net assets. Other elements of debt financing are reported differently between the fund and government wide statements.		
Bond anticipation note proceeds	(1,126,000)	
Principal payments	2,010,000	
Interest expense accrual	(88,531)	
		795,469
The District incurred costs to construct natural gas generators to serve regional facilities which are considered capital assets of the Master District. These amounts are reported as capital contributions.		(206,398)
Change in net position of governmental activities		$ 1,273,125

Note 3 – Deposits and Investments

Deposit Custodial Credit Risk

Custodial credit risk as it applies to deposits (i.e. cash) is the risk that, in the event of the failure of the depository institution, a government will not be able to recover its deposits or will not be able to recover collateral securities. The *Public Funds Collateral Act* (Chapter 2257, Texas Government Code) requires that all of the District's deposits with financial institutions be covered by federal depository insurance and, if necessary, pledged collateral held by a third party custodian. The act further specifies the types of securities that can be used as collateral. The District's written investment policy establishes additional requirements for collateralization of deposits.

Investments

The District is authorized by the *Public Funds Investment Act* (Chapter 2256, Texas Government Code) to invest in the following: (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including Federal Home Loan Banks, (2) direct obligations of the State of Texas or its agencies and instrumentalities, (3) certain collateralized mortgage obligations, (4) other obligations, which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies or instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States, (5) certain A rated or higher obligations of states and political subdivisions of any state, (6) bonds issued, assumed or guaranteed by the State of Israel, (7) certain insured or collateralized certificates of deposit and share certificates, (8) certain fully collateralized repurchase agreements, (9) bankers' acceptances with limitations, (10) commercial paper rated A-1 or P-1 or higher and a maturity of 270 days or less, (11) no-load money market mutual funds and no-load mutual funds, with limitations, (12) certain guaranteed investment contracts, (13) certain qualified governmental investment pools and (14) a qualified securities lending program.

The District has adopted a written investment policy to establish the principles by which the District's investment program should be managed. This policy further restricts the types of investments in which the District may invest.

Note 3 – Deposits and Investments (continued)

Investments (continued)

As of July 31, 2019, the District's investments consist of the following:

Type	Fund	Carrying Value	Percentage of Total	Rating	Weighted Average Maturity
TexPool	General	$ 729,444			
	Debt Service	2,190,281			
	Capital Projects	262			
		2,919,987	36%	AAAm	35 days
TexPool - Prime	General	4,808,181			
	Debt Service	345,042			
	Capital Projects	2,528			
		5,155,751	64%	AAAm	31 days
Total		$ 8,075,738	100%		

TexPool and TexPool Prime

The Authority participates in two investment pools offered by the Texas Local Government Investment Pool, TexPool and TexPool Prime. The State Comptroller of Public Accounts exercises oversight responsibility of the Texas Local Government Investment Pool which includes (1) the ability to significantly influence operations, (2) designation of management and (3) accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of participants in TexPool/Texpool Prime and other persons who do not have a business relationship with Texas Local Government Investment Pool. The Advisory Board members review the investment policy and management fee structure.

As permitted by GAAP, TexPool and TexPool Prime use amortized cost (which excludes unrealized gains and losses) rather than market value to compute share price and seek to maintain a constant dollar value per share. Accordingly, the fair value of the Authority's position in each pool is the same as the value of TexPool/TexPool Prime shares.

Investments in TexPool may be withdrawn on a same day basis, as long as the transaction is initiated by 3:30 p.m. Investments in TexPool Prime may be withdrawn via wire transfer on a same day basis, is initiated by 2 p.m. ACH withdrawals made by 2 p.m. will settle on the business day following the date the transaction was initiated.

Note 3 – Deposits and Investments (continued)

Investment Credit and Interest Rate Risk

Investment credit risk is the risk that the investor may not recover the value of an investment from the issuer, while interest rate risk is the risk that the value of an investment will be adversely affected by changes in interest rates. The District's investment policies do not address investment credit and interest rate risk beyond the rating and maturity restrictions established by state statutes.

Note 4 – Interfund Balances and Transactions

Amounts due to/from other funds at July 31, 2019, consist of the following:

Receivable Fund	Payable Fund	Amounts	Purpose
General Fund	Debt Service Fund	$ 1,926	Maintenance tax collections not remitted as of year end
General Fund	Capital Projects Fund	44,567	Reimbursement for bond application costs paid by the General Fund

Amounts reported as internal balances between funds are considered temporary balances and will be paid during the following fiscal year.

During the current year, the District transferred $470,592 from the Capital Projects Fund to the General Fund to reimburse capital costs previously incurred by the General Fund in previous fiscal years.

Note 5 – Capital Assets

A summary of changes in capital assets, for the year ended July 31, 2019, is as follows:

	Beginning Balances	Additions/ Adjustments	Retirements	Ending Balances
Capital assets not being depreciated				
Land and improvements	$ 5,032,632	$ (84,950)	$ -	$ 4,947,682
Construction in progress	505,510		(226,618)	278,892
	5,538,142	(84,950)	(226,618)	5,226,574
Capital assets being depreciated/amortized				
Infrastructure	30,409,587	437,395		30,846,982
Master District connection fees	17,816,250			17,816,250
Other facilities	2,198,413	900,041		3,098,454
Impact fees	87,959			87,959
	50,512,209	1,337,436		51,849,645
Less accumulated depreciation/amortization				
Infrastructure	(6,214,237)	(683,847)	(20,220)	(6,877,864)
Master District connection fees	(6,031,967)	(502,962)		(6,534,929)
Other facilities	(581,426)	(205,607)		(787,033)
Impact fees	(17,592)	(4,398)		(21,990)
	(12,845,222)	(1,396,814)	(20,220)	(14,221,816)
Subtotal depreciable capital assets, net	37,666,987	(59,378)	(20,220)	37,627,829
Capital assets, net	$ 43,205,129	$ (144,328)	$ (246,838)	$ 42,854,403

Depreciation/amortization expense for the current year was $1,396,814.

Note 6 – Bond Anticipation Note

The District uses a bond anticipation note (BAN) to provide short term financing for reimbursements to its developer. Despite its short term nature, a BAN is not recorded as a fund liability, since it will not be repaid from current financial resources and will be repaid through the issuance of long term debt or another BAN. It is, however, recorded as a liability at the government-wide level.

