OFFICIAL STATEMENT DATED NOVEMBER 17, 2021

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

NEW ISSUE – Book Entry Only

Series 2021 Bonds: S&P Global Ratings (AGM Insured)................ "AA"
Series 2021A Bonds: S&P Global Ratings (BAM Insured)............. "AA"
See "MUNICIPAL BOND INSURANCE – SERIES 2021," "– SERIES 2021A," and "RATINGS" herein.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 190
(A Political Subdivision of the State of Texas located within Fort Bend County, Texas)

$9,655,000
Unlimited Tax Bonds
Series 2021

$2,945,000
Unlimited Tax Road Bonds
Series 2021A

Dated: December 1, 2021

Due: September 1, as shown on inside cover hereof

The $9,655,000 Unlimited Tax Bonds, Series 2021 (the "Series 2021 Bonds") and the $2,945,000 Unlimited Tax Road Bonds, Series 2021A (the "Series 2021A Bonds," and collectively with the Series 2021 Bonds, are herein referred to as the "Bonds"), are obligations solely of Fort Bend County Municipal Utility District No. 190 (the "District") and are not obligations of the State of Texas; Fort Bend County, Texas; the City of Houston, Texas; or any 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 Houston, Texas; nor any entity other than the District is pledged to the payment of the principal of or interest on the Bonds.

Interest on the Bonds will accrue from December 1, 2021, and is payable on March 1, 2022, and on each September 1 and March 1 thereafter (each an "Interest Payment Date") until the earlier of maturity or redemption, and will be calculated on the basis of a 360-day year composed of twelve 30-day months. Interest on the Bonds will be payable by check dated as of the Interest Payment Date, and mailed by the paying agent/registrar, initially, Regions Bank, an Alabama banking corporation, Houston, Texas (the "Paying Agent/Registrar"), to registered owners ("Registered Owners") as shown on the records of the Paying Agent/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 will be issued in fully registered form only, without coupons, in denominations of $5,000 or any integral multiple thereof, and when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"), acting as securities depository for the Bonds until DTC resigns or is discharged. The Bonds initially will be available to purchasers in book-entry form only. So long as Cede & Co., as the nominee of DTC, is the registered owner of the Bonds, principal of and interest on the Bonds will be payable by the Paying Agent/Registrar to DTC, which will be solely responsible for making such payment to the beneficial owners of the Bonds.

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

The scheduled payment of principal of and interest on the Series 2021 Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Series 2021 Bonds by **ASSURED GUARANTY MUNICIPAL CORP.**

The scheduled payment of principal of and interest on the Series 2021A Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Series 2021A Bonds by **BUILD AMERICA MUTUAL ASSURANCE COMPANY.**

The Series 2021 Bonds constitute the third series of unlimited tax bonds to be issued by the District for the purpose of acquiring or constructing a waterworks, wastewater and storm drainage system to serve the District, and the Series 2021A Bonds represent the third series of unlimited tax bonds to be issued by the District for the purpose of acquiring or constructing roads within the District. 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 special risk factors described herein. Bond purchasers are encouraged to read this entire Official Statement, including particularly the section titled "RISK FACTORS," prior to making an investment decision. See "RISK FACTORS."

The Bonds are offered subject to prior sale, when, as, and if issued by the District and accepted by the winning bidders for the Series 2021 Bonds and the Series 2021A Bonds (collectively, the "Underwriters"), subject to the approval of the Attorney General of Texas and of Allen Boone Humphries Robinson LLP, Houston, Texas, Bond Counsel. Delivery of the Bonds through the facilities of DTC is expected on or about December 16, 2021.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND INITIAL REOFFERING YIELDS

$9,655,000 Unlimited Tax Bonds, Series 2021

$5,745,000 Serial Bonds

Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP Number 34685L (b)	Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP Number 34685L (b)
2023	$ 290,000	4.500%	0.550%	EA8	2032(c)	$ 370,000	2.000%	2.150%	EK6
2024	295,000	4.500%	0.700%	EB6	2033(c)	380,000	2.000%	2.300%	EL4
2025	305,000	4.500%	0.850%	EC4	2034(c)	390,000	2.250%	2.400%	EM2
2026	315,000	4.500%	1.000%	ED2	2035(c)	400,000	2.375%	2.450%	EN0
2027(c)	325,000	4.000%	1.100%	EE0	2036(c)	410,000	2.375%	2.500%	EP5
2028(c)	330,000	2.000%	1.400%	EF7	2037(c)	425,000	2.500%	2.550%	EQ3
2029(c)	340,000	2.000%	1.600%	EG5	****	****	****	****	****
2030(c)	350,000	2.000%	1.800%	EH3	2040(c)	460,000	2.500%	2.700%	ET7
2031(c)	360,000	2.000%	2.000%	EJ9					

$3,910,000 Term Bonds

$880,000 Term Bond due September 1, 2039 (c)(d) Interest Rate: 2.500% (Price: $97.888) (a) CUSIP No. 34685L ES9 (b)

$3,030,000 Term Bond due September 1, 2046 (c)(d) Interest Rate: 2.750% (Price: $98.232) (a) CUSIP No. 34685L EZ3 (b)

$2,945,000 Unlimited Tax Road Bonds, Series 2021A

$780,000 Serial Bonds

Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP Number 34685L (b)	Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP Number 34685L (b)
2023	$ 90,000	4.625%	0.700%	FA7	2027(c)	$ 100,000	4.625%	1.250%	FE9
2024	90,000	4.625%	0.800%	FB5	2028(c)	100,000	4.125%	1.300%	FF6
2025	95,000	4.625%	0.900%	FC3	2029(c)	105,000	4.000%	1.350%	FG4
2026	95,000	4.625%	1.050%	FD1	2030(c)	105,000	3.000%	1.700%	FH2

$2,165,000 Term Bonds

$225,000 Term Bond due September 1, 2032 (c)(d) Interest Rate: 3.000% (Price: $104.930) (a) CUSIP No. 34685L FK5 (b)

$235,000 Term Bond due September 1, 2034 (c)(d) Interest Rate: 3.000% (Price: $104.470) (a) CUSIP No. 34685L FM1 (b)

$245,000 Term Bond due September 1, 2036 (c)(d) Interest Rate: 3.000% (Price: $104.012) (a) CUSIP No. 34685L FP4 (b)

$260,000 Term Bond due September 1, 2038 (c)(d) Interest Rate: 3.000% (Price: $103.557) (a) CUSIP No. 34685L FR0 (b)

$275,000 Term Bond due September 1, 2040 (c)(d) Interest Rate: 3.000% (Price: $103.330) (a) CUSIP No. 34685L FT6 (b)

$925,000 Term Bond due September 1, 2046 (c)(d) Interest Rate: 2.125% (Price: $84.806) (a) CUSIP No. 34685L FZ2 (b)

(a) The initial reoffering yields indicated represent the lower of the yields resulting when priced to maturity or the first call date. The initial yields at which the Bonds will be priced will be established by and will be the sole responsibility of the Underwriters. The yields may be changed at any time at the discretion of the Underwriters. Accrued interest from December 1, 2021, to the date of delivery of the Bonds is to 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 on behalf of the American Bankers Association and are included solely for the convenience of the owners of the Bonds.

(c) The Bonds maturing on and after September 1, 2027, are subject to redemption and payment at the option of the District, in whole or from time to time in part, on September 1, 2026, or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. See "THE BONDS – Redemption Provisions – *Optional Redemption*."

(d) Subject to mandatory redemption as provided under "THE BONDS – Redemption Provisions – *Mandatory Redemption*."

USE OF INFORMATION IN OFFICIAL STATEMENT

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

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

All of the summaries of the statutes, orders, contracts, records, and engineering and other related reports set forth in the Official Statement are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents, copies of which are available from Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027 for further information.

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 purposes of, and as that term is defined in, SEC Rule 15c2-12, as amended.

Assured Guaranty Municipal Corp. ("AGM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM 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 AGM supplied by AGM and presented under the heading "MUNICIPAL BOND INSURANCE – SERIES 2021" and "APPENDIX C – AGM Specimen Municipal Bond Insurance Policy."

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 – SERIES 2021A" and "APPENDIX D – BAM Specimen Municipal Bond Insurance Policy."

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 the other matters described herein since the date hereof. However, the District has agreed to keep this Official Statement current by amendment or sticker to reflect material changes in the affairs of the District, and to the extent that information actually comes to its attention, other matters described in the Official Statement until delivery of the Bonds to the Underwriters and thereafter only as specified in "OFFICIAL STATEMENT – Updating of Official Statement." The District has undertaken no other reporting obligations except as described herein under "CONTINUING DISCLOSURE OF INFORMATION."

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SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Series 2021 Bonds, the District has accepted the bid resulting in the lowest net effective interest rate to the District, which was tendered by SAMCO Capital Markets, Inc. (the "Series 2021 Bonds Underwriter") to purchase the Series 2021 Bonds bearing the interest rates shown under "MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, AND INITIAL REOFFERING YIELDS" at a price of 97.014733% of the par value thereof plus accrued interest to the date of delivery, which resulted in a net effective interest rate of 2.812227%, as calculated pursuant to Chapter 1204 of the Texas Government Code.

After requesting competitive bids for the Series 2021A Bonds, the District has accepted the bid resulting in the lowest net effective interest rate to the District, which was tendered by Huntington Securities, Inc. (the "Series 2021A Bonds Underwriter") to purchase the Series 2021A Bonds bearing the interest rates shown under "MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, AND INITIAL REOFFERING YIELDS" at a price of 97.001538% of the par value thereof plus accrued interest to the date of delivery, which resulted in a net effective interest rate of 2.888731%, as calculated pursuant to Chapter 1204 of the Texas Government Code.

Throughout this Official Statement, the term "Underwriters" refers to the Series 2021 Bonds Underwriter in its capacity as purchaser of the Series 2021 Bonds and to the Series 2021A Bonds Underwriter as purchaser of the Series 2021A Bonds.

No assurance can be given that any trading market will be developed for the Bonds after their sale by the District to the Underwriters. The District has no control over the price at which the Bonds are subsequently sold, and the initial yields at which the Bonds are priced and reoffered are established by and are the sole responsibility of the Underwriters.

Prices and Marketability

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

The prices and other terms with respect to the offering and sale of the Bonds may be changed from time to time by the Underwriters 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 UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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

Securities Laws

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

MUNICIPAL BOND INSURANCE – SERIES 2021

Series 2021 Bond Insurance Policy

Concurrently with the issuance of the Series 2021 Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the Series 2021 Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Series 2021 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.

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and international public finance (including infrastructure) and structured finance markets and asset management services. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of Series 2021 Bonds insured by AGM 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 relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On October 20, 2021, KBRA announced it had affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On July 8, 2021, S&P announced it had affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On August 13, 2019, Moody's announced it had affirmed AGM's insurance financial strength rating of "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

Capitalization of AGM

At September 30, 2021:

- The policyholders' surplus of AGM was approximately $2,910 million.
- The contingency reserve of AGM was approximately $963 million.

- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately $2,124 million. Such amount includes (i) 100% of the net unearned premium reserve and deferred ceding commission income of AGM, and (ii) the net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiaries Assured Guaranty UK Limited ("AGUK") and Assured Guaranty (Europe) SA ("AGE").

The policyholders' surplus of AGM and the contingency reserves, net unearned premium reserves and deferred ceding commission income of AGM were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2020 (filed by AGL with the SEC on February 26, 2021);

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2021 (filed by AGL with the SEC on May 7, 2021);

(iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2021 (filed by AGL with the SEC on August 6, 2021); and

(iv) the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2021 (filed by AGL with the SEC on November 5, 2021).

All information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Series 2021 Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "MUNICIPAL BOND INSURANCE – SERIES 2021." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AGM makes no representation regarding the Series 2021 Bonds or the advisability of investing in the Series 2021 Bonds. In addition, AGM 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 AGM supplied by AGM and presented under the heading "MUNICIPAL BOND INSURANCE – SERIES 2021."

MUNICIPAL BOND INSURANCE – SERIES 2021A

Series 2021A Bond Insurance Policy

Concurrently with the issuance of the Series 2021A Bonds, BAM will issue a Municipal Bond Insurance Policy for the Series 2021A Bonds (each a "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Series 2021A Bonds when due as set forth in the form of the Policy included as "APPENDIX D."

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 outlook) 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, 2021, and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $504.3 million, $181.5 million, and $322.8 million, respectively.

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

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

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under "MUNICIPAL BOND INSURANCE – SERIES 2021A."

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 Series 2021 Bonds are expected to receive an insured rating of "AA" from S&P solely in reliance upon the issuance of the Policy at the time of delivery of the Series 2021 Bonds by Assured Guaranty Municipal Corp. 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. Any such revisions or withdrawal of the ratings may have an adverse effect on the market price of the Series 2021 Bonds.

The Series 2021A Bonds have received 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 Series 2021A Bonds. An explanation of the significance of a rating may be obtained from the company furnishing the rating. The rating reflects only the respective view of such company, and the District makes no representation as to the appropriateness of the rating. 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 such rating company, if, in the judgment of such company, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect of the market price of the Series 2021A Bonds.

The District did not make an application for a municipal bond rating on the Bonds. Furthermore, it Is not expected that the District would have been successful in receiving an investment grade rating on the Bonds. The District is not aware of any rating assigned the Bonds other than the insured ratings of S&P.

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	Fort Bend County Municipal Utility District No. 190 (the "District"), a political subdivision of the State of Texas, is located in Fort Bend County, Texas. See "THE DISTRICT."
The Bonds	The District's $9,655,000 Unlimited Tax Bonds, Series 2021 (the "Series 2021 Bonds"), are dated December 1, 2021, and mature on September 1 in the years and in the amounts as set forth on the inside cover page hereof. The District's $2,945,000 Unlimited Tax Road Bonds, Series 2021A (the "Series 2021A Bonds"), also are dated December 1, 2021, and mature on September 1 in the years and in the amounts as set forth on the inside cover page hereof. The Series 2021 Bonds and the Series 2021A Bonds are hereinafter referred to collectively as the "Bonds." Interest on the Bonds accrues from December 1, 2021, at the rates per annum set forth on the inside cover page hereof and is payable on March 1, 2022, and on each September 1 and March 1 thereafter until maturity or earlier redemption. The Bonds are offered in fully registered form in integral multiples of $5,000 for any one maturity. See "THE BONDS."
Redemption Provisions	The Bonds maturing on and after September 1, 2027, are subject to redemption, in whole or from time to time in part, at the option of the District on September 1, 2026, and on any date thereafter at a price of par plus accrued interest from the most recent interest payment date to the date of redemption. See "THE BONDS – Redemption Provisions – *Optional Redemption*." The Series 2021 Bonds maturing on September 1, 2023, through September 1, 2037, inclusive, and September 1, 2040, are serial bonds. The Series 2021 Bonds maturing on September 1 in the years 2039 and 2046 are term bonds (the "Series 2021 Term Bonds"), which have certain mandatory redemption provisions set out herein under "THE BONDS – Redemption Provisions – *Mandatory Redemption*." The Series 2021A Bonds maturing on September 1, 2023, through September 1, 2030, inclusive, are serial bonds. The Series 2021A Bonds maturing on September 1 in the years 2032, 2034, 2036, 2038, 2040 and 2046 are term bonds (the "Series 2021A Term Bonds"), which have certain mandatory redemption provisions set out herein under "THE BONDS – Redemption Provisions – *Mandatory Redemption*."
Source of Payment	Principal of and interest on the Bonds are payable from the proceeds of a continuing direct annual ad valorem tax levied upon all taxable property within the District without legal limitation as to rate or amount. The Bonds are obligations solely of the District and are not obligations of the State of Texas; Fort Bend County, Texas; the City

of Houston, Texas; or any other political subdivision or entity other than the District. See "THE BONDS – Source of Payment."

Authority for Issuance.. The Series 2021 Bonds are the third series of unlimited tax bonds issued by the District for the purpose of acquiring or constructing a waterworks, wastewater and storm drainage system to serve the District (the "System"), and the Series 2021A Bonds are the third series of unlimited tax bonds to be issued by the District for the purpose of acquiring or constructing roads within the District. Voters in the District have authorized a total of $131,630,200 principal amount of unlimited tax bonds for the System and for refunding bonds issued for the System and $70,708,000 principal amount of unlimited tax bonds for roads and for refunding bonds issued for roads. Voters in the District have also authorized a total of $19,500,000 principal amount of bonds for parks and recreational facilities and for refunding such bonds. Following the issuance of the Bonds, $110,835,200 principal amount of unlimited tax bonds for the System and for refunding such bonds, $60,778,000 principal amount of unlimited tax bonds for roads and for refunding such bonds, and $19,500,000 principal amount of unlimited tax bonds for parks and recreational facilities and for refunding such bonds, will remain authorized and unissued.