Note 6 – Bond Anticipation Note (continued)

On December 13, 2018 the District issued a $1,126,000 BAN with an interest rate of 2.64% which is due on December 12, 2019. This BAN was repaid subsequent to year end. See Note 14 for additional information. The effect of this transaction on the District's short term obligations are as follows:

Beginning balance	$ -
Amounts borrowed	1,126,000
Ending balance	$ 1,126,000

Note 7 – Due to Developer

The District has entered into financing agreements with its developer for the financing of the construction of water, sewer, drainage, and park and recreational facilities. Under the agreements, the developer will advance funds for the construction of facilities to serve the District. The developer will be reimbursed from proceeds of future bond issues or other lawfully available funds, subject to approval by TCEQ, as applicable. The District does not record the capital asset and related liability on the government-wide statements until construction of the facilities is complete. The initial cost is estimated based on construction costs plus 10-15% for engineering and other fees. Estimates are trued up when the developer is reimbursed. The District's developer has also advanced funds to the District for operating expenses.

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

Due to developer, beginning of year	$ 1,936,170
Developer reimbursements	(816,665)
Developer funded construction and adjustments	1,252,486
Due to developer, end of year	$ 2,371,991

Note 8 – Long–Term Debt

Long-term debt is comprised of the following:

Bonds payable	$ 56,985,000
Unamortized discounts	(487,993)
Unamortized premium	787,588
	$ 57,284,595
Due within one year	$ 2,100,000

Note 8 – Long–Term Debt (continued)

The District's bonds payable at July 31, 2019, consists of unlimited tax bonds as follows:

Series	Amounts Outstanding	Original Issue	Interest Rates	Maturity Date, Serially, Beginning/ Ending	Interest Payment Dates	Call Dates
2009	$ -	$ 6,300,000	4.00% - 5.25%	April 1, 2011/2021	October 1, April 1	April 1, 2017
2010	195,000	4,960,000	2.50% - 5.00%	April 1, 2011/2022	October 1, April 1	April 1, 2018
2011	560,000	7,310,000	3.00% - 5.00%	April 1, 2012/2026	October 1, April 1	April 1, 2019
2012	4,970,000	6,680,000	2.50% - 4.75%	April 1, 2014/2037	October 1, April 1	April 1, 2020
2013	3,985,000	4,700,000	3.00% - 4.00%	April 1, 2014/2037	October 1, April 1	April 1, 2021
2014	9,735,000	9,735,000	4.00%	April 1, 2032/2039	October 1, April 1	April 1, 2022
2014 Refunding	4,200,000	5,465,000	2.00% - 4.00%	April 1, 2015/2030	October 1, April 1	April 1, 2022
2015 Refunding	8,520,000	9,500,000	2.68%	April 1, 2016/2030	October 1, April 1	April 1. 2023
2015	8,165,000	8,165,000	3.45% - 4.00%	April 1, 2031/2039	October 1, April 1	April 1. 2023
2016 Refunding	7,745,000	8,020,000	2.00% - 4.00%	April 1, 2017/2033	October 1, April 1	April 1, 2024
2016 Park	4,130,000	4,495,000	1.00% - 3.00%	April 1, 2017/2040	October 1, April 1	April 1, 2024
2017	1,215,000	1,270,000	2.00% - 3.75%	April 1, 2018/2040	October 1, April 1	April 1, 2025
2017 Refunding	3,565,000	3,670,000	2.39%	April 1, 2018/2026	October 1, April 1	April 1, 2020
	$ 56,985,000					

The Series 2017 Refunding bonds were issued to advance refund a portion of the Series 2010, Series 2011 and Series 2012 bonds. Since the Series 2012 bonds were not yet subject to redemption, the District defeased them by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the defeased bonds. Accordingly, the defeased bonds are not included in the District's financial statements. The outstanding principal of the defeased Series 2012 bonds is $755,000 at July 31, 2019.

Note 8 – Long–Term Debt (continued)

Payments of principal and interest on all series of bonds are to be provided from taxes levied on all properties within the District. Investment income realized by the Debt Service Fund from investment of idle funds will be used to pay outstanding bond principal and interest. The District is in compliance with the terms of its bond resolutions.

At July 31, 2019, the District had authorized but unissued bonds in the amount of $58,270,000 for water, sewer and drainage facilities; $4,205,000 for park and recreational facilities; and $72,895,000 for refunding purposes.

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

Bonds payable, beginning of year	$ 58,995,000
Bonds retired	(2,010,000)
Bonds payable, end of year	$ 56,985,000

As of July 31, 2019, annual debt service requirements on bonds outstanding are as follows:

Year	Principal	Interest	Totals
2020	$ 2,100,000	$ 1,938,840	$ 4,038,840
2021	2,195,000	1,878,402	4,073,402
2022	2,270,000	1,817,598	4,087,598
2023	2,380,000	1,755,563	4,135,563
2024	2,475,000	1,683,792	4,158,792
2025	2,555,000	1,616,451	4,171,451
2026	2,670,000	1,544,957	4,214,957
2027	2,805,000	1,470,085	4,275,085
2028	2,930,000	1,382,255	4,312,255
2029	3,065,000	1,285,983	4,350,983
2030	3,445,000	1,184,141	4,629,141
2031	3,020,000	1,067,874	4,087,874
2032	2,745,000	953,125	3,698,125
2033	2,865,000	851,768	3,716,768
2034	3,040,000	744,131	3,784,131
2035	3,165,000	631,481	3,796,481
2036	3,300,000	513,225	3,813,225
2037	3,440,000	385,250	3,825,250
2038	3,580,000	251,888	3,831,888
2039	2,585,000	111,800	2,696,800
2040	355,000	11,250	366,250
	$ 56,985,000	$ 23,079,859	$ 80,064,859

Note 9 – Property Taxes

On May 15, 2004, the voters of the District authorized the District's Board of Directors to levy taxes annually for use in financing general operations limited to $1.00 per $100 of assessed value. The District's bond resolutions require that property taxes be levied for use in paying interest and principal on long-term debt and for use in paying the cost of assessing and collecting taxes. Taxes levied to finance debt service requirements on long-term debt are without limitation as to rate or amount.

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

Property taxes are collected based on rates adopted in the year of the levy. The District's 2019 fiscal year was financed through the 2018 tax levy, pursuant to which the District levied property taxes of $0.75 per $100 of assessed value, of which $0.08 was allocated to maintenance and operations, $0.03 was allocated for contractual obligations and $0.64 was allocated to debt service. The resulting tax levy was $4,811,091 on the adjusted taxable value of $641,478,828.

Property taxes receivable, at July 31, 2019, consisted of the following:

Current year taxes receivable	$ 27,940
Prior years taxes receivable	17,519
	45,459
Penalty and interest receivable	11,855
Property taxes receivable	$ 57,314

Note 10 – Contracts with Sienna Plantation Municipal Utility District No. 1

The District, together with each conservation and reclamation district located within Sienna Plantation, has contracted with Sienna Plantation Municipal Utility District No. 1 (the "Master District") to provide water supply and distribution, sewage collection and treatment services, major trunk storm sewer drainage services, fire protection and other services and facilities permitted by law for the entire Sienna Plantation development. The District has incurred, or incurs, the following expenditures with respect to this contract:

- The District's prorated share of the Master District's capital cost (connection charges) which are capitalized;
- Monthly connection charges in an amount sufficient to meet the District's pro-rated share of the operational and maintenance costs of the central facilities, based on the relevant use of such facilities by customers in the District;
- Monthly charges for the Master District's renewal and replacement fund, which was established by the Master District to provide funding to repair and replace aging Master District facilities;

Note 10 – Contracts with Sienna Plantation Municipal Utility District No. 1 (continued)

- The District's prorated share of the Master District's monthly wastewater treatment plant lease payments;
- Monthly charges for the District's share of fire protection services;
- Contractual obligations for the District's share of the Master Districts debt service obligations; and
- Other amounts as required by the Master District to finance the District's portion of regional facilities.

During the year ended July 31, 2019, the District incurred the following costs pursuant to this contract:

- Monthly charges for purchased services in the amount of $631,792;
- Monthly charges for the District's pro-rata share of wastewater treatment plant leases in the amount $108,185;
- Monthly charges for the Master District renewal and replacement fund of $67,557;
- Contractual obligations in the amount of $186,523 for 2019 debt service requirements; and
- Monthly charges for fire protection services of $621,286.

Master District Debt

The Master District is authorized to issue bonds for the purpose of acquiring and constructing facilities needed to provide services to all Sienna Plantation. The District shall be obligated to contribute to the payment of the Master District's debt service requirements based on its allocated share of the debt.

On May 29, 2018, the Master District sold its $25,010,000 Series 2018 Contract Revenue Bonds to the Texas Water Development Board as part of a plan to finance construction of approximately $40 million in regional wastewater facilities. Additional financing for these facilities was obtained from cash contributions made by participating districts in the previous fiscal years. The District's pro-rata share of total costs of the regional facilities is $6,006,465 which was funded by cash contributions of $2,516,465 and the District's allocated share of bond proceeds of $3,490,000. The District is required to pay contract revenues to the Master District in an amount sufficient to provide for the District's pro-rata share of the Master District's annual debt service requirements until such time as the bonds have been repaid.

As of July 31, 2019, the Master District has $25,010,000 in contract revenue bonds outstanding and the District's share of said bonds is $3,490,000. The Master District bills the District in January of each year for its pro rata share of debt service requirements..

Note 10 – Contracts with Sienna Plantation Municipal Utility District No. 1 (continued)

Master District Debt (continued)

The District's future annual obligation to the Master District for the Master District's debt service requirements (principle and interest) for each of the next five years and in five-year increments thereafter is as follows:

Year	Annual Debt Service
2020	$ 185,653
2021	184,457
2022	183,042
2023	186,467
2024	184,643
2025 - 2029	925,790
2030 - 2034	924,873
2035 - 2039	926,732
2040 - 2043	742,891
	$ 4,444,548

Wastewater Treatment Services Contract

The Master District provides regional wastewater treatment services to Sienna Plantation pursuant to the First Amendment to Wastewater Treatment Services Contract between the Master District and the City of Missouri City (the "City") dated October 2, 2006, and the Agreement with the City for the Transfer of a Wastewater Treatment Plant Permit and Reserved Wastewater Treatment Plant Capacity dated December 12, 2013. Pursuant to these agreements, the Master District currently operates and maintains two temporary wastewater treatment plants (WWTP 2 and WWTP 3) to serve development within Sienna Plantation. The Master District is obligated to ultimately divert flows from WWTP 3 to a regional City wastewater treatment plant to serve the Sienna North service area and to construct the regional lift station, trunk sewer line and force main needed to divert the flows. The Master District is further responsible for the ultimate design and construction of a permanent wastewater treatment plant and to ensure proper compliance with the City's regionalization scheme.

On June 17, 2019, the Master District and the City entered into a Regional Wastewater Treatment Facilities Agreement pursuant to which the Master District agreed to purchase a portion of the unused and available capacity in the City's Steep Bank/Flat Bank wastewater treatment plant (the "City WWTP") and to design, finance and construct a 1.5 million gallon per day expansion of the City WWTP. The Master District will continue to treat 0.45 million gallons per day at WWTP 3 until the expansion of the City WWTP is operational. The Master District has appropriated $6,654,000 from its Series 2018 bond proceeds to finance the purchase of existing capacity and the expansion of the City WWTP.

Note 10 – Contracts with Sienna Plantation Municipal Utility District No. 1 (continued)

Fire Protection Services

On June 25, 2015, the Master District entered into the Operations Agreement for Fire Protection Services for Sienna Plantation (the "Operations Agreement") with the City. The Operations Agreement established the terms and conditions under which the City will provide fire protection services to Sienna Plantation and will be reimbursed for the cost of providing those services. Pursuant to the Operations Agreement, the Master District will pay the City each month for one-twelfth the annual operating and capital costs of providing fire protection services. The City will recalculate the cost every year in June.

The District executed a Joinder and Third Party Beneficiary to the Operations Agreement on March 5, 2015, whereby the District agreed to be bound by the terms and conditions of the Operations Agreement and to pay the Master District for its pro-rata share of operating costs and capital costs. As of July 31, 2019, the monthly charge is $21.50 per connection.

Note 11 – Agreements with the City of Missouri City

The developers of Sienna Plantation have entered into the Sienna Plantation Joint Development agreement with the City of Missouri City dated February 19, 1996, as amended, (collectively, the "Development Agreement") which stipulates the City's regulatory authority over the development of Sienna Plantation, establishes certain restrictions and commitments related to the development of Sienna Plantation, sets forth detailed design and construction standards, stipulates a formula for determining the time of annexation of land within Sienna Plantation by the City and identifies and establishes a master plan for the development of Sienna Plantation. The development of all land within Sienna Plantation is governed by the provisions of the Development Agreement.

The District has also entered into a Strategic Partnership Agreement with the City dated April 22, 2004, which stipulates the City's regulatory authority over the District; stipulates a formula for determining the time of annexation of land within the District by the City and identifies and establishes a master plan for the development of the District.

In both above agreements, the City agrees not to annex the property in any district before such time as: (i) at least 90% of the developable acreage within such district has been developed with water, wastewater treatment and drainage facilities; and (ii) the Developer has been reimbursed to the maximum extent permitted by the rules of the TCEQ or the City assumes any obligation for such reimbursement. The District has developed in excess of 90% of the developable acreage with water, sewer, and drainage facilities.