The Series 2021 Bonds are issued pursuant to an order of the Texas Commission on Environmental Quality (the "TCEQ"); Article XVI, Section 59 of the Texas Constitution and the general laws of the State of Texas, including particularly Chapters 49 and 54 of the Texas Water Code; a resolution adopted by the Board of Directors of the District on the date of sale of the Series 2021 Bonds; and an election held within the District on May 6, 2017. The Series 2021A Bonds are issued pursuant to Article III, Section 52 of the Texas Constitution; the general laws of the State of Texas, including particularly Chapters 49 and 54, Texas Water Code, as amended; a resolution adopted by the Board of Directors of the District on the date of sale of the Series 2021A Bonds; and an election held on May 6, 2017. See "THE BONDS – Authority for Issuance."

Outstanding Bonds .... The District has previously issued two (2) series of unlimited tax bonds for System purposes and two (2) series of unlimited tax bonds for road purposes. Of such series of bonds, $17,815,000 principal amount remains outstanding as of December 1, 2021 (the "Outstanding Bonds"). See "THE BONDS – Outstanding Bonds."

Payment Record... The District has never defaulted on the timely payment of principal or interest on its bonded indebtedness. See "THE BONDS – Payment Record."

Use of Proceeds of Series 2021 Bonds......... The proceeds of the Series 2021 Bonds will be used to reimburse the Developer (herein defined) for the project costs provided herein under "USE AND DISTRIBUTION OF PROCEEDS OF SERIES 2021 BONDS". Additionally, proceeds from the Series 2021 Bonds will be used to pay developer interest, costs of issuance of the Series 2021 Bonds, and those other non-construction costs provided under "USE AND DISTRIBUTION OF PROCEEDS OF SERIES 2021 BONDS."

Use of Proceeds of Series 2021A Bonds...... Proceeds from the sale of the Series 2021A Bonds will be used to reimburse the Developer for eligible road construction costs, and to pay developer interest, costs of issuance of the Series 2021A Bonds,

	and those other non-construction costs provided under "USE AND DISTRIBUTION OF PROCEEDS OF SERIES 2021A BONDS."
Municipal Bond Insurance	Series 2021 Bonds: Assured Guaranty Municipal Corp. ("AGM"). See "MUNCIPAL BOND INSURANCE – SERIES 2021." Series 2021A Bonds: Build America Mutual Assurance Company ("BAM"). See "MUNICIPAL BOND INSURANCE – SERIES 2021A."
Ratings	Series 2021 Bonds: S&P Global Ratings (AGM Insured): "AA." Series 2021A Bonds: S&P Global Ratings (BAM Insured): "AA." See "MUNICIPAL BOND INSURANCE – SERIES 2021" and "MUNICIPAL BOND INSURANCE – SERIES 2021A."
General & Bond Counsel	Allen Boone Humphries Robinson LLP, Houston, Texas.
Disclosure Counsel	McCall, Parkhurst & Horton L.L.P., Houston, Texas.
Financial Advisor	Robert W. Baird & Co. Incorporated, Houston, Texas.
Engineer	Jones & Carter, Inc., Bellaire, Texas.

THE DISTRICT

General	The District was created by Chapter 8233, Special District Local Laws Code. The District comprises approximately 437 total acres. See "THE DISTRICT – General."
Location	The District is located entirely within Fort Bend County, Texas, approximately 20 miles west of the central business district of the City of Houston, Texas. The District is bounded on the west by Harlem Road, on the north by Westpark Tollway, on the south by Fort Bend Municipal Utility District No. 30, and on the east by the subdivision of Big Oaks. Additionally, the District is located entirely within the extraterritorial jurisdiction ("ETJ") of the City of Houston, Texas. See "THE DISTRICT – Location" and "APPENDIX B."
Developer and Principal Landowner	The developer of land within the District is D.R. Horton-Texas, Ltd., a Texas limited partnership ("DR Horton"), which is controlled by D.R. Horton Inc. ("DHI"), a Delaware corporation and a publicly traded corporation. DR Horton is referred to herein as the "Developer," and currently owns the remaining undeveloped but developable acres within the District and 9 vacant developed lots within the District. See "THE DEVELOPER."
Development within the District	Approximately 279.03 acres (1,128 lots) within the District have been developed as the single-family residential subdivisions of Grand Vista Lakes, Sections 2 and 3, and Lakeview Retreat, Sections 1, 2, 3, 4, 5, 6, 7, 8 and 9. As of October 1, 2021, single-family residential development in the District included: approximately 1,106 completed homes (approximately 1,061 occupied, approximately 43 unoccupied, and 2 model homes); approximately 13 homes under construction; and approximately 9 vacant developed lots. The District also includes trails and a recreational center including a pool, a picnic pavilion, and a playground. Additionally, the District contains D.R. Horton's Houston South corporate headquarters on approximately 6.5 acres fronting the Westpark Tollway. Additionally, approximately 58.5 acres (255 lots) within the District are currently being developed as the single-family residential subdivisions of Lakeview Retreat, Sections 10, 11 and 12. The remaining land within the District is comprised of

approximately 25.18 developed acres as Grand Vista Lakes Boulevard, 17.39 undeveloped but developable acres and 50.71 undevelopable acres. See "DEVELOPMENT WITHIN THE DISTRICT."

Homebuilders .... Homebuilding began in the District in 2017. The only active homebuilder within the District is D.R. Horton. New homes being constructed in the District range in price from approximately $297,990 to $317,990 and range in size from approximately 1,297 square feet to 2,336 square feet..

INFECTIOUS DISEASE OUTLOOK – COVID-19

Infectious Disease Outlook – COVID-19 ..... In March 2020, the World Health Organization and the President of the United States separately declared the outbreak of a respiratory disease caused by a novel coronavirus ("COVID-19") to be a public health emergency. On March 13, 2020, the Governor of Texas (the "Governor") declared a state of disaster for all counties in Texas because of the effects of COVID-19. Subsequently, in response to a rise in COVID-19 infections in Texas and pursuant to the Chapter 418 of the Texas Government Code, the Governor issued a number of executive orders intended to help limit the spread of COVID-19 and mitigate injury and the loss of life, including limitations imposed on business operations, social gatherings, and other activities.

Over the ensuing year, COVID-19 negatively affected commerce, travel and businesses locally and globally, and negatively affected economic growth worldwide and within Texas. Following the widespread release and distribution of various COVID-19 vaccines in 2021 and a decrease in active COVID-19 cases generally in the United States, state governments (including Texas) began to lift business and social limitations associated with COVID-19. Beginning in March 2021, the Governor issued various executive orders, which, among other things, rescinded and superseded prior executive orders and provide that there are currently no COVID-19 related operating limits for any business or other establishment. The Governor retains the right to impose additional restrictions on activities if needed to mitigate the effects of COVID-19. Additional information regarding executive orders issued by the Governor is accessible on the website of the Governor at https://gov.texas.gov/. Neither the information on, nor accessed through, such website of the Governor is incorporated by reference into this Official Statement.

With the easing or removal of associated governmental restrictions, economic activity has increased. However, there are no assurances that such increased economic activity will continue or continue at the same rate, especially if there are future outbreaks of COVID-19, or increased numbers resulting in the County becoming an "area with high hospitalizations." The District has not experienced any decrease in property values, unusual tax delinquencies, or interruptions to service as a result of COVID-19; however the District cannot predict the long-term economic effect of COVID-19 or a similar virus should there be a reversal of economic activity and re-imposition of restrictions.

RISK FACTORS

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

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SELECTED FINANCIAL INFORMATION
(UNAUDITED)

2021 Taxable Assessed Valuation	$ 220,231,573	(a)
Estimated Valuation as of July 15, 2021	$ 253,450,695	(b)
Direct Debt:		
The Outstanding Bonds	$ 17,815,000	
The Series 2021 Bonds	$ 9,655,000	
The Series 2021A Bonds	$ 2,945,000	
Total	$ 30,415,000	
Estimated Overlapping Debt	$ 8,221,028	(c)
Total Direct and Estimated Overlapping Debt	$ 38,636,028	(c)
Direct Debt Ratios:		
As a percentage of 2021 Taxable Assessed Valuation	13.81 %	
As a percentage of Estimated Taxable Valuation as of July 15, 2021	12.00 %	
Direct and Estimated Overlapping Debt Ratios:		
As a percentage of 2021 Taxable Assessed Valuation	17.56 %	
As a percentage of Estimated Taxable Valuation as of July 15, 2021	15.25 %	
System Debt Service Fund Balance (as of November 9, 2021)	$ 305,029	(d)
Road Debt Service Fund (as of November 9, 2021)	$ 238,317	(e)
Construction Fund Balance (as of November 9, 2021)	$ 105,139	
Operating Fund Balance (as of November 9, 2021)	$ 1,170,611	
2021 Tax Rate		
System Debt Service	$0.56	
Road Debt Service	$0.23	
Maintenance & Operation	$0.53	
Total	$1.32	(f)

(a) Represents the taxable assessed value of all taxable property within the District as of January 1, 2021, provided by the Fort Bend Central Appraisal District ("FBCAD"). This amount includes $3,362,654 of uncertified value, which represents 99% of the total uncertified value provided by FBCAD which is the estimated minimum amount of uncertified value that will ultimately be certified. See "TAX DATA" and "TAXING PROCEDURES."

(b) Provided by FBCAD for informational purposes only, this amount is an estimate of the value of all taxable property located within the District as of July 15, 2021, and includes an estimate of values resulting from the construction of taxable improvements from January 1, 2021, through July 15, 2021. No taxes will be levied against this amount. See "TAX DATA," "TAXING PROCEDURES," and "DEVELOPMENT WITHIN THE DISTRICT."

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

(d) Neither Texas law nor the Series 2021 Bond Resolution requires that the District maintain any particular sum in the System Debt Service Fund. Funds in the System Debt Service Fund are not available to pay debt service on bonds issued by the District for roads (including the Series 2021A Bonds).

(e) Neither Texas law nor the Series 2021A Bond Resolution requires that the District maintain any particular sum in Road Debt Service Fund. Funds in Road Debt Service Fund are not available to pay debt service on bonds issued by the District for the System (including the Series 2021 Bonds).

(f) See "TAX DATA – Tax Rate Calculations".

SELECTED FINANCIAL INFORMATION

(CONTINUED)

Average Annual Debt Service Requirement (2022–2046)	$	1,651,352	(a)
Maximum Annual Debt Service Requirement (2044)	$	1,810,863	(a)
Debt Service Tax Rate per $100 of Taxable Value Required to Pay Average Annual Debt Service Requirements on the Outstanding Bonds and the Bonds (2022–2046) at 95% Tax Collections			
Based on 2021 Taxable Assessed Valuation		$0.79	
Based on Estimated Taxable Valuation as of July 15, 2021		$0.69	
Debt Service Tax Rate per $100 of Taxable Value Required to Pay Maximum Annual Debt Service Requirements on the Outstanding Bonds and the Bonds (2044) at 95% Tax Collections			
Based on 2021 Taxable Assessed Valuation		$0.87	
Based on Estimated Taxable Valuation as of July 15, 2021		$0.76	

(a) Requirement of debt service on the Outstanding Bonds and the Bonds. See “DEBT SERVICE REQUIREMENTS.”

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INTRODUCTION

This Official Statement provides certain information in connection with the issuance by Fort Bend County Municipal Utility District No. 190 (the "District") of its $9,655,000 Unlimited Tax Bonds, Series 2021 (the "Series 2021 Bonds") and its $2,945,000 Unlimited Tax Road Bonds, Series 2021A (the "Series 2021A Bonds"). The Series 2021 Bonds and the Series 2021A Bonds are referred to collectively herein as the "Bonds."

The Series 2021 Bonds are issued pursuant to an order of the Texas Commission on Environmental Quality (the "TCEQ"); Article XVI, Section 59 of the Texas Constitution and the general laws of the State of Texas, including particularly Chapters 49 and 54 of the Texas Water Code, as amended, and Chapter 8233, Special District Local Laws Code; a resolution (the "Series 2021 Bond Resolution") adopted by the Board of Directors of the District (the "Board") on the date of sale of the Series 2021 Bonds; and an election held within the District on May 6, 2017.

The Series 2021A Bonds are issued pursuant to Article III, Section 52 of the Texas Constitution; the general laws of the State of Texas, including particularly Chapters 49 and 54 of the Texas Water Code, Chapter 8233, Special District Local Laws Code, as amended; a resolution (the "Series 2021A Bond Resolution") adopted by the Board on the date of sale of the Series 2021A Bonds; and an election held on May 6, 2017.

The Series 2021 Bond Resolution and the Series 2021A Bond Resolution are collectively referred to hereinafter as the "Bond Resolutions," and, unless otherwise indicated, capitalized terms used in this Official Statement have the same meaning assigned to such terms in the Bond Resolutions.

Included in this Official Statement are descriptions of the Bonds and certain information about the District, the Developer in the District, and the District's finances. ALL DESCRIPTIONS OF DOCUMENTS CONTAINED HEREIN ARE SUMMARIES ONLY AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO EACH SUCH DOCUMENT. Copies of such documents may be obtained from the District at Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027 or during the offering period from the District's Financial Advisor, Robert W. Baird & Co., Incorporated, Attn: Jan Bartholomew, 1331 Lamar Street, Suite 1360, Houston, Texas 77010 upon payment of reasonable copying, mailing and handling charges.

RISK FACTORS

General

The Bonds, which are obligations of the District and not of the State of Texas; Fort Bend County, Texas; the City of Houston, Texas; or any political subdivision other than the District, 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. Therefore, the ultimate security for payment of the principal of and interest on the Bonds depends upon the ability of the District to collect from the property owners within the District taxes levied against all taxable property located within the District, or, in the event taxes are not collected and foreclosure proceedings are instituted by the District, upon the value of the taxable property with respect to taxes levied by the District and by other taxing authorities. The District makes no representations that over the life of the Bonds the property within the District will maintain a value sufficient to justify continued payment of taxes by the property owners. The potential increase in taxable valuation of District property is directly related to the economics of the residential housing industry, not only due to general economic conditions, but also due to the particular factors discussed below. See "DEVELOPMENT WITHIN THE DISTRICT," "TAX DATA," and "TAXING PROCEDURES."

Infectious Disease Outbreak – COVID-19

In March 2020, the World Health Organization and the President of the United States separately declared the outbreak of a respiratory disease caused by a novel coronavirus ("COVID-19") to be a public health emergency. On March 13, 2020, the Governor of Texas (the "Governor") declared a state of disaster for all counties in the State of Texas (the "State") because of the effects of COVID-19. Subsequently, in response to a rise in COVID-19 infections in the State and pursuant to the Chapter 418 of the Texas Government Code, the Governor issued a number of executive orders intended to help limit the spread of COVID-19 and mitigate injury and the loss of life, including limitations imposed on business operations, social gatherings, and other activities.

Over the ensuing year, COVID-19 negatively affected commerce, travel and businesses locally and globally, and negatively affected economic growth worldwide and within the State. Following the widespread release and distribution of various COVID-19 vaccines in 2021 and a decrease in active COVID-19 cases generally in the United States, state governments (including Texas) have started to lift business and social limitations associated with COVID-19. Beginning in March 2021, the Governor issued various executive orders, which, among other things, rescinded and superseded prior executive orders and provide that there are currently no COVID-19 related operating limits for any business or other establishment. The Governor retains the right to impose additional restrictions on activities if needed to mitigate the effects of COVID-19. Additional information regarding executive orders issued by the Governor is accessible on the website of the Governor at https://gov.texas.gov/. Neither the information on, nor accessed through, such website of the Governor is incorporated by reference into this Official Statement.

With the easing or removal of associated governmental restrictions, economic activity has increased. However, there are no assurances that such increased economic activity will continue or continue at the same rate, especially if there are future outbreaks of COVID-19, including the Delta variant. The District has not experienced any decrease in property values, unusual tax delinquencies, or interruptions to service as a result of COVID-19; however, the District cannot predict the long-term economic effect of COVID-19 or a similar virus should there be a reversal of economic activity and re-imposition of restrictions.

Extreme Weather Events/Hurricane Harvey

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

On August 25, 2017, Hurricane Harvey made landfall on the Texas Gulf Coast. The Houston area, including Fort Bend County, Texas, sustained widespread rain damage and flooding as a result of Hurricane Harvey's landfall, and historic levels of rainfall during the succeeding four days.