Note 12 – Recreational Faculties Agreement

On November 6, 2014, the District entered into a Recreational Facilities Reimbursement Agreement with the Master District and Sienna Plantation Levee Improvement District ('SP LID") which established the terms and conditions under which certain recreational facilities would be financed. Sienna Plantation Municipal Utility District No. 12 (SP MUD 12) and Sienna Plantation Management District (SP MD) entered into similar agreements with the Master District and SP LID. The District, SP MUD 12 and SP MD are collectively referred to as the Sienna North Districts.

Pursuant to the agreements, SP LID assumed responsibility from the Sienna North Districts for providing funds to the Master District for reimbursing the developer for a portion of the costs associated with the construction of the Sienna Sports Complex totaling $3,326,958. In exchange for the assumption of this obligation, the Sienna North Districts agreed to collectively expend $3,326,958 to construct a walking trail that would otherwise be constructed by SP LID to serve the Sienna North Districts. Each of the Sienna North Districts will pay an equal one-third share of the cost of the trail.

Upon substantial completion of any portion of the trail, SP LID will assume ownership and responsibility for maintenance of the trail and will invoice the Sienna North Districts for maintenance costs on a quarterly basis. Each of the Sienna North Districts is responsible for an equal one-third portion of the maintenance of the entire trail, regardless of whether the individual district has constructed its portion of the trail. Therefore, the District is financially responsible for $1,109,000 of this obligation.

Note 13 – Risk Management

The District is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; and personal injuries. The risk of loss is covered by commercial insurance. There have been no significant reductions in insurance coverage from the prior year. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

Note 14 – Subsequent Event

On August 29, 2019 the District issued its $1,715,000 Series 2019 Unlimited Tax Bonds at a net effective rate of 2.852339%. Proceeds from the bonds were used to reimburse the District's developer for infrastructure improvements in the District and to repay the Series 2018 BAN issued during the current fiscal year.

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Required Supplementary Information

Sienna Plantation Municipal Utility District No. 10
Required Supplementary Information - Budgetary Comparison Schedule - General Fund
For the Year Ended July 31, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Water service	$ 675,000	$ 670,100	$ 858,072	$ 187,972
Sewer service	960,000	959,100	1,281,069	321,969
Fire service	560,892	560,892	609,515	48,623
Property taxes	698,000	502,122	706,154	204,032
Penalties and interest	39,600	39,600	42,872	3,272
Tap connection and inspection	78,480	78,480	130,275	51,795
Surface water	618,408	614,358	630,552	16,194
Miscellaneous	5,640	5,640	23,885	18,245
Investment earnings	24,000	24,000	118,809	94,809
Total Revenues	3,660,020	3,454,292	4,401,203	946,911
Expenditures				
Current service operations				
Professional fees	144,500	144,500	122,433	22,067
Contracted services	471,942	512,396	572,467	(60,071)
Repairs and maintenance	255,698	255,698	355,404	(99,706)
Utilities	6,600	6,600	7,073	(473)
Surface water	618,408	614,358	646,408	(32,050)
Administrative	97,223	97,194	76,224	20,970
Other	30,047	30,047	36,086	(6,039)
Capital outlay	427,120	505,510		505,510
Intergovernmental - Master District				
Monthly connection charges	626,244	616,697	631,792	(15,095)
Lease contributions	119,241	119,241	108,185	11,056
Renewal and replacement fund	62,484	62,484	67,557	(5,073)
Contractual obligations			186,523	(186,523)
Fire protection	560,892	560,892	621,286	(60,394)
Total Expenditures	3,420,399	3,525,617	3,431,438	94,179
Revenues Over/ (Under) Expenditures	239,621	(71,325)	969,765	1,041,090
Other Financing Sources				
Internal transfers			470,592	470,592
Net Change in Fund Balance	239,621	(71,325)	1,440,357	1,511,682
Fund Balance				
Beginning of the year	4,584,074	4,584,074	4,584,074	
End of the year	$ 4,823,695	$ 4,512,749	$ 6,024,431	$ 1,511,682

Budgets and Budgetary Accounting

An annual unappropriated budget is adopted for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. The budget was amended during the year to reflect changes in anticipated revenues and expenditures.

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Texas Supplementary Information

Sienna Plantation Municipal Utility District No. 10
TSI-1. Services and Rates
July 31, 2019

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

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

[X] Participates in joint venture, regional system and/or wastewater service (other than emergency interconnec

[ ] Other (Specify): ____________________

2. Retail Service Providers
(You may omit this information if your district does not provide retail services)

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

	Minimum Charge	Minimum Usage	Flat Rate (Y / N)	Rate per 1,000 Gallons Over Minimum Usage	Usage Levels		
Water:	$ 23.60	10,000	N	$ 2.25	10,001	to	20,000
				$ 2.75	20,001	to	no limit
Wastewater:	$ 42.84	N/A	Y				
Surcharge:	$ -	0	N	$ 2.42	0	to	no limit

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

Total charges per 10,000 gallons usage: Water $ 47.80 Wastewater $ 45.22

b. Water and Wastewater Retail Connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC'S
Unmetered			x 1.0	
less than 3/4"	1,639	1,626	x 1.0	1,626
1"	557	555	x 2.5	1,388
1.5"	9	9	x 5.0	45
2"	37	37	x 8.0	296
3"	1	1	x 15.0	15
4"	1	1	x 25.0	25
6"			x 50.0	
8"			x 80.0	
10"			x 115.0	
Total Water	2,244	2,229		3,395
Total Wastewater	2,131	2,116	x 1.0	2,116

See accompanying auditor's report.

3. Total Water Consumption during the fiscal year (rounded to the nearest thousand):
   (You may omit this information if your district does not provide water)

Gallons pumped into system:	274,260,400	Water Accountability Ratio: (Gallons billed / Gallons pumped)
Gallons billed to customers:	274,260,400	100.00%

4. Standby Fees (authorized only under TWC Section 49.231):
   (You may omit this information if your district does not levy standby fees)

   Does the District have Debt Service standby fees? Yes ☐ No ☒

   If yes, Date of the most recent commission Order: ____________

   Does the District have Operation and Maintenance standby fees? Yes ☐ No ☒

   If yes, Date of the most recent commission Order: ____________

5. Location of District (required for first audit year or when information changes, otherwise this information may be omitted):

   Is the District located entirely within one county? Yes ☒ No ☐

   County(ies) in which the District is located: Fort Bend County

   Is the District located within a city? Entirely ☐ Partly ☒ Not at all ☐

   City(ies) in which the District is located: City of Missouri City

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

   Entirely ☐ Partly ☒ Not at all ☐

   ETJs in which the District is located: City of Missouri City

   Are Board members appointed by an office outside the district? Yes ☐ No ☒

   If Yes, by whom? ____________

See accompanying auditors' report.