According to the Engineer, the District's water, sanitary sewer, and drainage facilities sustained no damage as a result of Hurricane Harvey, and there was no interruption of water and sewer service. Furthermore, according to the Developer and the Engineer, there were no homes in the District that experienced flooding or structural damage. The District cannot predict the effect that additional extreme weather events may have upon the District and the Gulf Coast. Additional extreme weather events have the potential to cause damage within the District and along the Gulf Coast generally that could have a negative effect on taxable assessed valuations in the District and the economy of the District and the region. See "TAXING PROCEDURES – Valuation of Property for Taxation."

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

Special Flood Type Risks

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

Riverine (or Fluvial) Flood. Riverine, or fluvial, flooding occurs when water levels rise over the top of river, bayou, or channel banks due to excessive rain from tropical systems making landfall and/or persistent thunderstorms over the same area for extended periods of time. The damage from a riverine flood can be widespread. The overflow can affect smaller rivers and streams downstream, or may sheet-flow over land. Flash flooding is a type of riverine flood that is characterized by an intense, high velocity torrent of water that occurs in an existing river channel with little to no notice. Flash flooding can also occur even if no rain has fallen, for instance, after a levee, dam or reservoir has failed or experienced an uncontrolled release, or after a sudden release of water by a debris or ice jam. In addition, planned or unplanned controlled releases from a dam, levee, or reservoir also may result in flooding in areas adjacent to rivers, bayous, or drainage systems downstream.

Potential Effects of Oil Price Fluctuations on the Houston Area

The recent fluctuations 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.

Factors Affecting Taxable Values and Tax Payments

Economic Factors: The rate of development within the District is directly related to the vitality of the single-family housing industry in the Houston metropolitan area. New single-family construction can be significantly affected by factors such as interest rates, construction costs, and consumer demand. Decreased levels of such construction activity would restrict the growth of property values in the District. The District cannot predict the pace or magnitude of any future development in the District. See "DEVELOPMENT WITHIN THE DISTRICT."

Location and Access: The District is located in an outlying area of the Houston metropolitan area, approximately 20 miles west of the central business district of the City of Houston. Many of the single-family developments with which the District competes are in a more developed state and have lower taxes. As a result, particularly during times of increased competition, the Developer within the District may be at a competitive disadvantage to the developers in other single-family projects located closer to major urban centers or in a more developed state. See "THE DISTRICT" and "DEVELOPMENT WITHIN THE DISTRICT."

Competition: The demand for and construction of taxable improvements in the District could be affected by competition from other developments near the District. In addition to competition for new single-family home sales from other developments, there are numerous previously owned single-family homes in more established commercial centers and neighborhoods closer to Houston that are for sale. Such existing developments could represent additional competition for new development proposed to be constructed within the District.

The competitive position of the Developer in the sale of land, and the sale or leasing of residences is affected by most of the factors discussed in this section. Such a competitive position is directly related to the growth and maintenance of taxable values in the District and tax revenues to be received by the District. The District can give no assurance that building and marketing programs in the District by the Developer will be implemented or, if implemented, will be successful.

Principal Landowner/Developer: There is no commitment by, or legal requirement of, the principal landowners, the Developer, or any other landowner in the District to proceed at any particular rate or according to any specified plan with the development of land in the District, or of any homebuilder to proceed at any particular pace with the construction of homes in the District. Moreover, there is no restriction on any landowner's right to sell its land. Therefore, the District can make no representation about the probability of future development, if any, or the rate of future home construction activity in the District. Failure to construct taxable improvements on developed lots would restrict the rate of growth of taxable values in the District and result in higher tax rates. See "THE DEVELOPER," "DEVELOPMENT WITHIN THE DISTRICT," and "TAX DATA – Principal Taxpayers."

Dependence on Principal Taxpayers: The ability of any principal landowner to make full and timely payments of taxes levied against its property by the District and similar taxing authorities will directly affect the District's ability to meet its debt service obligations. As illustrated in this Official Statement under the caption "TAX DATA – Principal Taxpayers," as of January 1, 2021, the District's principal taxpayers owned the aggregate assessed taxable valuation of property located within the District comprised of approximately 10.87% of the District's total assessed valuation. The Developer, the District's top taxpayer, and related entities, own approximately 8.21% of the District's assessed taxable valuation as of January 1, 2021. See "THE DEVELOPER."

In the event that the Developer, any other taxpayer, or any combination of taxpayers, should default in the payment of taxes in an amount which exceeds the District's debt service fund surplus, the ability of the District to make timely payment of debt service on the Bonds will be dependent on its ability to enforce and liquidate its tax liens, which is a time-consuming process. Failure to recover or borrow funds in a timely fashion could result in an excessive District tax rate. The District is not required by law or the Bond Resolutions to maintain any specified amount of surplus in its debt service funds. See "TAX DATA."

Impact on District Tax Rates: Assuming no further development or construction of taxable improvements, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of property owners within the District to pay their taxes. The District's taxable assessed valuation as of January 1, 2021, is $220,231,573, and the Estimated Taxable Valuation as of July 15, 2021, is $253,450,695. See "DISTRICT FINANCIAL DATA" and "TAX DATA – Tax Rate Calculations".

After issuance of the Bonds, the maximum annual debt service requirement on the Outstanding Bonds and the Bonds is $1,810,863 (2044) and the average annual debt service requirement on the Outstanding Bonds and the Bonds is $1,651,352 (2022–2046). Based on the District's taxable assessed valuation as of January 1, 2021, no use of funds on hand, at a 95% tax collection rate, tax rates of $0.87 and $0.79 per $100 assessed valuation would be necessary to pay the maximum annual debt service requirement and the average annual debt service requirement, respectively. Based on the District's Estimated Taxable Valuation as of July 15, 2021, no use of funds on hand, at a 95% tax collection rate, tax rates of $0.76 and $0.69 per $100 assessed valuation would be necessary to pay the maximum annual debt service requirement and the average annual debt service requirement, respectively. See "DEBT SERVICE REQUIREMENTS" and "TAX DATA – Tax Rate Calculations."

Tax Collections 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.. See "TAXING PROCEDURES."

Registered Owners' Remedies and Bankruptcy Limitations

If the District defaults in the payment of principal, interest, or redemption price on the Bonds when due, or if it fails to make payments into any fund or funds created in the Bond Resolutions, or defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Bond Resolutions, the Registered Owners have the statutory right of a writ of mandamus issued by a court of competent jurisdiction requiring the District and its officials to observe and perform the covenants, obligations, or conditions prescribed in the Bond Resolutions. Except for mandamus, the Bond Resolutions do not specifically provide for remedies to protect and enforce the interests of the Registered Owners. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Further, there is no trust indenture or trustee, and all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the Registered Owners. Statutory language authorizing local governments such as the District to sue and be sued does not waive the local government's sovereign immunity from suits for money damages, so that in the absence of other waivers of such immunity by the Texas Legislature, a default by the District in its covenants in the Bond Resolution may not be reduced to a judgment for money damages. If such a judgment against the District were obtained, it could not be enforced by direct levy and execution against the District's property. Further, the Registered Owners cannot themselves foreclose on property within the District or sell property within the District to enforce the tax lien on taxable property to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the Registered Owners may further be limited by a State of Texas statute reasonably required to attain an important public purpose or by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions, such as the District.

Subject to the requirements of Texas law discussed below, a political subdivision such as the District may voluntarily file a petition for relief from creditors under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. Sections 901- 946. The filing of such petition would automatically stay the enforcement of Registered Owner's remedies, including mandamus. The automatic stay would remain in effect until the federal bankruptcy judge hearing the case dismisses the petition, enters an order granting relief from the stay or otherwise allows creditors to proceed against the petitioning political subdivision. A political subdivision such as the District may qualify as a debtor eligible to proceed in a Chapter 9 case only if it is (1) authorized to file for federal bankruptcy protection by applicable state law, (2) is insolvent or unable to meet its debts as they mature, (3) desires to effect a plan to adjust such debts, and (4) has either obtained the agreement of or negotiated in good faith with its creditors or is unable to negotiate with its creditors because negotiation is impracticable. Special districts such as the District must obtain the approval of the Commission as a condition to seeking relief under the Federal Bankruptcy Code. The Commission is required to investigate the financial condition of a financially troubled district and authorize such district to proceed under federal bankruptcy law only if such district has fully exercised its rights and powers under Texas law and remains unable to meet its debts and other obligations as they mature.

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

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

The district may not be placed into bankruptcy involuntarily.

Marketability

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

Continuing Compliance with Certain Covenants

Failure of the District to comply with certain covenants contained in the Bond Resolutions on a continuing basis prior to the maturity of the Bonds could result in interest on the Bonds becoming taxable retroactively to the date of original issuance. See “TAX MATTERS.”

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.

Future Debt

After the issuance of the Bonds, the District will have $110,835,200 principal amount of unlimited tax bonds authorized but unissued for the System (and for refunding such bonds), $60,778,000 principal amount of unlimited tax bonds for roads (and for refunding such bonds), and $19,500,000 principal amount of unlimited tax bonds for park and recreational facilities (and for refunding such bonds) (see “THE BONDS – Issuance of Additional Debt”), and such additional bonds as may hereafter be approved by both the Board and voters of the District. The District also has the right to issue certain other additional bonds, special project bonds, and other obligations, as described in the Bond Resolutions. 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, the District will still owe the Developer a combined amount of approximately $29,801,000 for prior reimbursable expenditures advanced to construct the System and roads and improvements in aid thereof. See “THE SYSTEM” and “DEVELOPMENT WITHIN THE DISTRICT.”

Approval of the Bonds

As required by law, engineering plans, specifications and estimates of construction costs for the facilities and services to be purchased or constructed by the District with the proceeds of the Series 2021 Bonds have been approved, subject to certain conditions, by the TCEQ. The Series 2021A Bonds are not subject to TCEQ approval. In addition, the Attorney General of Texas must approve the legality of the Bonds prior to their delivery.

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

Environmental Regulation

Wastewater treatment, water supply, storm sewer facilities and construction activities within the District are subject to complex environmental laws and regulations at the federal, state and local levels that may require or prohibit certain activities that affect the environment, such as:

- Requiring permits for construction and operation of water wells, wastewater treatment and other facilities;
- Restricting the manner in which wastes are treated and released into the air, water and soils;

- Restricting or regulating the use of wetlands or other properties; or
- Requiring remedial action to prevent or mitigate pollution.

Sanctions against a municipal utility district or other type of special purpose district for failure to comply with environmental laws and regulations may include a variety of civil and criminal enforcement measures, including assessment of monetary penalties, imposition of remedial requirements and issuance of injunctions to ensure future compliance. Environmental laws and compliance with environmental laws and regulations can increase the cost of planning, designing, constructing and operating water production and wastewater treatment facilities. Environmental laws can also inhibit growth and development within the District. Further, changes in regulations occur frequently, and any changes that result in more stringent and costly requirements could materially impact the District.

Air Quality Issues. Air quality control measures required by the United States Environmental Protection Agency (the "EPA") and the Texas Commission on Environmental Quality (the "TCEQ") may impact new industrial, commercial and residential development in the Houston area. Under the Clean Air Act ("CAA") Amendments of 1990, the eight-county Houston-Galveston-Brazoria area ("HGB Area")—Harris, Galveston, Brazoria, Chambers, Fort Bend, Waller, Montgomery and Liberty Counties—has been designated a nonattainment area under 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.

Water Supply & Discharge Issues. Water supply and discharge regulations that municipal utility districts, including the District, may be required to comply with involve: (1) groundwater well permitting and surface water appropriation; (2) public water supply systems; (3) wastewater discharges from treatment facilities; (4) storm water discharges; and (5) wetlands dredge and fill activities. Each of these is addressed below:

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

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

Texas Pollutant Discharge Elimination System ("TPDES") permits set limits on the type and quantity of discharge, in accordance with state and federal laws and regulations. The TCEQ reissued the TPDES Construction General Permit (TXR150000), with an effective date of March 5, 2018, which is a general permit authorizing the discharge of stormwater runoff associated with small and large construction sites and certain non-stormwater 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 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 to the TCEQ for a waiver of compliance with the MS4 Permit because the District has less than 1,000 residents. If and when the District has more than 1,000 residents the District intends prepare its Notice of Intent and Stormwater Management Plan to apply for coverage under the MS4 Permit. In order to maintain compliance with the MS4 Permit, the District intends 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 became effective June 22, 2020, and is currently the subject of ongoing litigation.

On July 30, 2021, the EPA and USACE announced plans to further revise the definition of "waters of the United States." On August 30, 2021, the United States District Court for the District of Arizona issued an order vacating the NWPR while the EPA and USACE make plans to replace it. Due to existing and possible future litigation and regulatory action, 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.

Bond Insurance Risk Factors

In the event of default of the payment of principal or interest with respect to the Bonds when all or some becomes due, any owner of the Bonds shall have a claim under the applicable Bond Insurance Policy (the "Policy") for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds by the issuer which is recovered by the issuer from the bond owner as a voidable preference under applicable bankruptcy law is covered by the insurance policy, however, such payments will be made by the 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 – SERIES 2021," "MUNICIPAL BOND INSURANCE – SERIES 2021A," 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 nor the Underwriters 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 – SERIES 2021," "MUNICIPAL BOND INSURANCE – SERIES 2021A," 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.

THE BONDS

General

The Bonds will bear interest from December 1, 2021, and will mature on September 1 in each of the years and in the principal amounts, and will bear interest at the rates per annum, set forth on the inside cover page hereof. Interest on the Bonds will be paid on March 1, 2022, and on each September 1 and March 1 thereafter (each an "Interest Payment Date") until maturity or earlier redemption and will be calculated on the basis of a 360-day year composed of twelve 30-day months. Interest on the Bonds will be payable by check, dated as of the Interest Payment Date, and mailed by the Paying Agent/Registrar (herein defined) to Registered Owners (herein defined) as shown on the records of the Paying Agent/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 as may be agreed upon by the Paying Agent/Registrar and a Registered Owner at the risk and expense of such Registered Owner. The Bonds will be issued in fully registered form only, without coupons, in the denomination of $5,000 or any integral multiple thereof, and when issued, will be registered in the name of Cede & Co., as registered owner ("Registered Owner") and nominee for The Depository Trust Company, New York, New York ("DTC"), acting as securities depository for the Bonds until DTC resigns or is discharged. The Bonds initially will be available to purchasers in book-entry form only. So long as Cede & Co., as the nominee of DTC, is the registered owner of the Bonds, principal of and interest on the Bonds will be payable by the paying agent to DTC, which will be solely responsible for making such payment to the beneficial owners of the Bonds. The initial paying agent for the Bonds is Regions Bank, an Alabama banking corporation, Houston, Texas (the "Paying Agent/Registrar").

Redemption Provisions

Optional Redemption

The Bonds maturing on and after September 1, 2027, are subject to redemption prior to maturity at the option of the District, in whole or from time to time in part, on September 1, 2026, and on any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest from the most recent payment date to the date fixed for redemption.

The Paying Agent/Registrar shall give written notice of redemption, by registered mail not less than thirty (30) days prior to the redemption date, to the Registered Owner of each bond but neither the failure to give such notice nor any defect therein shall affect the sufficiency of notice given to the Registered Owner as hereinabove stated. The Paying Agent/Registrar may provide written notice of redemption to DTC by facsimile.

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

if less than all of the Bonds of a particular maturity are to be redeemed, the Paying Agent/Registrar is required to select the Bonds of such maturity to be redeemed by lot.

Mandatory Redemption

The Series 2021 Bonds maturing on September 1 in the years 2039 and 2046 are term bonds (the "Series 2021 Term Bonds") and the Series 2021A Bonds maturing on September 1 in the years 2032, 2034, 2036, 2038, 2040 and 2046 are also term bonds (the "Series 2021A Term Bonds," and together with the Series 2021 Term Bonds, the "Term Bonds"). The Term Bonds shall be redeemed by lot or other customary method of random selection (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form) prior to maturity, at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption (each a "Mandatory Redemption Date"), and in the principal amount set forth in the following schedules:

The Series 2021 Term Bonds

$880,000 Term Bond due September 1, 2039

Mandatory Redemption Date	**Principal Amount**
September 1, 2038	$ 435,000
September 1, 2039 (maturity)	445,000

$3,030,000 Term Bond due September 1, 2046

Mandatory Redemption Date	**Principal Amount**
September 1, 2041	$ 470,000
September 1, 2042	485,000
September 1, 2043	500,000
September 1, 2044	510,000
September 1, 2045	525,000
September 1, 2046 (maturity)	540,000

The Series 2021A Term Bonds

$225,000 Term Bond due September 1, 2032

Mandatory Redemption Date	**Principal Amount**
September 1, 2031	$ 110,000
September 1, 2032 (maturity)	115,000

$235,000 Term Bond due September 1, 2034

Mandatory Redemption Date	**Principal Amount**
September 1, 2033	$ 115,000
September 1, 2034 (maturity)	120,000

$245,000 Term Bond due September 1, 2036

Mandatory Redemption Date	**Principal Amount**
September 1, 2035	$ 120,000
September 1, 2036 (maturity)	125,000

$260,000 Term Bond due September 1, 2038

Mandatory Redemption Date	**Principal Amount**
September 1, 2037	$ 130,000
September 1, 2038 (maturity)	130,000

$275,000 Term Bond due September 1, 2040	
Mandatory Redemption Date	**Principal Amount**
September 1, 2039	$ 135,000
September 1, 2040 (maturity)	140,000

$925,000 Term Bond due September 1, 2046	
Mandatory Redemption Date	**Principal Amount**
September 1, 2041	$ 145,000
September 1, 2042	150,000
September 1, 2043	150,000
September 1, 2044	155,000
September 1, 2045	160,000
September 1, 2046 (maturity)	165,000

On or before 30 days prior to each Mandatory Redemption Date set forth above, the Paying Agent/Registrar shall (i) determine the principal amount of such Term Bonds 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 Bonds or portions of the Term Bonds of such maturity to be mandatorily redeemed on such Mandatory Redemption Date, and (iii) give notice of such redemption as provided in the Bond Resolutions. The principal amount of the Term Bonds to be mandatorily redeemed on 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 Paying Agent/Registrar or optionally redeemed and which, in either case, has not previously been made the basis for a reduction under this sentence.