Sienna Plantation Municipal Utility District No. 10
TSI-2 General Fund Expenditures
For the Year Ended July 31, 2019

Professional fees	
Legal	$ 87,202
Audit	15,250
Engineering	19,981
	122,433
Contracted services	
Bookkeeping	23,213
Operator	62,256
Garbage collection	395,673
Tap connection and inspection	91,325
	572,467
Repairs and maintenance	355,404
Utilities	7,073
Surface water	646,408
Administrative	
Directors fees	11,250
Printing and office supplies	33,620
Insurance	8,125
Other	23,229
	76,224
Other	36,086
Intergovernmental - Master District	
Monthly connection charges	631,792
Lease contributions	108,185
Renewal and replacement fund	67,557
Contractual obligations	186,523
Fire protection	621,286
	1,615,343
Total expenditures	$ 3,431,438

Reporting of Utility Services in Accordance with HB 3693:

	Usage	Cost
Electrical	44,483 kWh	$ 6,727
Water	N/A	N/A
Natural Gas	N/A	N/A

See accompanying auditors' report.

Sienna Plantation Municipal Utility District No. 10
TSI-3. Investments
July 31, 2019

Fund	Interest Rate	Maturity Date	Balance at End of Year
General			
TexPool	Variable	N/A	$ 729,444
TexPool Prime	Variable	N/A	4,808,181
			5,537,625
Debt Service			
TexPool	Variable	N/A	2,190,281
TexPool Prime			345,042
			2,535,323
Capital Projects			
TexPool			262
TexPool Prime	Variable	N/A	2,528
			2,790
Total - All Funds			$ 8,075,738

See accompanying auditors' report.

Sienna Plantation Municipal Utility District No. 10
TSI-4. Taxes Levied and Receivable
July 31, 2019

	Maintenance Taxes	Contract Taxes	Debt Service Taxes	Totals
Taxes Receivable, Beginning of Year	$ 7,537	$ 323	$ 33,394	$ 41,254
Adjustments	183	87	950	1,220
Adjusted Receivable	7,720	410	34,344	42,474
2018 Original Tax Levy	506,512	189,942	4,052,096	4,748,550
Adjustments	6,671	2,502	53,368	62,541
Adjusted Tax Levy	513,183	192,444	4,105,464	4,811,091
Total to be accounted for	520,903	192,854	4,139,808	4,853,565
Tax collections:				
Current year	510,203	191,326	4,081,622	4,783,151
Prior years	4,456	169	20,330	24,955
Total Collections	514,659	191,495	4,101,952	4,808,106
Taxes Receivable, End of Year	$ 6,244	$ 1,359	$ 37,856	$ 45,459
Taxes Receivable, By Years				
2018	$ 2,980	$ 1,118	$ 23,842	$ 27,940
2017	1,280		6,034	7,314
2016	1,552		6,116	7,668
2015 and prior	432	241	1,864	2,537
Taxes Receivable, End of Year	$ 6,244	$ 1,359	$ 37,856	$ 45,459

	2018	2017	2016	2015
Property Valuations:				
Land	$ 118,993,785	$ 115,533,845	$ 112,176,805	$ 106,770,415
Improvements	534,894,160	533,864,260	520,654,960	492,468,130
Personal Property	3,357,300	3,299,370	2,731,700	2,649,270
Exemptions	(15,766,417)	(16,054,057)	(30,403,151)	(47,837,727)
Total Property Valuations	$ 641,478,828	$ 636,643,418	$ 605,160,314	$ 554,050,088
Tax Rates per $100 Valuation:				
Maintenance tax rates	$ 0.08	$ 0.14	$ 0.17	$ 0.17
Contract tax rates	0.03			0.09
Debt service tax rates	0.64	0.66	0.67	0.68
Total Tax Rates per $100 Valuation	$ 0.75	$ 0.80	$ 0.84	$ 0.94
Adjusted Tax Levy:	$ 4,811,091	$ 5,093,147	$ 5,083,347	$ 5,208,071
Percentage of Taxes Collected to Taxes Levied **	99.42%	99.86%	99.85%	99.96%

* Maximum Maintenance Tax Rate Approved by Voters: $1.00 on May 15, 2004

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

See accompanying auditors' report.

Sienna Plantation Municipal Utility District No. 10
TSI-5. Long-Term Debt Service Requirements
Series 2010--by Years
July 31, 2019

Due During Fiscal Years Ending	Principal Due April 1	Interest Due October 1, April 1	Total
2020	$ 195,000	$ 7,068	$ 202,068

See accompanying auditors' report.

Sienna Plantation Municipal Utility District No. 10
TSI-5. Long-Term Debt Service Requirements
Series 2011--by Years
July 31, 2019

Due During Fiscal Years Ending	Principal Due April 1	Interest Due October 1, April 1	Total
2020	$ 270,000	$ 21,860	$ 291,860
2021	290,000	11,600	301,600
	$ 560,000	$ 33,460	$ 593,460

See accompanying auditors' report.

Sienna Plantation Municipal Utility District No. 10
TSI-5. Long-Term Debt Service Requirements
Series 2012--by Years
July 31, 2019

Due During Fiscal Years Ending	Principal Due April 1	Interest Due October 1, April 1	Total
2020	$ 190,000	$ 175,925	$ 365,925
2021	205,000	168,325	373,325
2022	215,000	163,200	378,200
2023	225,000	157,825	382,825
2024		147,137	147,137
2025		147,137	147,137
2026		147,138	147,138
2027	280,000	147,137	427,137
2028	300,000	138,038	438,038
2029	315,000	128,287	443,287
2030	330,000	118,050	448,050
2031	350,000	107,325	457,325
2032	370,000	95,075	465,075
2033	390,000	82,125	472,125
2034	415,000	67,500	482,500
2035	435,000	51,938	486,938
2036	460,000	35,625	495,625
2037	490,000	18,375	508,375
	$ 4,970,000	$ 2,096,162	$ 7,066,162

See accompanying auditors' report.

Sienna Plantation Municipal Utility District No. 10
TSI-5. Long-Term Debt Service Requirements
Series 2013--by Years
July 31, 2019

Due During Fiscal Years Ending	Principal Due April 1	Interest Due October 1, April 1	Total
2020	$ 145,000	$ 148,937	$ 293,937
2021	155,000	144,588	299,588
2022	160,000	138,387	298,387
2023	170,000	131,988	301,988
2024	175,000	125,187	300,187
2025	185,000	119,938	304,938
2026	195,000	113,925	308,925
2027	200,000	107,587	307,587
2028	210,000	100,588	310,588
2029	220,000	93,237	313,237
2030	230,000	84,988	314,988
2031	240,000	76,362	316,362
2032	255,000	67,363	322,363
2033	265,000	57,800	322,800
2034	275,000	47,200	322,200
2035	290,000	36,200	326,200
2036	300,000	24,600	324,600
2037	315,000	12,600	327,600
	$ 3,985,000	$ 1,631,475	$ 5,616,475

See accompanying auditors' report.