Registration, Transfer and Exchange

In the event the Book-Entry-Only System (hereinafter defined) should be discontinued, the Bonds may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender thereof to the Paying Agent/Registrar or its corporate trust office and such transfer or exchange shall be without expenses or service charge to the Registered Owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. A Bond may be assigned by the execution of an assignment form on the Bond or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. A new Bond or Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bonds being transferred or exchanged, at the principal payment office of the Paying Agent/Registrar, or sent by the United States mail, first class, postage prepaid, to the new Registered Owner or his designee. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the Registered Owner or assignee of the Registered Owner in not more than three business days after the receipt of the Bonds to be cancelled, and the written instrument of transfer or request for exchange duly executed by the Registered Owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in an exchange or transfer shall be in any integral multiple of $5,000 for any one maturity and for a like aggregate principal amount as the Bond or Bonds surrendered for exchange or transfer. See “BOOK-ENTRY-ONLY SYSTEM” herein defined for a description of the system to be utilized initially in regard to ownership and transferability of the Bonds.

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, or on receipt of satisfactory evidence of such destruction, loss or theft, and receipt by the District and Paying Agent/Registrar of security or indemnity to hold them harmless. Upon the issuance of a new bond the District may require payment of taxes, governmental charges and other expenses (including the fees and expenses of the Paying Agent/Registrar), bond printing and legal fees in connection with any such replacement.

Replacement of Paying Agent/Registrar

The Board has selected Regions Bank, an Alabama banking corporation, Houston, Texas, as the initial Paying Agent/Registrar. The initial designated payment office for the Bonds is located in Houston, Texas.

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

Source of Payment

The Bonds of each series are payable from the proceeds of separate ad valorem taxes, each without legal limitation as to rate or amount, levied against all taxable property located within the District. Bonds issued for System purposes and for road improvement purposes are each supported by a separate unlimited tax levied by the District.

In the Series 2021 Bond Resolution, the District covenants to levy a sufficient tax to pay principal of and interest on the Series 2021 Bonds, with full allowance being made for delinquencies, costs of collections, Paying Agent/Registrar fees, and fees of the Fort Bend Central Appraisal District (the "FBCAD"). Tax proceeds, after deduction for collection costs, will be placed in a debt service fund for the System (the "System Debt Service Fund") and used solely to pay principal of and interest on the Series 2021 Bonds, the Outstanding Bonds issued for the System, any additional bonds payable from taxes which may be issued for the System, and fees of the Paying Agent/Registrar. Amounts on deposit in the System Debt Service Fund may not be used to pay debt service on bonds issued by the District for road improvements, including the Series 2021A Bonds.

In the Series 2021A Bond Resolution, the District covenants to levy a sufficient tax to pay principal of and interest on the Series 2021A Bonds, with full allowance being made for delinquencies, costs of collections, Paying Agent/Registrar fees, and fees of the FBCAD. Tax proceeds, after deduction for collection costs, will be placed in a debt service fund for road improvements (the "Road Debt Service Fund") and used solely to pay principal of and interest on the Series 2021A Bonds, the Outstanding Bonds issued for road purposes, any additional bonds payable from taxes which may be issued for road purposes, and fees of the Paying Agent/Registrar. Amounts on deposit in the Road Debt Service Fund may not be used to pay debt service on bonds issued by the District for the System, including the Series 2021 Bonds.

The Bonds are obligations of the District and are not the obligations of the State of Texas; the City of Houston, Texas; Fort Bend County, Texas; or any other political subdivision or any entity other than the District.

Outstanding Bonds

The District has previously issued two (2) series of unlimited tax bonds for System purposes and two (2) series of unlimited tax bonds for road purposes. Of such series of bonds, $17,815,000 principal amount remains outstanding as of December 1, 2021 (the "Outstanding Bonds").

Funds

The Bond Resolutions confirm the District's System Debt Service Fund and the Road Debt Service Fund. Accrued interest on the Series 2021 Bonds will be deposited into the System Debt Service Fund and accrued interest on the Series 2021A Bonds will be deposited into the Road Debt Service Fund. The System Debt Service Fund and the Road Debt Service Fund, which constitute a trust fund for the benefit of the owners of each series of Bonds, the Outstanding Bonds, and any additional tax bonds issued by the District, are to be kept separate from all other funds of the District, and is to be used for payment of debt service on the each of the respective Bonds, and any of the District's duly authorized additional bonds payable in whole or part from taxes. Amounts on deposit in the System Debt Service Fund may also be used to pay the fees and expenses of the Paying Agent/Registrar, to defray the expenses of assessed and collecting taxes levied for payment of interest on and principal of the Series 2021 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. In addition, amounts on deposit in the Road Debt Service Fund may also be used to pay the fees and expenses of the Paying Agent/Registrar, to defray the expenses of assessed and collecting taxes levied for payment of interest on and principal of the Series 2021A 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.

The proceeds from all taxes levied and collected for payment of debt service on bonds issued by the District for the Utility System, including the Utility Bonds, and any additional bonds issued by the District for the Utility System will also be deposited into the System Debt Service Fund. Funds in the System Debt Service Fund are available only to pay debt service on the bonds issued by the District for the Utility System, including the Utility Bonds, and any additional bonds issued by the District for the Utility System and are not available to pay debt service on the bonds issued by the District for the Road System (herein defined), including the Road Bonds, or any additional bonds issued by the District for the Road System.

The Road Bond Resolution confirms the District's debt service fund for payment of debt service on the Road Bonds and any other bonds issued by the District for the purpose of acquiring or constructing the Road System, or for the purpose of refunding such bonds (the "Road System Debt Service Fund"). The Road System Debt Service Fund, which constitutes a trust fund for the benefit of the owners of the bonds issued by the District for the Road System, including the Road Bonds, and any additional bonds issued by the District for the Road System, is to be kept separate from all other funds of the District and is to be used only for payment of such bonds. Amounts on deposit in the Road System Debt Service Fund may also be used for the following, to the extent applicable to the bonds issued by the District for the Road System, including the Road Bonds, and any additional bonds issued by the District for the Road System: to pay the fees and expenses of the Paying Agent/Registrar, to defray the expenses of assessing and collecting taxes levied for payment of principal of and interest on bonds, and to pay any tax anticipation notes issued, together with interest thereon, as such tax anticipation notes become due.

The proceeds from all taxes levied and collected for payment of debt service on bonds issued by the District for the Road System, including the Road Bonds, and any additional bonds issued by the District for the Road System will also be deposited into the Road System Debt Service Fund. Funds in the Road System Debt Service Fund are available only to pay debt service on the bonds issued by the District for the Road System, including the Road Bonds, and any additional bonds issued by the District for the Road System and are not available to pay debt service on the bonds issued by the District for the Utility System, including the Utility Bonds, or any additional bonds issued by the District for the Utility System.

Payment Record

The District has never defaulted on the timely payment of principal or interest on its outstanding indebtedness.

Authority for Issuance

The Series 2021 Bonds constitute the third series of unlimited tax bonds issued by the District for the purpose of acquiring or constructing a waterworks, wastewater and storm drainage system (the "System") to serve the District and the Series 2021A Bonds represent the third series of bonds issued by the District for the purposes of acquiring or constructing roads in the District. Voters in the District have authorized a total of $131,630,200 principal amount of bonds for the System (and for refunding such bonds) and $70,708,000 principal amount of unlimited tax bonds for roads (and for refunding such bonds). Voters in the District have also authorized the District's issuance of a total of $19,500,000 principal amount of unlimited tax bonds for parks and recreational facilities (and for the refunding such bonds).

The Series 2021 Bonds are issued pursuant to Article XVI, Section 59 of the Texas Constitution and the general laws of the State of Texas, including Chapters 49 and 54 of the Texas Water Code, as amended, the Series 2021 Bond Resolution, an election held in the District on May 6, 2017, and an approving order of the TCEQ.

The Series 2021A Bonds are issued pursuant to Article III, Section 52 of the Texas Constitution and the general laws of the State of Texas, including Chapters 49 and 54 of the Texas Water Code, as amended, the Series 2021A Bond Resolution, and an election held in the District on May 6, 2017.

Issuance of Additional Debt

The District may issue additional bonds. Following the issuance of the Bonds, $110,835,200 principal amount of unlimited tax bonds for the System, $60,778,000 principal amount of unlimited tax bonds for roads, and $19,500,000 principal amount of unlimited tax bonds for parks and recreational facilities will remain authorized and unissued.

Based on present engineering cost estimates and on development plans supplied by the Developer, in the opinion of the District's consulting engineer, Jones & Carter, Inc. (the "Engineer"), following the issuance of the Bonds, the District will have adequate authorized but unissued bonds to repay the Developer the remaining amounts owed for the existing utility facilities, and to finance the extension of water, wastewater and storm drainage facilities and services to serve the remaining undeveloped land within the District. See "DEVELOPMENT WITHIN THE DISTRICT," "THE SYSTEM," and "RISK FACTORS – Future Debt."

Remedies in Event of Default

If the District defaults in the payment of principal, interest, or redemption price on the Bonds when due, or if it fails to make payments into any fund or funds created in the Bond Resolutions, or defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Bond Resolutions, the Registered Owners have the statutory right of a writ of mandamus issued by a court of competent jurisdiction requiring the District and its officials to observe and perform the covenants, obligations, or conditions prescribed in the Bond Resolutions. Except for mandamus, the Bond Resolutions do not specifically provide for remedies to protect and enforce the interests of the Registered Owners. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Further, there is no trust indenture or trustee, and all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the Registered Owners. Statutory language authorizing local governments such as the District to sue and be sued does not waive the local government's sovereign immunity from suits for money damages. In the absence of other waivers of such immunity by the Texas Legislature, a default by the District in its covenants in the Bond Resolutions may not be reduced to a judgment for money damages. If such a judgment against the District were obtained, it could not be enforced by direct levy and execution against the District's property. Further, the Registered Owners cannot themselves foreclose on property within the District or sell property within the District to enforce the tax lien on taxable property to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the Registered Owners may further be limited by a State of Texas statute reasonably required to attain an important public purpose or by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions, such as the District.

Legal Investment and Eligibility to Secure Public Funds in Texas

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

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

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

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

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

Annexation

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City of Houston, the District must conform to a City of Houston consent ordinance. Generally, the District may be annexed by the City of Houston without the District's consent, and the City cannot annex territory within the District unless it annexes the entire District. However, the City may not annex the District unless (i) such annexation has been approved by a majority of those voting in an election held for that purpose within the area to be annexed, and (ii) if the registered voters in the area to be annexed do not own more than 50 percent of the land in the area, a petition has been signed by more than 50 percent of the landowners consenting to the annexation.

If the District is annexed, the City of Houston will assume the District's assets and obligations (including the Bonds) and dissolve the District. Annexation of territory by the City of Houston is a policy-making matter within the discretion of the Mayor and City Council of the City of Houston, and therefore, the District makes no representation that the City of Houston will ever annex the District and assume its debt. Moreover, no representation is made concerning the ability of the City of Houston to make debt service payments should annexation occur.

Consolidation

Under Texas law, the District may be consolidated with other municipal utility districts, with the assets and liabilities of the consolidated districts belonging to the consolidated district. No representation is made that the District will ever consolidate with one or more other districts, although no consolidation is presently contemplated by the District.

No Arbitrage

The District will certify as of the date the Bonds are delivered and paid for that, based upon all facts and estimates then 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 in the Bond Resolutions 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 that the Bonds shall not become "arbitrage bonds" under the Code and the regulations prescribed from time to time thereunder.

Defeasance

The Bond Resolutions provide 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 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 non-callable obligations of the United States of America, (b) non-callable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the District adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (c) non-callable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the District adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, 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.

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 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 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 fully-registered Bond certificate will be issued for each series of the Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

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 rating of AA+ from S&P Global Ratings. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual 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 system for the Bonds is discontinued.

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

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

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

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 the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend 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 Agent, 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, Agent, or District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of District or Agent, 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.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to Tender/Remarketing Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records to Tender/Remarketing Agent. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to Tender/Remarketing Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to District or Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered. District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC. The information in the section concerning DTC and DTC's book-entry system has been obtained from sources that 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 system, and (ii) except as described above, notices that are to be given to Registered Owners under the Bond Resolutions will be given only to DTC.

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USE AND DISTRIBUTION OF PROCEEDS OF SERIES 2021 BONDS

Proceeds from the Series 2021 Bonds will be used to reimburse the Developer for the project costs listed below. Additionally, proceeds from the Series 2021 Bonds will be used to pay developer interest, costs of issuance of the Series 2021 Bonds, and those other non-construction costs provided below.

CONSTRUCTION COSTS		**Amount**
A. Constructions Costs		
1.	Grand Vista Lakes Section 2 – W,WW, & D	$ 310,811
2.	Grand Vista Lakes Section 3 – W,WW, & D	1,427,584
3.	Lakeview Retreat Section 1 – W,WW, & D	353,400
4.	Lakeview Retreat – Detention Phase 3	927,757
5.	Lakeview Retreat – Detention Phase 4	1,449,079
6.	Lakeview Retreat – Clearing & Grubbing Phase 2	472,760
7.	Lakeview Retreat – Clearing & Grubbing Phase 3	326,552
8.	Engineering (Items 1-7)	807,496
	Total Construction Costs	$ 6,075,439
B. District Items		
1.	Land Costs – Remainder Basin 2 & 3, & Eastern Drainage Channel	$ 1,935,573
	Total District Items	$ 1,935,573
	Total Construction Costs	$ 8,011,012
NON-CONSTRUCTION COSTS		
A.	Legal Fees	$ 233,100
B.	Fiscal Agent Fees	193,100
C.	Developer Interest	802,897
D.	Bond Discount	288,228
E.	Bond Issuance Expenses	41,603
F.	Bond Application Report Costs	50,000
G.	Attorney General Fee	9,500
H.	TCEQ Bond Issuance Fee	24,138
I.	Contingency (a)	1,422
	Total Non-Construction Costs	$ 1,643,988
TOTAL BOND ISSUE REQUIREMENT		**$9,655,000**

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

In the instance that approved estimated amounts exceed actual costs, the difference comprises a surplus which may be expended for uses approved by the TCEQ. In the instance that actual costs exceed previously approved estimated amounts and contingencies, additional TCEQ approval and the issuance of additional bonds may be required.

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USE AND DISTRIBUTION OF PROCEEDS OF SERIES 2021A BONDS

Proceeds from the sale of the Series 2021A Bonds will be used to pay developer interest, costs of issuance of the Series 2021A Bonds, and those other non-construction costs provided below.

CONSTRUCTION COSTS	**Amount**
A. Developer Contribution Items	
1. Paving Facilities in Bellaire Blvd. Street Dedication Sec. 2	$ 872,887
2. Paving Facilities in Grand Vista Lakes Section 2	545,465
3. Right Turn Lane on FM 1093 Eastbound Frontage Road	372,817
4. Paving Facilities in Lakeview Retreat Section 1	125,450
5. Contingency (2% of Item 1)	71,251
6. Engineering (Items 1-3)	244,474
Total Developer Contribution Items	$ 2,232,344
B. District Contribution Items	
1. Harlem Road within Lakeview Retreat Sec. 8	$ 25,379
2. Harlem Road within Lakeview Retreat Sec. 12	426
3. ROW within Grand Vista Lakes Sec. 2	264,778
Total District Contribution Items	$ 290,583
Total Construction Costs	$ 2,522,927
NON-CONSTRUCTION COSTS	
A. Legal Fees	$ 88,350
B. Fiscal Agent Fees	58,900
C. Developer Interest	127,494
D. Bond Discount	88,305
E. Bond Issuance Expenses	41,034
F. Engineering Report	15,000
G. Attorney General Fee	2,945
H. Contingency (a)	45
Total Non-Construction Costs	$ 422,073
TOTAL BOND ISSUE REQUIREMENT	**$ 2,945,000**

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

The construction costs described above were compiled by the Engineer (hereinafter defined), based, in some cases, on the estimated costs of facilities. Non-construction costs are based upon either contract amounts or estimates. In the instance that estimated amounts exceed the actual costs, the difference comprises a surplus which may be expended for roads or improvements in aid thereof. However, the District cannot and does not guarantee the sufficiency of such bonds for such purposes.