Sienna Plantation Municipal Utility District No. 10
TSI-5. Long-Term Debt Service Requirements
Series 2014--by Years
July 31, 2019

Due During Fiscal Years Ending	Principal Due April 1	Interest Due October 1, April 1	Total
2020	$ -	$ 389,400	$ 389,400
2021		389,400	389,400
2022		389,400	389,400
2023		389,400	389,400
2024		389,400	389,400
2025		389,400	389,400
2026		389,400	389,400
2027		389,400	389,400
2028		389,400	389,400
2029		389,400	389,400
2030		389,400	389,400
2031		389,400	389,400
2032	115,000	389,400	504,400
2033	520,000	384,800	904,800
2034	1,115,000	364,000	1,479,000
2035	1,155,000	319,400	1,474,400
2036	1,205,000	273,200	1,478,200
2037	1,245,000	225,000	1,470,000
2038	2,140,000	175,200	2,315,200
2039	2,240,000	89,600	2,329,600
	$ 9,735,000	$ 6,893,400	$ 16,628,400

See accompanying auditors' report.

Sienna Plantation Municipal Utility District No. 10
TSI-5. Long-Term Debt Service Requirements
Series 2014 Refunding--by Years
July 31, 2019

Due During Fiscal Years Ending	Principal Due April 1	Interest Due October 1, April 1	Total
2020	$ 330,000	$ 134,125	$ 464,125
2021	340,000	126,700	466,700
2022	345,000	118,200	463,200
2023	365,000	107,850	472,850
2024	375,000	96,900	471,900
2025	390,000	85,650	475,650
2026	405,000	73,950	478,950
2027	420,000	61,800	481,800
2028	440,000	49,200	489,200
2029	465,000	31,600	496,600
2030	325,000	12,999	337,999
	$ 4,200,000	$ 898,974	$ 5,098,974

See accompanying auditors' report.

Sienna Plantation Municipal Utility District No. 10
TSI-5. Long-Term Debt Service Requirements
Series 2015 Refunding--by Years
July 31, 2019

Due During Fiscal Years Ending	Principal Due April 1	Interest Due October 1, April 1	Total
2020	$ 460,000	$ 228,336	$ 688,336
2021	475,000	216,008	691,008
2022	495,000	203,278	698,278
2023	520,000	190,012	710,012
2024	540,000	176,076	716,076
2025	905,000	161,604	1,066,604
2026	945,000	137,350	1,082,350
2027	990,000	112,024	1,102,024
2028	1,025,000	85,492	1,110,492
2029	1,065,000	58,022	1,123,022
2030	1,100,000	29,480	1,129,480
	$ 8,520,000	$ 1,597,682	$ 10,117,682

See accompanying auditors' report.

Sienna Plantation Municipal Utility District No. 10
TSI-5. Long-Term Debt Service Requirements
Series 2015 --by Years
July 31, 2019

Due During Fiscal Years Ending	Principal Due April 1	Interest Due October 1, April 1	Total
2020	$ -	312,492	312,492
2021		312,492	312,492
2022		312,492	312,492
2023		312,492	312,492
2024		312,492	312,492
2025		312,492	312,492
2026		312,493	312,493
2027		312,493	312,493
2028		312,493	312,493
2029		312,493	312,493
2030	410,000	312,493	722,493
2031	830,000	296,093	1,126,093
2032	870,000	262,893	1,132,893
2033	910,000	230,268	1,140,268
2034	950,000	196,143	1,146,143
2035	985,000	163,368	1,148,368
2036	1,030,000	128,400	1,158,400
2037	1,070,000	87,200	1,157,200
2038	1,110,000	44,400	1,154,400
	$ 8,165,000	$ 4,846,182	$ 13,011,182

See accompanying auditors' report.

Sienna Plantation Municipal Utility District No. 10
TSI-5. Long-Term Debt Service Requirements
Series 2016 Refunding--by Years
July 31, 2019

Due During Fiscal Years Ending	Principal Due April 1	Interest Due October 1, April 1	Total
2020	$ 25,000	$ 294,100	$ 319,100
2021	25,000	293,600	318,600
2022	320,000	293,100	613,100
2023	560,000	283,500	843,500
2024	590,000	266,700	856,700
2025	260,000	249,000	509,000
2026	280,000	238,600	518,600
2027	690,000	227,400	917,400
2028	725,000	199,800	924,800
2029	760,000	170,800	930,800
2030	800,000	140,400	940,400
2031	1,340,000	108,400	1,448,400
2032	870,000	54,800	924,800
2033	500,000	20,000	520,000
	$ 7,745,000	$ 2,840,200	$ 10,585,200

See accompanying auditors' report.

Sienna Plantation Municipal Utility District No. 10
TSI-5. Long-Term Debt Service Requirements
Series 2016 Park--by Years
July 31, 2019

Due During Fiscal Years Ending	Principal Due April 1	Interest Due October 1, April 1	Total
2020	$ 135,000	$ 103,394	$ 238,394
2021	140,000	100,694	240,694
2022	145,000	97,894	242,894
2023	150,000	94,994	244,994
2024	155,000	91,994	246,994
2025	160,000	88,894	248,894
2026	165,000	85,694	250,694
2027	175,000	82,394	257,394
2028	180,000	78,894	258,894
2029	185,000	75,294	260,294
2030	195,000	71,131	266,131
2031	200,000	66,744	266,744
2032	205,000	61,994	266,994
2033	215,000	57,125	272,125
2034	220,000	51,750	271,750
2035	230,000	45,150	275,150
2036	235,000	38,250	273,250
2037	245,000	31,200	276,200
2038	255,000	23,850	278,850
2039	265,000	16,200	281,200
2040	275,000	8,250	283,250
	$ 4,130,000	$ 1,371,784	$ 5,501,784

See accompanying auditors' report.

Sienna Plantation Municipal Utility District No. 10
TSI-5. Long-Term Debt Service Requirements
Series 2017--by Years
July 31, 2019

Due During Fiscal Years Ending	Principal Due April 1	Interest Due October 1, April 1	Total
2020	$ 40,000	$ 38,000	$ 78,000
2021	40,000	37,200	77,200
2022	40,000	36,400	76,400
2023	45,000	35,400	80,400
2024	45,000	34,050	79,050
2025	45,000	32,700	77,700
2026	50,000	31,350	81,350
2027	50,000	29,850	79,850
2028	50,000	28,350	78,350
2029	55,000	26,850	81,850
2030	55,000	25,200	80,200
2031	60,000	23,550	83,550
2032	60,000	21,600	81,600
2033	65,000	19,650	84,650
2034	65,000	17,538	82,538
2035	70,000	15,425	85,425
2036	70,000	13,150	83,150
2037	75,000	10,875	85,875
2038	75,000	8,438	83,438
2039	80,000	6,000	86,000
2040	80,000	3,000	83,000
	$ 1,215,000	$ 494,576	$ 1,709,576

See accompanying auditors' report.

Sienna Plantation Municipal Utility District No. 10
TSI-5. Long-Term Debt Service Requirements
Series 2017 Refunding--by Years
July 31, 2019

Due During Fiscal Years Ending	Principal Due April 1	Interest Due October 1, April 1	Total
2020	$ 310,000	$ 85,203	$ 395,203
2021	525,000	77,795	602,795
2022	550,000	65,247	615,247
2023	345,000	52,102	397,102
2024	595,000	43,856	638,856
2025	610,000	29,636	639,636
2026	630,000	15,057	645,057
	$ 3,565,000	$ 368,896	$ 3,933,896

See accompanying auditors' report.

Sienna Plantation Municipal Utility District No. 10
TSI-5. Long-Term Debt Service Requirements
All Bonded Debt Series--by Years
July 31, 2019

Due During Fiscal Years Ending	Principal Due April 1	Interest Due October 1, April 1	Total
2020	$ 2,100,000	$ 1,938,840	$ 4,038,840
2021	2,195,000	1,878,402	4,073,402
2022	2,270,000	1,817,598	4,087,598
2023	2,380,000	1,755,563	4,135,563
2024	2,475,000	1,683,792	4,158,792
2025	2,555,000	1,616,451	4,171,451
2026	2,670,000	1,544,957	4,214,957
2027	2,805,000	1,470,085	4,275,085
2028	2,930,000	1,382,255	4,312,255
2029	3,065,000	1,285,983	4,350,983
2030	3,445,000	1,184,141	4,629,141
2031	3,020,000	1,067,874	4,087,874
2032	2,745,000	953,125	3,698,125
2033	2,865,000	851,768	3,716,768
2034	3,040,000	744,131	3,784,131
2035	3,165,000	631,481	3,796,481
2036	3,300,000	513,225	3,813,225
2037	3,440,000	385,250	3,825,250
2038	3,580,000	251,888	3,831,888
2039	2,585,000	111,800	2,696,800
2040	355,000	11,250	366,250
	$ 56,985,000	$ 23,079,859	$ 80,064,859

See accompanying auditors' report.

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	Bond Issue			
	Series 2009	Series 2010	Series 2011	Series 2012
Interest rate	4.00% - 5.25%	2.50% - 5.00%	3.00% - 5.00%	2.50% - 4.75%
Dates interest payable	10/01; 4/01	10/01; 4/01	10/01; 4/01	10/01; 4/01
Maturity dates	4/1/11 - 4/1/37	4/1/11 - 4/1/22	4/1/12 - 4/1/26	4/1/14 - 4/1/37
Beginning bonds outstanding	$ 250,000	$ 375,000	$ 820,000	$ 5,150,000
Bonds retired	(250,000)	(180,000)	(260,000)	(180,000)
Ending bonds outstanding	$ -	$ 195,000	$ 560,000	$ 4,970,000
Interest paid during fiscal year	$ 10,000	$ 13,144	$ 31,220	$ 183,125

Paying agent's name and city

Series 2009, 2010 and 2011	Wells Fargo Bank, N.A., Houston, Texas
Series 2017R	Bank of Texas, Houston, Texas
All other series	Regions Bank, Houston, Texas

Bond Authority:	Water, Sewer and Drainage Bonds	Park Bonds	Refunding Bonds
Amount Authorized by Voters	$ 123,000,000	$ 8,700,000	$ 73,800,000
Amount Issued	(64,730,000)	(4,495,000)	(905,000)
Remaining To Be Issued	$ 58,270,000	$ 4,205,000	$ 72,895,000

All bonds are secured with tax revenues. Bonds may also be secured with other revenues in combination with taxes.

Debt Service Fund cash and temporary investments balances as of July 31, 2019:	$ 3,697,133
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 3,812,612

See accompanying auditors' report.

	Bond Issue			
	Series 2013	Series 2014	Series 2014 Refunding	Series 2015 Refunding
Interest rate	3.00% - 4.00%	4.00%	2.00% - 4.00%	2.68%
Dates interest payable	10/01; 4/01	10/01; 4/01	10/01; 4/01	10/01; 4/01
Maturity dates	4/1/14 - 4/1/37	4/1/32 - 4/1/39	4/1/15 - 4/1/30	4/1/16 - 4/1/30
Beginning bonds outstanding	$ 4,125,000	$ 9,735,000	$ 4,520,000	$ 8,965,000
Bonds retired	(140,000)		(320,000)	(445,000)
Ending bonds outstanding	$ 3,985,000	$ 9,735,000	$ 4,200,000	$ 8,520,000
Interest paid during fiscal year	$ 153,138	$ 389,400	$ 140,525	$ 240,262

See accompanying auditors' report.

Bond Issue					
Series 2015	Series 2016 Refunding	Series 2016 Park	Series 2017	Series 2017 Refunding	Totals
3.45% - 4.00%	2.00% - 4.00%	1.00% - 3.00%	2.00% - 3.75%	2.39%	
10/01; 4/01	10/01; 4/01	10/01; 4/01	10/01; 4/01	10/01; 4/01	
4/1/31 - 4/1/39	4/1/17 - 4/1/33	4/1/17 - 4/1/40	4/1/18 - 4/1/40	4/1/18 - 4/1/26	
$ 8,165,000	$ 7,770,000	$ 4,260,000	$ 1,250,000	$ 3,610,000	$ 58,995,000
	(25,000)	(130,000)	(35,000)	(45,000)	(2,010,000)
$ 8,165,000	$ 7,745,000	$ 4,130,000	$ 1,215,000	$ 3,565,000	$ 56,985,000
$ 312,493	$ 294,600	$ 105,994	$ 38,700	$ 86,279	$ 1,998,879

Sienna Plantation Municipal Utility District No. 10
TSI-7a. Comparative Schedule of Revenues and Expenditures - General Fund
For the Last Five Fiscal Years