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PHOTOGRAPHS TAKEN WITHIN THE DISTRICT

(November 2021)

PHOTOGRAPHS TAKEN WITHIN THE DISTRICT

(November 2021)

THE DISTRICT

General

The District is a political subdivision of the State of Texas, operating as a municipal utility district pursuant to Article XVI, Section 59 of the Texas Constitution. The District is vested with all the rights, privileges, authority and functions conferred by the laws of the State of Texas applicable to municipal utility districts, including without limitation those conferred by Chapters 49 and 54, Texas Water Code, as amended and Chapter 8233, Special District Local Laws Code. The District is empowered 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, among other things. The District may also provide solid waste collection and disposal service and operate, maintain and construct recreational facilities. The District does not operate and/or maintain a fire department. The District is subject to the continuing supervision of the TCEQ.

Location

The District is located entirely within Fort Bend County, Texas, approximately 20 miles west of the central business district of the City of Houston, Texas. The District is bounded on the west by Harlem Road, on the north by Westpark Tollway, on the south by Fort Bend County Municipal Utility District No. 30, and on the east by Big Oaks Municipal Utility District. The District is located entirely within the extraterritorial jurisdiction ("ETJ") of the City of Houston, Texas. See "APPENDIX B – AERIAL OF THE DISTRICT."

Management of the District

- Board of Directors -

The District is governed by a Board, consisting of five directors, which has control over and management and supervision of all affairs of the District. Directors serve staggered, four-year terms, with elections held within the District on the first Saturday in May in each even numbered year. All of the directors own property in the District subject to a promissory note in favor of the Developer and secured by a deed of trust.

Name	Position	Term Expires May
Randy Young	President	2022
Tracy Youngblood	Vice President	2022
Ronald D. Petersen	Assistant Vice President	2022
Glen Vinklarek	Secretary	2024
Shannon M. Frederick	Assistant Secretary	2024

- Consultants -

Tax Assessor/Collector: Land and improvements in the District are appraised by the Fort Bend Central Appraisal District ("FBCAD"). The Tax Assessor/Collector for the District is Assessments of the Southwest, Inc.

Bookkeeper: The District contracts with Myrtle Cruz, Inc. as bookkeeper for the District.

Engineer: The District's consulting engineer is Jones & Carter, Inc.

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. A copy of the District's audit prepared by McGrath & Co., PLLC for the fiscal year ended June 30, 2021, is included as "APPENDIX A" to this Official Statement.

Financial Advisor: Robert W. Baird & Co. Incorporated, serves as the District's financial advisor (the "Financial Advisor"). The fee for services rendered in connection with the issuance of the Bonds is based on the percentage of the Bonds actually issued, sold and delivered and, therefore, such fee is contingent upon the sale and delivery of the Bonds. The Financial Advisor is employed by the District and 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 that has been supplied or provided by third-parties. See "OFFICIAL STATEMENT – Experts."

Bond & General Counsel: The District has engaged Allen Boone Humphries Robinson LLP, Houston, Texas, as Bond Counsel in connection with the issuance of the District's Bonds. The fees of Bond Counsel are contingent upon the sale of and delivery of the Bonds. Allen Boone Humphries Robinson LLP, Houston, Texas, also serves as the District's general counsel.

Disclosure Counsel: The District has engaged McCall, Parkhurst & Horton L.L.P., Houston, Texas, as Disclosure Counsel. The fees of Disclosure Counsel in connection with the issuance of the Bonds are contingent upon the sale and delivery of the Bonds.

THE DEVELOPER

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

Description of the Developer and Principal Landowner

The developer of land within the District is D.R. Horton-Texas, Ltd., a Texas limited partnership ("DR Horton"), which is controlled by D.R. Horton Inc. ("DHI"), a Delaware corporation and a publicly traded corporation. DR Horton is referred to herein as the "Developer," and currently owns the remaining undeveloped but developable acres within the District and 9 vacant developed lots within the District.

D.R. Horton, Inc. is a publicly traded corporation whose stock is listed on the New York Stock Exchange as "DHI". Audited financial statements for D.R. Horton, Inc. can be found online at https://investor.drhorton.com. D.R. Horton, Inc. is subject to the information requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith files reports and other information with the SEC. Reports, proxy statements and other information filed by D.R. Horton, Inc. can be inspected at the office of the SEC at Judiciary Plaza, Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such material can be obtained from the Public Reference Section of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. Copies of the above reports, proxy statements and other information may also be inspected at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005. The SEC maintains a website at http://www.sec.gov that contains reports, proxy information statements and other information regarding registrants that file electronically with the SEC.

DEVELOPMENT WITHIN THE DISTRICT

Current Status of Development

Approximately 279.03 acres (1,128 lots) within the District have been developed as the single-family residential subdivisions of Grand Vista Lakes, Sections 2 and 3, and Lakeview Retreat, Sections 1, 2, 3, 4, 5, 6, 7, 8 and 9. As of October 1, 2021, single-family residential development in the District included: approximately 1,106 completed homes (approximately 1,061 occupied, approximately 43 unoccupied, and 2 model homes); approximately 13 homes under construction; and approximately 9 vacant developed lots. The District also includes trails and a recreational center including a pool, a picnic pavilion, and a playground. Additionally, the District contains D.R. Horton's Houston South corporate headquarters on approximately 6.5 acres fronting the Westpark Tollway. Additionally, approximately 58.5 acres (255 lots) within the District are currently being developed as the single-family residential subdivisions of Lakeview Retreat, Sections 10, 11 and 12. The remaining land within the District is comprised of approximately 25.18 developed acres as Grand Vista Lakes Boulevard, 17.39 undeveloped but developable acres and 50.71 undevelopable acres.

				Homes		
Section	Type of Development	Acreage	No. of Lots	Complete	Under Construction	Vacant Lots
Grand Vista Lakes Section 2	Single Family	20.87	79	79	0	0
Grand Vista Lakes Section 3	Single Family	34.00	130	122	0	8
Subtotal		54.87	209	201	0	8
Lakeview Retreat Section 1	Single Family	23.14	49	49	0	0
Lakeview Retreat Section 2	Single Family	39.18	139	139	0	0
Lakeview Retreat Section 3	Single Family	34.95	115	115	0	0
Lakeview Retreat Section 4	Single Family	22.60	118	117	0	1
Lakeview Retreat Section 5	Single Family	28.61	129	129	0	0
Lakeview Retreat Section 6	Single Family	29.04	155	155	0	0
Lakeview Retreat Section 7	Single Family	20.04	112	112	0	0
Lakeview Retreat Section 8	Single Family	24.90	95	89	6	0
Lakeview Retreat Section 9	Single Family	1.70	7	0	7	0
Subtotal		224.16	919	905	13	9
Total		279.03	1,128	1,106	13	9

D.R. Horton Houston South	6.50
Grand Vista Lakes Boulevard	25.18
Under Construction	58.5
Undevelopable	50.71
Remaining Developable	17.39
Total District Acreage	437.31

Homebuilder

Homebuilding began in the District in 2017. The only active homebuilder within the District is D.R. Horton. New homes being constructed in the District range in price from approximately $297,990 to $317,990 and range in size from approximately 1,297 square feet to 2,336 square feet.

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DEBT SERVICE REQUIREMENTS

The following schedule sets forth the annual principal and interest requirements of the Outstanding Bonds, and the principal and interest requirements of the Bonds. Totals may not sum due to rounding.

Calendar	Outstanding	Series 2021 Bonds			Series 2021A Bonds			Total
Year	Debt Service	Principal	Interest	Debt Service	Principal	Interest	Debt Service	Debt Service
2022	$ 991,431	-	$ 198,966	$ 198,966	-	$ 67,552	$ 67,552	$ 1,257,948
2023	993,031	$ 290,000	265,288	555,288	$ 90,000	90,069	180,069	1,728,388
2024	978,506	295,000	252,238	547,238	90,000	85,906	175,906	1,701,650
2025	978,531	305,000	238,963	543,963	95,000	81,744	176,744	1,699,238
2026	968,681	315,000	225,238	540,238	95,000	77,350	172,350	1,681,269
2027	971,156	325,000	211,063	536,063	100,000	72,956	172,956	1,680,175
2028	970,919	330,000	198,063	528,063	100,000	68,331	168,331	1,667,313
2029	978,319	340,000	191,463	531,463	105,000	64,206	169,206	1,678,988
2030	990,319	350,000	184,663	534,663	105,000	60,006	165,006	1,689,988
2031	996,819	360,000	177,663	537,663	110,000	56,856	166,856	1,701,338
2032	1,007,919	370,000	170,463	540,463	115,000	53,556	168,556	1,716,938
2033	1,013,519	380,000	163,063	543,063	115,000	50,106	165,106	1,721,688
2034	1,023,131	390,000	155,463	545,463	120,000	46,656	166,656	1,735,250
2035	1,031,619	400,000	146,688	546,688	120,000	43,056	163,056	1,741,363
2036	1,038,944	410,000	137,188	547,188	125,000	39,456	164,456	1,750,588
2037	1,045,019	425,000	127,450	552,450	130,000	35,706	165,706	1,763,175
2038	1,050,519	435,000	116,825	551,825	130,000	31,806	161,806	1,764,150
2039	1,064,338	445,000	105,950	550,950	135,000	27,906	162,906	1,778,194
2040	1,072,313	460,000	94,825	554,825	140,000	23,856	163,856	1,790,994
2041	1,073,388	470,000	83,325	553,325	145,000	19,656	164,656	1,791,369
2042	1,077,250	485,000	70,400	555,400	150,000	16,575	166,575	1,799,225
2043	1,085,288	500,000	57,063	557,063	150,000	13,388	163,388	1,805,738
2044	1,092,350	510,000	43,313	553,313	155,000	10,200	165,200	1,810,863
2045	383,438	525,000	29,288	554,288	160,000	6,906	166,906	1,104,631
2046	-	540,000	14,850	554,850	165,000	3,506	168,506	723,356
Total	$23,876,744	$9,655,000	$3,659,753	$13,314,753	$2,945,000	$1,147,314	$4,092,314	$41,283,811

Average Annual Debt Service Requirement (2022–2047) $1,651,352

Maximum Annual Debt Service Requirement (2044) $1,810,863

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DISTRICT FINANCIAL DATA

2021 Taxable Assessed Valuation	$	220,231,573	(a)
Estimated Valuation as of July 15, 2021	$	253,450,695	(b)
Direct Debt:			
The Outstanding Bonds	$	17,815,000	
The Series 2021 Bonds	$	9,655,000	
The Series 2021A Bonds	$	2,945,000	
Total	$	30,415,000	
Estimated Overlapping Debt	$	8,221,028	(c)
Total Direct and Estimated Overlapping Debt	$	38,636,028	(c)
Direct Debt Ratios:			
As a percentage of 2021 Taxable Assessed Valuation		13.81	%
As a percentage of Estimated Taxable Valuation as of July 15, 2021		12.00	%
Direct and Estimated Overlapping Debt Ratios:			
As a percentage of 2021 Taxable Assessed Valuation		17.56	%
As a percentage of Estimated Taxable Valuation as of July 15, 2021		15.25	%
System Debt Service Fund Balance (as of November 9, 2021)	$	305,029	(d)
Road Debt Service Fund (as of November 9, 2021)	$	238,317	(e)
Construction Fund Balance (as of November 9, 2021)	$	105,139	
Operating Fund Balance (as of November 9, 2021)	$	1,170,611	
2021 Tax Rate			
System Debt Service		$0.56	
Road Debt Service		$0.23	
Maintenance & Operation		$0.53	
Total		$1.32	(f)

(a) Represents the taxable assessed value of all taxable property within the District as of January 1, 2021, provided by the Fort Bend Central Appraisal District ("FBCAD"). This amount includes $3,362,654 of uncertified value, which represents 99% of the total uncertified value provided by FBCAD which is the estimated minimum amount of uncertified value that will ultimately be certified. See "TAX DATA" and "TAXING PROCEDURES."

(b) Provided by FBCAD for informational purposes only, this amount is an estimate of the value of all taxable property located within the District as of July 15, 2021, and includes an estimate of values resulting from the construction of taxable improvements from January 1, 2021, through July 15, 2021. No taxes will be levied against this amount. See "TAX DATA," "TAXING PROCEDURES," and "DEVELOPMENT WITHIN THE DISTRICT."

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

(d) Neither Texas law nor the Series 2021 Bond Resolution requires that the District maintain any particular sum in the System Debt Service Fund. Funds in the System Debt Service Fund are not available to pay debt service on bonds issued by the District for roads (including the Series 2021A Bonds).

(e) Neither Texas law nor the Series 2021A Bond Resolution requires that the District maintain any particular sum in Road Debt Service Fund. Funds in Road Debt Service Fund are not available to pay debt service on bonds issued by the District for the System (including the Series 2021 Bonds).

(f) See "TAX DATA – Tax Rate Calculations".

DISTRICT FINANCIAL DATA

(CONTINUED)

Average Annual Debt Service Requirement (2022–2046)	$	1,651,352	(a)
Maximum Annual Debt Service Requirement (2044)	$	1,810,863	(a)

Debt Service Tax Rate per $100 of Taxable Value Required to Pay Average Annual Debt Service Requirements on the Outstanding Bonds and the Bonds (2022–2046) at 95% Tax Collections

Based on 2021 Taxable Assessed Valuation	$0.79
Based on Estimated Taxable Valuation as of July 15, 2021	$0.69

Debt Service Tax Rate per $100 of Taxable Value Required to Pay Maximum Annual Debt Service Requirements on the Outstanding Bonds and the Bonds (2044) at 95% Tax Collections

Based on 2021 Taxable Assessed Valuation	$0.87
Based on Estimated Taxable Valuation as of July 15, 2021	$0.76

(a) Requirement of debt service on the Outstanding Bonds and the Bonds. See "DEBT SERVICE REQUIREMENTS."

Unlimited Tax Bonds Authorized but Unissued

Date Authorization	Purpose	Authorized	Issued to Date	Unissued
5/6/17	Water, Sewer & Drainage & Refunding	$131,630,200	$20,795,000 (a)	$110,835,200
5/6/17	Roads & Refunding	70,708,000	9,930,000 (b)	60,778,000
5/6/17	Parks & Recreational Facilities & Refunding	19,500,000	-	19,500,000

(a) Includes the Series 2021 Bonds.
(b) Includes the Series 2021A Bonds.

Investment Authority and Investment Practices of the District

The District has adopted an Investment 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 Investment Policy. The Investment 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 ("FDIC") 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.

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 several sources, including information contained in the "Texas Municipal Reports," published by the Municipal Advisory Council of Texas. Except for the amount relating to the District, the District has not independently verified the accuracy or completeness of such information, and no person is entitled to rely upon 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 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 of debt service, and the tax burden for operation, maintenance and/or general purposes is not included in these figures.

Taxing Jurisdiction	Outstanding Debt September 30, 2021	Overlapping Percent	Overlapping Amount
Fort Bend County	$ 632,206,234	0.27%	$ 1,719,514
Fort Bend County Drainage District	25,405,000	0.27%	69,565
Fort Bend County ISD	1,402,803,767	0.46%	6,458,209
Total Estimated Overlapping Debt			$ 8,247,289
Direct Debt (a)			$30,415,000
Total Direct & Estimated Overlapping Debt (a)			$38,662,289

Debt Ratios

Valuation	Direct Debt (a)	Direct and Estimated Overlapping Debt (a)
2021 Taxable Assessed Valuation ($220,231,573)	13.81%	17.56%
Estimated Valuation as of July 15, 2021 ($253,450,695)	12.00%	15.25%

(a) Includes the Outstanding Bonds, Series 2021 Bonds and the Series 2021A Bonds.

TAX DATA

General

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 (and any future tax-supported bonds which may be issued from time to time as authorized). Taxes are levied by the District each year against the District's assessed valuation as of January 1 of that year. Taxes become due October 1 of such year, or when billed, and generally become delinquent after January 31 of the following year. The Board covenants in the Bond Resolutions 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. The actual rate of such tax will be determined from year to year as a function of the District's tax base, its debt service requirements and available funds. In addition, the District has the power and authority to assess, levy and collect ad valorem taxes, in an amount not to exceed $1.50 per $100 of assessed valuation, for operation and maintenance purposes. The Board levied a 2021 tax rate of $0.53 per $100 of assessed valuation for operation and maintenance purposes.

Tax Rate Limitation

Debt Service:	Unlimited (no legal limit as to rate or amount).
Road Debt Service:	Unlimited (no legal limit as to rate or amount).
Maintenance:	$1.50 per $100 Assessed Valuation.

Debt Service Tax

The District is authorized to levy separate taxes for payment of debt service on bonds issued by the District for the System and for payment of debt service on bonds issued for roads, both such taxes are unlimited as to rate or amount.

The Board covenants in the Series 2021 Bond Resolution to levy and assess, for each year that all or any part of the Series 2021 Bonds remain outstanding and unpaid, a tax adequate to provide funds to pay the principal of and interest on the Series 2021 Bonds.

The Board covenants in the Series 2021A Bond Resolution to levy and assess, for each year that all or any part of the Series 2021A Bonds remain outstanding and unpaid, a tax adequate to provide funds to pay the principal of and interest on the Series 2021A Bonds.

The District levied a debt service tax rate of $0.56 per $100 of assessed valuation for System purposes and a debt service tax rate of $0.23 per $100 of assessed valuation for road purposes for the 2021 tax year.

Maintenance and Operations 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 6, 2017, the Board was authorized to levy such a maintenance and operations tax in an amount not to exceed $1.50 per $100 of assessed valuation. The District levied a maintenance and operations tax for 2021 at the rate of $0.53 per $100 assessed valuation. Such tax is in addition to taxes which the District is authorized to levy for paying principal and interest on the District's bonds.

Tax Exemptions

As discussed in the section entitled "TAXING PROCEDURES" herein, certain property in the District may be exempt from taxation by the District. The District does not exempt any percentage of the market value of any residential homesteads from taxation.

Additional Penalties

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

Historical Tax Collections

The following table illustrates the collection history of the District for the 2017–2021 tax years:

Tax Year	Assessed Valuation	Tax Rate (a)	Adjusted Levy	Collections Current Year	Current Year Ended 9/30	Collections 09/30/21
2017	$ 7,016,549	$1.350	$ 94,723	99.79%	2018	100.00%
2018	15,318,235	1.350	206,796	100.00%	2019	100.00%
2019	69,322,230	1.350	935,850	99.58%	2020	99.99%
2020	133,990,987	1.350	1,808,878	99.46%	2021	99.46%
2021	216,868,919	1.320	2,862,670	(b)	2022	(b)

(a) Tax rate per $100 of taxable value. See "Tax Rate Distribution" below.
(b) In process of collections.

Tax Rate Distribution

	2021	2020	2019	2018	2017
System Debt Service	$0.56	$0.42	$0.42	$0.00	$0.00
Road Debt Service	0.23	0.27	0.27	0.00	0.00
Maintenance	0.53	0.67	0.66	1.35	1.35
	$1.32	$1.35	$1.35	$1.35	$1.35

Taxable Assessed Valuation Summary

The following represents the type of property comprising the District's value for tax years 2017–2021:

Type of Property	2021 Assessed Taxable Valuation (a)	2020 Assessed Taxable Valuation	2019 Assessed Taxable Valuation	2018 Assessed Taxable Valuation	2017 Assessed Taxable Valuation
Land	$ 40,105,800	$ 30,279,520	$ 23,944,170	$ 13,941,360	$ 9,303,960
Improvements	178,814,076	105,365,145	45,663,210	2,882,141	-
Personal Property	326,570	172,190	100,110	-	-
Exemptions	(2,377,527)	(1,825,868)	(385,260)	(1,505,266)	(2,287,411)
Total	$216,868,919	$133,990,987	$ 69,322,230	$ 15,318,235	$ 7,016,549

(a) This amount does not include $3,362,654 of uncertified value, which represents 99% of the total uncertified value provided by FBCAD which is the estimated minimum amount of uncertified value that will ultimately be certified.

Principal Taxpayers

The following represents the principal taxpayers, type of property, and assessed values as of January 1, 2021.

Taxpayer	Type of Property	2021 Assessed Valuation
DR Horton - Texas Ltd. (a)	Land & Improvements	$ 18,026,780
Westpark 220 Investments LLC	Land & Improvements	1,935,085
VP9 Realty LLC	Land & Improvements	1,384,530
Homeowner	Land & Improvements	458,190
Homeowner	Land & Improvements	369,280
Homeowner	Land & Improvements	357,640
Homeowner	Land & Improvements	355,180
Homeowner	Land & Improvements	354,070
Homeowner	Land & Improvements	348,430
Homeowner	Land & Improvements	345,510
Total		$ 22,7365,065
Principal Taxpayers Total as Percentage of District 2021 Valuation		10.87%

(a) See "THE DEVELOPER."

Tax Rate Calculations

The tax rate calculations set forth below are presented to indicate the tax rates per $100 of taxable assessed valuation that would be required to meet certain debt service requirements on the Outstanding Bonds and the Bonds if no growth in the District occurs beyond the taxable assessed valuation as of January 1, 2021 ($220,231,573) or the Estimated Taxable Valuation as of July 15, 2021 ($253,450,695). The following further assumes collection of 95% of taxes levied and the sale of no additional bonds:

Average Annual Debt Service Requirement (2022–2046)	$1,651,352	(a)
Tax Rate of $0.79 on the 2021 Taxable Assessed Valuation produces	$1,652,838	
Tax Rate of $0.69 on the Estimated Taxable Valuation as of July 15, 2021, produces	$1,661,369	
Maximum Annual Debt Service Requirement (2044)	$1,810,863	(a)
Tax Rate of $0.87 on the 2021 Taxable Assessed Valuation produces	$1,820,214	
Tax Rate of $0.76 on the Estimated Taxable Valuation as of July 15, 2021, produces	$1,829,914	

(a) See "DEBT SERVICE REQUIREMENTS."

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 FINANCIAL DATA – Estimated Direct and Overlapping Debt Statement"), certain taxing jurisdictions are authorized by Texas law to assess, levy and collect ad valorem taxes for operation, maintenance, administrative and/or general revenue purposes.

Set forth below is a compilation of all 2021 taxes levied by such jurisdictions per $100 of assessed valuation. Such levies do not include local assessments for community associations, fire department contributions, charges for solid waste disposal, or any other dues or charges made by entities other than political subdivisions.

Taxing Jurisdiction	**2021 Tax Rate**
The District	$1.320000
Fort Bend County	0.438300
Fort Bend County Drainage District	0.017331
Fort Bend ISD	1.210100
Harris - Fort Bend Emergency Services District No. 100	0.100000
Estimated Total Tax Rate	$3.085731

TAXING PROCEDURES

Authority to Levy Taxes

The Board is authorized to levy an annual ad valorem tax, without legal limitation as to rate or amount, on all taxable property within the District in an amount sufficient to pay the principal of and interest on the Series 2021 Bonds, the Outstanding Bonds issued for the System, and any additional bonds payable from taxes which the District may hereafter issue for the purpose of constructing the System and to pay the expenses of assessing and collecting such taxes. In the Series 2021 Bond Resolution, the District agrees to levy such a tax from year to year as described more fully above under "THE BONDS – Source of Payment". The Board is also 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 Series 2021A Bonds, the Outstanding Bonds issued for road improvements, and any additional bonds payable from taxes that the District may hereafter issue for the purpose of acquiring or constructing roads within the District and to pay the expenses of assessing and collecting such taxes. The District agrees in the Series 2021A Bond Resolution to levy such a tax from year-to-year as described more fully herein under "THE BONDS – Source of Payment." Under Texas law, the Board is also authorized to levy and collect an annual ad valorem tax for the operation and maintenance of the District for the payment of certain contractual obligations if authorized by its voters. See "TAX DATA – Tax Rate Limitation."

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

Property Subject to Taxation by the District

General: 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.

Residential Homestead Exemptions: The Property Tax Code authorizes the governing body of each political subdivision in the State of Texas to exempt up to twenty percent (20%) of the appraised value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption may be considered each year, but must be adopted before July 1. The District has never adopted a general homestead exemption.

Freeport Goods Exemption*:* A "Freeport Exemption" applies to goods, wares, ores, and merchandise other than oil, gas, and petroleum products (defined as liquid and gaseous materials immediately derived from refining petroleum or natural gas), and to aircraft or repair parts used by a certified air carrier acquired in or imported into Texas which are destined to be forwarded outside of Texas and which are detained in Texas for assembling, storing, manufacturing, processing or fabricating for less than 175 days. Although certain taxing units may take official action to tax such property in transit and negate such exemption, the District does not have such an option. A "Goods-in-Transit Exemption" is applicable to the same categories of tangible personal property which are covered by the Freeport Exemption, if, for tax year 2011 and prior applicable years, such property is acquired in or imported into Texas for assembling, storing, manufacturing, processing, or fabricating purposes and is subsequently forwarded to another location inside or outside of Texas not later than 175 days after acquisition or importation, and the location where said property is detained during that period is not directly or indirectly owned or under the control of the property owner. For tax year 2012 and subsequent years, such Goods-in-Transit Exemption includes tangible personal property acquired in or imported into Texas for storage purposes only if such property is stored under a contract of bailment by a public warehouse operator at one or more public warehouse facilities in Texas that are not in any way owned or controlled by the owner of such property for the account of the person who acquired or imported such property. A property owner who receives the Goods-in-Transit Exemption is not eligible to receive the Freeport Exemption for the same property. Local taxing units such as the District may, by official action and after public hearing, tax goods-in-transit property. A taxing unit must exercise its option to tax goods-in-transit property before July 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 the District, 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 ten (10) years, all or any part of any increase in the assessed valuation of property covered by the agreement over its assessed valuation in the year in which the agreement is executed on the condition that the property owner make specified improvements or repairs to the property in conformity with the terms of the tax abatement. Each taxing jurisdiction has discretion to determine terms for its tax abatement agreements without regard to the terms approved by the other taxing jurisdictions. At this time, Fort Bend County has not designated any 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 one hundred percent (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 percent annually regardless of the market value of the property.

The Property Tax Code permits land designated for agricultural use, open space or timberland to be appraised at its value based on the land's capacity to produce agricultural or timber products rather than at its 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 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 years for agricultural use, 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 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% physically damaged by a disaster and located within an area declared to be a disaster area by the governor of the State of Texas. This temporary exemption is automatic if the disaster is declared prior to a taxing unit, such as the District, adopting its tax rate for the tax year. A taxing unit, such as the District, may authorize the exemption at its discretion if the disaster is declared after the taxing unit has adopted its tax rate for the tax year. The amount of the exemption is based on the percentage of damage and is prorated based on the date of the disaster. Upon receipt of an application submitted within the eligible timeframe by a person who qualifies for a temporary exemption under the Property Tax Code, the Appraisal District is required to complete a damage assessment and assign a damage assessment rating to determine the amount of the exemption. The temporary exemption amounts established in the Property Tax Code range from 15% for property less than 30% damaged to 100% for property that is a total loss. Any such temporary exemption granted for disaster-damaged property expires on January 1 of the first year in which the property is reappraised.

District and Taxpayer Remedies

Under certain circumstances, taxpayers and taxing units (such as the District) may appeal the orders of the Appraisal Review Board by filing a timely petition of review in State district court. In such event, the value of the property in question will be determined by the court or by a jury if requested by any party. Additionally, taxing units may bring suit against the FBCAD 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 value, appraisals which are higher than renditions, and appraisals of property not previously on an appraisal roll.

Levy and Collection of Taxes

The District is responsible for the levy and collection of its taxes unless it elects to transfer such functions to another governmental entity. The rate of taxation is set by the Board of Directors, after the legally required notice has been given to owners of property within the District, based upon: a) the valuation of property within the District as of the preceding January 1, and b) the amount required to be raised for debt service, maintenance purposes and authorized contractual obligations. Taxes are due October 1, or when billed, whichever comes later, and become delinquent if not paid before February 1 of the year following the year in which imposed. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent and incurs an additional penalty for collection costs of an amount established by the District and a delinquent tax attorney. 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. 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 equal monthly installments and must extend for a period of at least 12 months and no more than 36 months. Additionally, the owner of a residential homestead property who is (i) sixty-five (65) years of age or older, (ii) disabled, or (iii) a disabled veteran, is entitled by law to pay current taxes on a residential homestead in installments without penalty or to defer the payment of taxes during the time of ownership. In the instance of tax deferral, a tax lien remains on the property and interest continues to accrue during the period of deferral.

Tax Payment Installments After Disaster

Certain qualified taxpayers, including owners of residential homesteads, located within a designated disaster area or emergency area and whose property has been damaged as a direct result of the disaster or emergency, are entitled to enter into a tax payment installment agreement with a taxing jurisdiction, such as the District, if the taxpayer pays at least 1/4th of the tax bill imposed on the property by the delinquency date. The remaining taxes may be paid without penalty or interest in three (3) equal installments within six (6) months of the delinquency date.

Additionally, the Property Tax Code authorizes a taxing jurisdiction, such as the District, solely at the jurisdiction's discretion to adopt a similar installment payment option for taxes imposed on property that is located within a designated disaster area or emergency area and is owned or leased by certain qualified business entities, regardless of whether the property has been damaged as a direct result of the disaster or emergency.

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

Special Taxing Units

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

Developed Districts

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

Developing Districts

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

The District

For the 2021 tax year, the District made the determination of its status as a Developing District. A determination as to the District's status as a Special Taxing Unit, Developed District or Developing District will be made by the Board of Directors on an annual basis. The District cannot give any assurances as to what its classification will be at any point in time or whether the District's future tax rates will result in a total tax rate that will reclassify the District into a new classification and new election calculation.

District's Rights in the Event of Tax Delinquencies

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

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

THE SYSTEM

General

The water, sewer and drainage facilities, the purchase, acquisition and construction of which will be financed by the District with the proceeds of the Outstanding Bonds and the Bonds, have been designed in accordance with accepted engineering practices and the requirements of certain governmental agencies having regulatory or supervisory jurisdiction over construction and operation of such facilities, including, among others, the TCEQ. According to the Engineer, the design of all such facilities has been approved by all governmental agencies, that have jurisdiction over the District.

Description of the System

- Water Supply Source and Facilities -

The District completed construction of Water Plant No. 1 Phase 1 and 2 in October 2019, and December 2020 respectively. The District receives its water from the North Fort Bend Water Authority ("NFBWA"). The NFBWA serves the District with 720,000 gallons per day ("gpd"). Additionally, the facilities include a 20,000-gallon pressure tank, a 10,000-gallon pressure tank, two (2) 375,000-gallon ground storage tanks, and four (4) 1,100 gallon per minute ("gpm") booster pumps. The District's water supply source and facilities is sufficient to serve 1,500 ESFCs.

- Wastewater Treatment and Conveyance System -

The District completed construction of a 0.2 million gallons per day ("MGD") Interim Wastewater Treatment Plant in June 2019 and a 0.4 MGD expansion in December 2020. The District's current wastewater treatment facilities are sufficient to serve 1,333 ESFCs.

- Stormwater and Drainage Improvements -

Stormwater runoff from the District flows from southwest to northeast. Stormwater is conveyed by overland flow and eventually flows into Long Point Slough. The drainage improvements that serve the District are curb and gutter roads, inlets, underground storm sewer, drainage channels and stormwater detention basins that convey and provide detention capacity for storm sewer runoff.

- Roads -

The roads within the District vary in width in accordance with standards adopted by Fort Bend County, but are sized to accommodate the anticipated traffic demands of full build-out of the property within the District.

100 Year Flood Plain

"Flood Insurance Rate Map" or "FIRM" means an official map of a community on which the Federal Emergency Management Agency (FEMA) has delineated the appropriate areas of flood hazards. The 1% chance of probable inundation, also known as the 100-year flood plain, is depicted on these maps. The "100-year flood plain" (or 1% chance of probable inundation) as shown on the FIRM is the estimated geographical area that would be flooded by a rainstorm of such intensity to statistically have a one percent chance of occurring in any given year. Generally speaking, homes must be built above the 100-year flood plain in order to meet local regulatory requirements and to be eligible for federal flood insurance. An engineering or regulatory determination that an area is above the 100-year flood plain is not an assurance that homes built in such area will not be flooded, and a number of neighborhoods in the greater Houston area that are above the 100-year flood plain have flooded multiple times in the last several years.