	Amounts				
	2019	2018	2017	2016	2015
Revenues					
Water service	$ 858,072	$ 813,831	$ 786,461	$ 780,480	$ 741,546
Sewer service	1,281,069	1,233,698	1,201,575	1,179,727	1,169,191
Fire service	609,515	555,001	543,441	542,068	258,875
Property taxes	706,154	888,573	1,026,571	1,437,809	633,042
Penalties and interest	42,872	42,929	40,162	42,434	45,028
Tap connection and inspection	130,275	255,331	27,023	77,290	51,121
Surface water	630,552	626,080	615,440	620,012	524,369
Miscellaneous	23,885	15,180	24,269	11,290	10,253
Investment earnings	118,809	74,323	24,684	6,703	1,423
Total Revenues	4,401,203	4,504,946	4,289,626	4,697,813	3,434,848
Expenditures					
Current service operations					
Professional fees	122,433	132,891	131,489	138,976	94,543
Contracted services	572,467	538,857	442,852	414,153	627,051
Repairs and maintenance	355,404	282,473	245,284	171,079	292,959
Utilities	7,073	475	4,749	6,294	6,441
Surface water	646,408	626,338	615,440	620,012	600,964
Administrative	76,224	81,108	80,615	73,243	79,534
Other	36,086	25,428	23,403	24,797	29,497
Capital outlay		505,510			
Intergovernmental					
Monthly connection charges	631,792	705,684	686,253	636,175	692,195
Lease contributions	108,185	119,464	121,277	128,685	158,003
Renewal and replacement fund	67,557	73,286	66,406	65,867	56,757
Contractual obligations	186,523		1,266	496,805	389,564
Fire protection	621,286	562,311	550,959	548,400	45,322
Capital contribution - regional facilities		1,000,000			
Elimination of contingency reserve				44,846	
Total Expenditures	3,431,438	4,653,825	2,969,993	3,369,332	3,072,830
Revenues Over/ (Under) Expenditures	$ 969,765	$ (148,879)	$ 1,319,633	$ 1,328,481	$ 362,018

*Percentage is negligible

See accompanying auditors' report.

Percent of Fund Total Revenues				
2019	2018	2017	2016	2015
19%	18%	18%	17%	23%
29%	27%	28%	24%	34%
14%	12%	13%	12%	8%
16%	20%	23%	31%	18%
1%	1%	1%	1%	1%
3%	6%	1%	2%	1%
14%	14%	14%	13%	15%
1%	*	1%	*	*
3%	2%	1%	*	*
100%	100%	100%	100%	100%
3%	3%	3%	3%	3%
13%	12%	10%	9%	18%
8%	6%	6%	4%	9%
*	*	*	*	*
15%	14%	14%	13%	17%
2%	2%	2%	2%	2%
1%	1%	1%	1%	1%
	11%			
14%	16%	16%	14%	20%
2%	3%	3%	3%	5%
2%	2%	2%	1%	2%
4%		*	11%	11%
14%	12%	13%	12%	1%
	22%			
			1%	
78%	104%	70%	74%	89%
22%	(4%)	30%	26%	11%

Sienna Plantation Municipal Utility District No. 10
TSI-7b. Comparative Schedule of Revenues and Expenditures - Debt Service Fund
For the Last Five Fiscal Years

	Amounts				
	2019	2018	2017	2016	2015
Revenues					
Property taxes	$ 4,101,952	$ 4,184,557	$ 4,042,589	$ 3,765,543	$ 3,944,339
Penalties and interest	17,865	18,806	16,302	16,859	13,735
Accrued interest on bonds sold			2,587	19,973	868
Investment earnings	64,203	33,982	14,500	7,126	3,253
Total Revenues	4,184,020	4,237,345	4,075,978	3,809,501	3,962,195
Expenditures					
Tax collection services	81,835	78,457	79,285	75,811	67,095
Debt service					
Principal	2,010,000	1,925,000	1,760,000	1,540,000	1,390,000
Interest and fees	2,005,535	2,074,866	2,070,414	2,045,055	1,988,544
Debt issuance cost		94,068		229,749	216,596
Payment to refunded bond escrow agent				87,000	133,000
Total Expenditures	4,097,370	4,172,391	3,909,699	3,977,615	3,795,235
Revenues Over/(Under) Expenditures	$ 86,650	$ 64,954	$ 166,279	$ (168,114)	$ 166,960
Total Active Retail Water Connections	2,229	2,148	2,061	2,056	2,011
Total Active Retail Wastewater Connections	2,116	2,036	1,951	1,948	1,910

*Percentage is negligible

See accompanying auditors' report.

Percent of Fund Total Revenues				
2019	2018	2017	2016	2015
98%	99%	100%	99%	100%
*	*	*	*	*
		*	1%	*
2%	1%	*	*	*
100%	100%	100%	100%	100%
2%	2%	2%	2%	2%
48%	45%	43%	40%	35%
48%	49%	51%	54%	50%
	2%		6%	5%
			2%	3%
98%	98%	96%	104%	95%
2%	2%	4%	(4%)	5%

Sienna Plantation Municipal Utility District No. 10
TSI-8. Board Members, Key Personnel and Consultants
For the Year Ended July 31, 2019

Complete District Mailing Address:	3200 Southwest Freeway, Suite 2600, Houston, TX 77027
District Business Telephone Number:	(713) 860-6400
Submission Date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):	July 11, 2019
Limit on Fees of Office that a Director may receive during a fiscal year: (Set by Board Resolution -- TWC Section 49.0600)	$ 7,200

Names:	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid *	Expense Reimbursements	Title at Year End
Board Members:				
Emily Shepard	5/18 to 5/22	$ 2,250	$ 974	President
Nathaniel Grace, Jr.	5/16 to 5/20	1,950	991	Vice President
Nathan Shipley	5/18 to 5/22	2,700	1,103	Secretary
Sandra Harrell	7/19 to 5/20	150	6	Assistant Vice President
Suzanne Rarig	6/19 to 5/20	450	2	Assistant Secretary
Russell Ware	5/16 to 6/19	1,200	1,319	Former Director
Sherman Harrell, Jr.	5/16 to 7/19	2,550	82	Former Director

Consultants		Amounts Paid		
Allen Boone Humphries Robinson LLP	02/04			Attorney
General legal fees		$ 89,591		
Bond counsel		11,300		
Si Environmental, LLC	07/12	482,208		Operator
McLennan & Associates LP	04/04	27,132		Bookkeeper
Tax Tech, Inc.	02/04	37,297		Tax Collector
Fort Bend Central Appraisal District	Legislation	33,639		Property Valuation
Perdue Brandon Fielder Collins & Mott LLP	03/05	5,012		Delinquent Tax Attorney
LJA Engineering & Surveying, Inc.	02/04	20,464		Engineer
McGrath & Co., PLLC	08/10	21,750		Auditor
Robert W. Baird & Co. Incorporated	01/15	11,260		Financial Advisor

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

APPENDIX C

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)