According to the FEMA Map Panel No. 48157C0130L dated April 2, 2014, approximately 4 acres within the District are located in the 100-year flood plain and are not considered to be developable.

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

LEGAL MATTERS

Legal Proceedings

Delivery of the Bonds will be accompanied by the approving legal opinion of the Attorney General of Texas to the effect that the Bonds are valid and legally binding obligations of the District under the Constitution and laws of the State of Texas payable from the proceeds of an annual ad valorem tax levied, without legal 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 tax purposes and interest on the Bonds is not subject to the alternative minimum tax on individuals.

Bond Counsel has reviewed the information appearing in this Official Statement under the caption "THE DISTRICT – General," "THE BONDS," "TAXING PROCEDURES," "LEGAL MATTERS – Legal Proceedings," "TAX MATTERS," and "CONTINUING DISCLOSURE OF INFORMATION," solely to determine whether such information fairly summarizes matters of law and the provisions of the documents referred to therein. Bond Counsel has not, however, independently verified any of the factual information contained in this Official Statement nor has it conducted an investigation of the affairs of the District or the Developer 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, Houston, Texas, 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 Material Adverse Change

The obligations of the Underwriters 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.

No-Litigation Certificate

The District will furnish the Underwriters a certificate, dated of the date of delivery of the Bonds, executed by both the President or Vice President and Secretary or Assistant Secretary of the Board, to the effect that no litigation of any nature has been filed or is to their knowledge then pending or threatened, either in state or federal courts, contesting or attaching the Bonds; restraining or enjoining the issuance, execution or delivery of the Bonds; affecting the provisions made for the payment of or security for the Bonds; in any manner questioning the authority or proceedings for the issuance, execution or delivery of the Bonds; or affecting the validity of the Bonds.

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 Bond Resolutions that is will comply with these requirements.

Bond Counsel's opinion will assume continuing compliance with the covenants of the Bond Resolutions 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 Underwriters with respect to matters solely within the knowledge of the District, the District's Financial Advisor and the Underwriters, respectively, which Bond Counsel has not independently verified. If the District should fail to comply with the covenants in the Bond Resolutions or if the foregoing representations 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 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 Bonds

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 Underwriters have 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 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.

NOT Qualified Tax-Exempt Obligations

The Bonds are not "qualified tax-exempt obligations" within the meaning of Section 265(b) of the Code.

CONTINUING DISCLOSURE OF INFORMATION

In the Bond Resolutions, the District has the following agreement for the benefit of the holders and beneficial owners of the Bonds. The District is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the District will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified material events, to certain information 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 the MSRB annually. The information to be updated with respect to the District includes all quantitative financial information and operating data of the general type included in this Official Statement under the headings "DISTRICT FINANCIAL DATA" (except under the subheading "– Estimated Direct and Overlapping Debt Statement"), "TAX DATA," and "APPENDIX A." The District will update and provide this information within six months after the end of each of its fiscal years ending in or after 2022.

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 the MSRB within such six month period, and audited financial statements when the audit report becomes available.

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

Event Notices

The District will provide timely notices of certain events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten business days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other 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" when used in this paragraph 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 Resolutions make 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 Resolutions 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 Underwriters 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 past five years, the District has complied in all material respects with prior continuing disclosure agreements in accordance with SEC Rule15c2-12.

OFFICIAL STATEMENT

Preparation

The information in this Official Statement has been obtained from sources as set forth herein under the following captions: "THE DISTRICT," "THE SYSTEM," and "APPENDIX B" – Jones & Carter, Inc. ("Engineer"); "THE DEVELOPER" and "DEVELOPMENT WITHIN THE DISTRICT" – the Developer, "DISTRICT FINANCIAL DATA – Estimated Direct and Overlapping Debt Statement," "TAX DATA" – Assessments by the Southwest, Inc., and "THE BONDS," "CONTINUING DISCLOSURE OF INFORMATION," "TAXING PROCEDURES," "LEGAL MATTERS" and "TAX MATTERS" – Allen Boone Humphries Robinson LLP.

The financial statements of the District as of June 30, 2021, and for the year then ended, included in this Official Statement, have been audited by McGrath & Co., PLLC, as stated in their report appearing herein. See "APPENDIX A" for the District's audited financial statements.

Experts

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

The Engineer: The information contained in the Official Statement relating to engineering matters and to the description of the System and, in particular, that information included in the sections entitled "THE DISTRICT," and "THE SYSTEM," has been provided by Jones & Carter, Inc., and has been included in reliance upon the authority of said firm as experts in the field of civil engineering.

Tax Assessor/Collector and Appraisal District: The information contained in the Official Statement relating to principal taxpayers and tax collection rates and the certified assessed valuation of property in the District and, in particular such information contained in the sections captioned "TAX DATA" has been provided by the Fort Bend County Tax Office and Assessments by the Southwest Inc., in reliance upon their authority as experts in appraising and tax assessing.

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 Underwriters, of any adverse event which causes the Official Statement to be materially misleading, and unless the Underwriters elect to terminate its obligation to purchase the Bonds, the District will promptly prepare and supply to the Underwriters an appropriate amendment or supplement to the Official Statement satisfactory to the Underwriters; 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 Underwriters, unless the Underwriters notifies the District 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.

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.

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 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 Fort Bend County Municipal Utility District No. 190, as of the date shown on the first page hereof.

/s/ Randy Young
President, Board of Directors
Fort Bend County Municipal Utility District No. 190

ATTEST:

/s/ Glen Vinklarek
Secretary, Board of Directors
Fort Bend County Municipal Utility District No. 190

APPENDIX A

FINANCIAL STATEMENTS OF THE DISTRICT

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 190

FORT BEND COUNTY, TEXAS

FINANCIAL REPORT

June 30, 2021

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McGRATH & CO., PLLC
Certified Public Accountants
2900 North Loop West, Suite 880
Houston, Texas 77092

Independent Auditor's Report

Board of Directors
Fort Bend County Municipal Utility District No. 190
Fort Bend County, Texas

We have audited the accompanying financial statements of the governmental activities and each major fund of Fort Bend County Municipal Utility District No. 190, as of and for the year ended June 30, 2021, 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.

Mark W. McGrath, CPA mark@mcgrath-co.com | Colette M. Garcia, CPA colette@mcgrath-co.com | Tayo Ilori, CPA, CFE tayo@mcgrath-co.com | Crystal V. Horn, CPA crystal@mcgrath-co.com

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 Fort Bend County Municipal Utility District No. 190, as of June 30, 2021, 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
October 12, 2021

Management's Discussion and Analysis

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Using this Annual Report

Within this section of the financial report of Fort Bend County Municipal Utility District No. 190 (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 June 30, 2021. This analysis should be read in conjunction with the independent auditor's 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 June 30, 2021, was negative $9,170,642. This amount is negative because the District incurs debt to construct public roads which it conveys to Fort Bend County. A comparative summary of the District's overall financial position, as of June 30, 2021 and 2020, is as follows:

	2021	2020
Current and other assets	$ 4,066,564	$ 1,742,831
Capital assets	37,325,314	28,809,901
Total assets	41,391,878	30,552,732
Current liabilities	1,235,835	326,750
Long-term liabilities	49,326,685	38,030,337
Total liabilities	50,562,520	38,357,087
Net position		
Net investment in capital assets	(4,063,617)	(2,856,921)
Restricted	1,155,324	648,726
Unrestricted	(6,262,349)	(5,596,160)
Total net position	$ (9,170,642)	$ (7,804,355)

The total net position of the District decreased during the current fiscal year by $1,366,287. A comparative summary of the District's *Statement of Activities* for the past two years is as follows:

	2021	2020
Revenues		
Property taxes, penalties and interest	$ 1,834,884	$ 944,988
Water and sewer service	644,901	490,921
Tap connection and inspection	726,850	487,738
Other	514,501	360,796
Total revenues	3,721,136	2,284,443
Expenses		
Current service operations	2,101,991	1,847,484
Debt interest and fees	446,007	277,588
Developer interest	212,105	390,042
Debt issuance costs	584,875	934,186
Depreciation/amortization	626,657	519,529
Total expenses	3,971,635	3,968,829
Change in net position before other item	(250,499)	(1,684,386)
Other items		
Capital contribution	557,160	
Transfers to other governments	(1,672,948)	(638,525)
Change in net position	(1,366,287)	(2,322,911)
Net position, beginning of year	(7,804,355)	(5,481,444)
Net position, end of year	$ (9,170,642)	$ (7,804,355)

Financial Analysis of the District's Funds

The District's combined fund balances, as of June 30, 2021, were $3,286,481, which consists of $1,753,344 in the General Fund, $1,145,435 in the Debt Service Fund, and $387,702 in the Capital Projects Fund.

General Fund

A comparative summary of the General Fund's financial position as of June 30, 2021 and 2020 is as follows:

	2021	2020
Total assets	$ 2,002,931	$ 768,340
Total liabilities	$ 242,086	$ 215,153
Total deferred inflows	7,501	5,290
Total fund balance	1,753,344	547,897
Total liabilities, deferred inflows and fund balance	$ 2,002,931	$ 768,340

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

	2021	2020
Total revenues	$ 2,794,541	$ 1,801,419
Total expenditures	(2,479,254)	(1,687,343)
Revenues over expenditures	315,287	114,076
Other changes in fund balance	890,160	
Net change in fund balance	$ 1,205,447	$ 114,076

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 and sewer 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. Property tax revenues increased from prior year because the District increased the maintenance and operations component of the levy and because assessed values increased from prior year.
- Water, sewer and Regional Water Authority fees are dependent upon customer usage, which fluctuates from year to year as a result of factors beyond the District's control.
- 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 June 30, 2021 and 2020 is as follows:

	2021	2020
Total assets	$ 1,155,324	$ 650,284
Total liabilities	$ -	$ 1,558
Total deferred inflows	9,889	7,153
Total fund balance	1,145,435	641,573
Total liabilities, deferred inflows and fund balance	$ 1,155,324	$ 650,284

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

	2021	2020
Total revenues	$ 920,709	$ 477,595
Total expenditures	(416,847)	(161,446)
Revenues over expenditures	503,862	316,149
Other changes in fund balance		325,424
Net change in fund balance	$ 503,862	$ 641,573

The District's financial resources in the Debt Service Fund in both the current year and prior year are from property tax revenues. During the previous fiscal year, financial resources also included capitalized interest from the sale of bonds. 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.

Capital Projects Fund

A comparative summary of the Capital Projects Fund's financial position as of June 30, 2021 and 2020 is as follows:

	2021	2020
Total assets	$ 908,309	$ 324,207
Total liabilities	$ 520,607	$ 3,904
Total fund balance	387,702	320,303
Total liabilities and fund balance	$ 908,309	$ 324,207

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

	2021	2020
Total revenues	$ 938	$ 527
Total expenditures	(6,636,930)	(6,286,468)
Revenues under expenditures	(6,635,992)	(6,285,941)
Other changes in fund balance	6,703,391	6,660,576
Net change in fund balance	$ 67,399	$ 374,635

The District has had considerable capital asset activity in the last two years, which was financed with proceeds from the issuance of its Series 2020 Unlimited Tax Bonds and Series 2020A Unlimited Tax Road Bonds in the current year and the sale of its Series 2019 Unlimited Tax Bonds and Series 2019A Unlimited Tax Road 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 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 $721,677 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 developers 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 June 30, 2021 and 2020 are summarized as follows:

	2021	2020
Capital assets not being depreciated		
Land and improvements	$ 12,800,503	$ 9,846,963
Construction in progress	1,347,194	
	14,147,697	9,846,963
Capital assets being depreciated/amortized		
Infrastructure	21,000,667	16,179,921
Landscaping improvements	2,670,668	2,650,078
Capacity charges	1,082,667	1,082,667
	24,754,002	19,912,666
Less accumulated depreciation/amortization		
Infrastructure	(1,069,060)	(602,379)
Landscaping improvements	(386,136)	(253,631)
Capacity charges	(121,189)	(93,718)
	(1,576,385)	(949,728)
Depreciable capital assets, net	23,177,617	18,962,938
Capital assets, net	$ 37,325,314	$ 28,809,901

Capital asset additions during the current year include the following:

- 0.4 MGD interim wastewater treatment plant
- Utilities to serve Lakeview Retreat - Section 6
- Utilities to serve Lakeview Retreat - Section 7
- Utilities to serve Lakeview Retreat - Section 8
- Lakeview Retreat detention, phase VI
- Water plant no. 1, phase 2
- Wastewater treatment plant access driveway
- Wastewater treatment plant landscaping

The District's construction in progress is for the construction of Bellaire Boulevard street dedication Section 2 utilities and paving.

Additionally, Fort Bend County assumes responsibility (after a one-year maintenance period) for road facilities constructed within the boundaries of the County. Accordingly, these facilities are not considered assets of the District. The estimated value of these assets is recorded as transfers to other governments upon completion of construction. This estimated cost is trued-up when the developer is reimbursed. For the year ended June 30, 2021, capital assets in the amount of $1,672,948 have been recorded as transfers to other governments in the government-wide statements. Additional information is presented in Note 9.

Long-Term Debt and Related Liabilities

As of June 30, 2021, the District has agreed to reimburse its developers $31,511,685 from bond proceeds, subject to conditions, 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. As discussed in Note 6, the District has an additional commitment in the amount of $5,752,564 for projects under construction by the developer. As previously mentioned, the District has agreed to reimburse its developer from bond proceeds, subject to conditions, for these projects upon completion of construction. The estimated cost of amounts owed to the developer is trued up when the developer is reimbursed.

At June 30, 2021 and 2020, the District had total bonded debt outstanding as shown below:

Series	2021	2020
2019	$ 6,970,000	$ 6,970,000
2019 Road	4,455,000	4,455,000
2020	4,170,000	
2020 Road	2,530,000	
	$ 18,125,000	$ 11,425,000

During the current year, the District issued $4,170,000 in unlimited tax bonds and $2,530,000 in unlimited tax road bonds. At June 30, 2021, the District had $120,490,200 unlimited tax bonds authorized, but unissued for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage systems within the District and refunding of such bonds; $19,500,000 for parks and recreational facilities and refunding of such bonds; and $63,723,000 for road improvements and refunding of such bonds.

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:

	2021 Actual	2022 Budget
Total revenues	$ 2,794,541	$ 2,416,000
Total expenditures	(2,479,254)	(1,487,250)
Revenues over expenditures	315,287	928,750
Other changes in fund balance	890,160	
Net change in fund balance	1,205,447	928,750
Beginning fund balance	547,897	1,753,344
Ending fund balance	$ 1,753,344	$ 2,682,094

Property Taxes

The District's property tax base increased approximately $82,585,000 for the 2021 tax year from $134,004,037 to $216,589,359. This increase was primarily due to new construction in the District and increased property values. For the 2021 tax year, the District has levied a maintenance tax rate of $0.53 per $100 of assessed value, a water, sewer and drainage debt service tax rate of $0.56 per $100 of assessed value, and a road debt service tax rate of $0.23 per $100 of assessed value, for a total combined tax rate of $1.32 per $100. Tax rates for the 2020 tax year were $0.67 per $100 for maintenance and operations, $0.42 per $100 for water, sewer and drainage debt service, and $0.26 for road debt service for a combined total of $1.35 per $100 of assessed value.

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Basic Financial Statements

Fort Bend County Municipal Utility District No. 190
Statement of Net Position and Governmental Funds Balance Sheet
June 30, 2021

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets						
Cash	$ 777,792	$ 132,118	$ 540,257	$ 1,450,167	$ -	$ 1,450,167
Investments	980,000	1,020,000		2,000,000		2,000,000
Taxes receivable	7,501	9,889		17,390		17,390
Customer service receivables	110,121			110,121		110,121
Due from others			400,345	400,345		400,345
Internal balances	39,471	(7,178)	(32,293)			
Prepaid items	88,046			88,046		88,046
Other receivables		495		495		495
Capital assets not being depreciated					14,147,697	14,147,697
Depreciable capital assets, net					23,177,617	23,177,617
Total Assets	$ 2,002,931	$ 1,155,324	$ 908,309	$ 4,066,564	37,325,314	41,391,878
Liabilities						
Accounts payable	$ 202,680	$ -	$ 351,607	$ 554,287		554,287
Other payables	1,631			1,631		1,631
Customer deposits	37,775			37,775		37,775
Retainage payable			169,000	169,000		169,000
Accrued interest payable					163,142	163,142
Due to developer					31,511,685	31,511,685
Long-term debt						
Due within one year					310,000	310,000
Due after one year					17,815,000	17,815,000
Total Liabilities	242,086		520,607	762,693	49,799,827	50,562,520
Deferred Inflows of Resources						
Deferred property taxes	7,501	9,889		17,390	(17,390)	
Fund Balances/Net Position						
Fund Balances						
Nonspendable	88,046			88,046	(88,046)	
Restricted		1,145,435	387,702	1,533,137	(1,533,137)	
Unassigned	1,665,298			1,665,298	(1,665,298)	
Total Fund Balances	1,753,344	1,145,435	387,702	3,286,481	(3,286,481)	
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 2,002,931	$ 1,155,324	$ 908,309	$ 4,066,564		
Net Position						
Net investment in capital assets					(4,063,617)	(4,063,617)
Restricted for debt service					1,155,324	1,155,324
Unrestricted					(6,262,349)	(6,262,349)
Total Net Position					$ (9,170,642)	$ (9,170,642)

See notes to basic financial statements.

Fort Bend County Municipal Utility District No. 190
Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2021

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues						
Water service	$ 401,146	$ -	$ -	$ 401,146	$ -	$ 401,146
Sewer service	243,755			243,755		243,755
Property taxes	895,372	908,875		1,804,247	4,297	1,808,544
Penalties and interest	14,357	11,332		25,689	651	26,340
Regional Water Authority fees	463,091			463,091		463,091
Tap connection and inspection	726,850			726,850		726,850
Miscellaneous	49,240			49,240		49,240
Investment earnings	730	502	938	2,170		2,170
Total Revenues	2,794,541	920,709	938	3,716,188	4,948	3,721,136
Expenditures/Expenses						
Current service operations						
Purchased services	29,091			29,091		29,091
Professional fees	134,175		172,350	306,525		306,525
Contracted services	467,407	24,101		491,508		491,508
Repairs and maintenance	260,092			260,092		260,092
Utilities	84,233			84,233		84,233
Regional Water Authority fees	482,698			482,698		482,698
Lease	390,750			390,750		390,750
Administrative	43,519	3,663		47,182		47,182
Other	9,539	84	289	9,912		9,912
Capital outlay	577,750		5,667,311	6,245,061	(6,245,061)	
Debt service						
Interest and fees		388,999		388,999	57,008	446,007
Developer interest			212,105	212,105		212,105
Debt issuance costs			584,875	584,875		584,875
Depreciation/amortization					626,657	626,657
Total Expenditures/Expenses	2,479,254	416,847	6,636,930	9,533,031	(5,561,396)	3,971,635
Revenues Over/(Under) Expenditures/Expenses	315,287	503,862	(6,635,992)	(5,816,843)	5,566,344	(250,499)
Other Financing Sources/(Uses)						
Proceeds from sale of bonds			6,700,000	6,700,000	(6,700,000)	
Construction advances			336,391	336,391	(336,391)	
Internal transfers	333,000		(333,000)			
Other Items						
Capital contribution	557,160			557,160		557,160
Transfers to other governments					(1,672,948)	(1,672,948)
Net Change in Fund Balances	1,205,447	503,862	67,399	1,776,708	(1,776,708)	
Change in Net Position					(1,366,287)	(1,366,287)
Fund Balance/Net Position						
Beginning of the year	547,897	641,573	320,303	1,509,773	(9,314,128)	(7,804,355)
End of the year	$ 1,753,344	$ 1,145,435	$ 387,702	$ 3,286,481	$ (12,457,123)	$ (9,170,642)

See notes to basic financial statements.

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Note 1 – Summary of Significant Accounting Policies

The accounting policies of Fort Bend County Municipal Utility District No. 190 (the "District") conform with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board ("GASB"). The following is a summary of the most significant policies:

Creation

The District was organized, created and established pursuant to House Bill No. 4024 in the 80th Regular Session of the Texas Legislature, codified as Chapter 1284, Special District Local Laws Code (the "Act") effective September 1, 2007, in accordance with Article III, Section 52 and Article XVI, Section 59 of the Texas Constitution and the Act. The Board of Directors held its first meeting on February 25, 2008, and the first bonds were issued on September 12, 2019.

The District's primary activities include construction, maintenance and operation of water, wastewater, drainage, roads, and parks and recreational facilities. As discussed in Note 9, Fort Bend County assumes responsibility for the maintenance of public roads constructed within the county limits. 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 GASB has established the criteria for determining the reporting entity for financial statement reporting purposes. To qualify as a primary government, a government must have a separately elected governing body, be legally separate, and be fiscally independent of other state and local governments, while a component unit is a legally separate government for which the elected officials of a primary government are financially accountable. 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.*

Note 1 – Summary of Significant Accounting Policies (continued)

Government-Wide and Fund Financial Statements (continued)

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.

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 water and sewer service fees. 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, drainage, and road 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 1 – Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting (continued)

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.

Prepaid Items

Certain payments made by the District reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

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 June 30, 2021, an allowance for uncollectible accounts was not considered necessary.

Unbilled Service Revenues

Utility revenue is recorded when earned. Customers are billed monthly. The estimated value of services provided but unbilled at year-end has been included in the accompanying financial statements.

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.

Note 1 – Summary of Significant Accounting Policies (continued)

Capital Assets (continued)

Depreciable capital assets, which primarily consists of water, sewer, and drainage facilities and water and wastewater capacity charges paid to Big Oaks Municipal Utility District, are depreciated or amortized using the straight-line method as follows:

Assets	Useful Life
Infrastructure	45 years
Landscaping improvements	20 years
Capacity charges	40 years

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

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.

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.

Note 1 – Summary of Significant Accounting Policies (continued)

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's nonspendable fund balance consists of prepaid items.

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 proceeds in the Capital Projects Fund and property taxes levied for debt service in the Debt Service Fund.

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 value of unbilled utility revenues and receivables; the useful lives and impairment of capital assets; the value of amounts due to developer; the value of capital assets transferred to Fort Bend County 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		$ 3,286,481
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
Historical cost	$ 38,901,699	
Less accumulated depreciation/amortization	(1,576,385)	
Change due to capital assets		37,325,314
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	(18,125,000)	
Interest payable on debt	(163,142)	
Change due to long-term debt		(18,288,142)
Amounts due to the District's developer for prefunded construction and operating advances are recorded as a liability in the *Statement of Net Position.*		(31,511,685)
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.		17,390
Total net position - governmental activities		$ (9,170,642)

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

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

Net change in fund balances - total governmental funds		$ 1,776,708
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.		4,948
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	$ 6,245,061	
Depreciation/amortization expense	(626,657)	
		5,618,404
The District conveys its public roads to Fort Bend County upon completion of construction. Since these improvements are funded by the developer, financial resources are not expended in the fund financial statements; however, in the *Statement of Activities,* these amounts are reported as transfers to other governments.		(1,672,948)
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.		
Issuance of long term debt	(6,700,000)	
Interest expense accrual	(57,008)	
		(6,757,008)
Amounts received from the District's developer for construction advances provide financial resources at the fund level, but are recorded as a liability in the *Statement of Net Position.*		(336,391)
Change in net position of governmental activities		$ (1,366,287)

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.

As of June 30, 2021, the District's investments consist of the following:

Type	Fund	Carrying Value	Rating	Weighted Average Maturity
TexPool	General	$ 980,000		
	Debt Service	1,020,000		
		$ 2,000,000	AAAm	30 days

Note 3 – Deposits and Investments (continued)

TexPool

The District participates in TexPool, the Texas Local Government Investment Pool. The State Comptroller of Public Accounts exercises oversight responsibility of TexPool, 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 both participants in TexPool and other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure.

As permitted by GAAP, TexPool uses amortized cost (which excludes unrealized gains and losses) rather than market value to compute share price and seeks to maintain a constant dollar value per share. Accordingly, the fair value of the District's position in TexPool is the same as the value of TexPool shares. Investments in TexPool may be withdrawn on a same day basis, as long as the transaction is executed by 3:30 p.m.

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 June 30, 2021, consist of the following:

Receivable Fund	Payable Fund	Amounts	Purpose
General Fund	Debt Service Fund	$ 7,178	Maintenance tax collections due to the General Fund
General Fund	Capital Projects Fund	32,293	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.

A summary of internal transfers for the current fiscal year is as follows:

Transfers Out	Transfers In	Amounts	Purpose
Capital Project Fund	General Fund	$ 333,000	Reimburse wastewater treatment plant lease payments

Note 5 – Capital Assets

A summary of changes in capital assets, for the year ended June 30, 2021, is as follows:

	Beginning Balances	Additions/ Adjustments	Ending Balances
Capital assets not being depreciated			
Land and improvements	$ 9,846,963	$ 2,953,540	$ 12,800,503
Construction in progress		1,347,194	1,347,194
	9,846,963	4,300,734	14,147,697
Capital assets being depreciated/amortized			
Infrastructure	16,179,921	4,820,746	21,000,667
Landscaping improvements	2,650,078	20,590	2,670,668
Capacity charges	1,082,667		1,082,667
	19,912,666	4,841,336	24,754,002
Less accumulated depreciation/amortization			
Infrastructure	(602,379)	(466,681)	(1,069,060)
Landscaping improvements	(253,631)	(132,505)	(386,136)
Capacity charges	(93,718)	(27,471)	(121,189)
	(949,728)	(626,657)	(1,576,385)
Subtotal depreciable capital assets, net	18,962,938	4,214,679	23,177,617
Capital assets, net	$ 28,809,901	$ 8,515,413	$ 37,325,314

Depreciation/amortization expense for the current year was $626,657.

The District has contractual commitments for construction projects as follows:

	Contract Amount	Amounts Paid	Remaining Commitment
Bellaire Boulevard Street Dedication Section 2 - utilities and paving *	$ 2,116,864	$ 1,233,672	$ 883,192

* District share of the contract

Note 6 – 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 and road improvements. Under the agreements, the developer will advance funds for the construction of facilities to serve the District and the District has agreed to reimburse the developer from bond 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 the estimated amounts due to developers during the year are as follows:

Due to developers, beginning of year	$ 26,605,337
Developer reimbursements	(4,654,408)
Developer funded construction and adjustments	9,560,756
Due to developers, end of year	$ 31,511,685

In addition, the District has agreed to reimburse its developer approximately $5,752,564, from bond proceeds, subject to conditions, which is included in the following schedule of contractual commitments. The exact amount is not known until approved by the TCEQ and verified by the District's auditor. As previously noted, these projects will be reported in the government-wide financial statements upon completion of construction.

	Contract Amount	Amounts Paid	Remaining Commitment
Lakeview Retreat Southwest Basin - landscaping improvements	$ 517,320	$ 429,628	$ 87,692
Lakeview Retreat Bellaire West - landscaping improvements	288,338		288,338
Lakeview Retreat West Detention	1,497,514	435,554	1,061,960
Lakeview Retreat Section 9 and 11 - utilities and paving *	1,384,119		1,384,119
Lakeview Retreat Lift Station 3 and Force main	949,923		949,923
Lakeview Retreat Section 10 and 12 - utilities and paving	1,115,350		1,115,350
	$ 5,752,564	$ 865,182	$ 4,887,382

* District share of the contract

Note 7 – Long-Term Debt

Long-term debt is comprised of the following:

Bonds payable	$ 18,125,000
Due within one year	$ 310,000

The District's bonds payable at June 30, 2021, consists of unlimited tax bonds as follows:

Series	Amounts Outstanding	Original Issue	Interest Rates	Maturity Date, Serially, Beginning/ Ending	Interest Payment Dates	Call Dates
2019	$ 6,970,000	$ 6,970,000	2.00% - 4.50%	September 1, 2021/2044	March 1, September 1	September 1, 2024
2019 Road	4,455,000	4,455,000	2.00% - 4.50%	September 1, 2021/2044	March 1, September 1	September 1, 2024
2020	4,170,000	4,170,000	2.00% - 4.50%	September 1, 2022/2045	March 1, September 1	September 1, 2025
2020A Road	2,530,000	2,530,000	2.00% - 4.50%	September 1, 2022/2045	March 1, September 1	September 1, 2025
	$ 18,125,000					

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 June 30, 2021, the District had authorized but unissued bonds in the amount of $120,490,200 for water, sewer and drainage facilities within the District and refunding of such bonds; $19,500,000 for park and recreational facilities and refunding of such bonds; and $63,723,000 for road improvements and refunding of such bonds.

On September 29, 2020, the District issued its $4,170,000 Series 2020 Unlimited Tax Bonds at a net effective interest rate of 2.460392%. Proceeds of the bonds were used to reimburse developers for the cost of capital assets constructed within the District plus interest expense at the net effective interest rate of the bonds.

On September 29, 2020, the District issued its $2,530,000 Series 2020A Unlimited Tax Road Bonds at a net effective interest rate of 2.473252%. Proceeds of the bonds were used to reimburse developers for the cost of capital assets constructed within the District plus interest expense at the net effective interest rate of the bonds.

Note 7 – Long-Term Debt (continued)

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

Bonds payable, beginning of year	$ 11,425,000
Bonds issued	6,700,000
Bonds payable, end of year	$ 18,125,000

As of June 30, 2021, annual debt service requirements on bonds outstanding are as follows:

Year	Principal	Interest	Totals
2022	$ 310,000	$ 478,406	$ 788,406
2023	520,000	459,731	979,731
2024	545,000	435,770	980,770
2025	555,000	411,019	966,019
2026	580,000	386,105	966,105
2027	595,000	364,918	959,918
2028	615,000	348,537	963,537
2029	630,000	334,618	964,618
2030	650,000	321,818	971,818
2031	675,000	308,568	983,568
2032	695,000	294,867	989,867
2033	720,000	280,717	1,000,717
2034	740,000	265,824	1,005,824
2035	765,000	249,875	1,014,875
2036	790,000	232,782	1,022,782
2037	815,000	214,482	1,029,482
2038	840,000	195,269	1,035,269
2039	865,000	174,927	1,039,927
2040	900,000	153,325	1,053,325
2041	930,000	130,350	1,060,350
2042	955,000	105,319	1,060,319
2043	985,000	78,769	1,063,769
2044	1,020,000	51,319	1,071,319
2045	1,055,000	22,894	1,077,894
2046	375,000	4,219	379,219
	$ 18,125,000	$ 6,304,428	$ 24,429,428

Note 8 – Property Taxes

On May 10, 2008, the voters of the District authorized the District's Board of Directors to levy taxes annually for use in financing general operations limited to $1.50 per $100 of assessed value and to levy taxes for use in road maintenance limited to $0.25 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 2021 fiscal year was financed through the 2020 tax levy, pursuant to which the District levied property taxes of $1.35 per $100 of assessed value, of which $0.67 was allocated to maintenance and operations, $0.42 was allocated to water, sewer and drainage debt service, and $0.26 was allocated to road debt service. The resulting tax levy was $1,809,054 on the adjusted taxable value of $134,004,037.

Property taxes receivable, at June 30, 2021, consisted of the following:

Current year taxes receivable	$ 15,054
Prior years taxes receivable	61
	15,115
Penalty and interest receivable	2,275
Property taxes receivable	$ 17,390

Note 9 – Transfers to Other Governments

Fort Bend County assumes responsibility for the maintenance of public roads constructed within the county limits. Accordingly, road facilities are considered to be capital assets of Fort Bend County, not the District. The estimated cost of each road project is recorded as a transfer to other government upon completion of construction. This cost is trued-up when the developer is subsequently reimbursed. For the year ended June 30, 2021, the District reported transfers to other governments in the amount of $1,672,948 for projects completed and transferred to the City and developer reimbursements for projects completed in previous fiscal years.

Note 10 – Agreement for Water and Wastewater Service

On November 15, 2016, the District and Big Oaks Municipal Utility District ("Big Oaks") entered into an agreement for water and wastewater service (the "Agreement") for the purchase of water supply and wastewater capacity necessary to serve the District. The District has agreed to purchase water supply capacity in Big Oaks' facilities necessary to serve 350 equivalent single-family connections ("ESFC") at a cost of $1,500 per ESFC and wastewater capacity necessary to serve 195 ESFCs at a cost of $2,400 per ESFC. Under the terms of the Agreement, Big Oaks will be the sole owner of water and wastewater facilities; however, the District will have an undivided equitable interest in the facilities based on the District's proportionate share of equivalents single-family connections.

On June 12, 2018, the District executed the First Supplement (the "Supplement") to the Agreement to acquire additional capacity in Big Oaks' facilities. Pursuant to the agreement, the District's developer, on behalf of the District, paid $232,500 in exchange for an additional 155 ESFCs in water capacity and $74,667 representing its pro rata share of 46.67% of water plant capacity, with the balance of the capacity being allocated to Big Oaks. Additionally, under the Supplement, the District may be supplied water by Big Oaks in the event of an emergency, which is defined as an interruption of North Fort Bend Water Authority's supply of water to the District. The price for water delivered during an emergency shall by $1.00 per 1,000 gallons of water delivered during the emergency. During the current year, the District received $29,091 in emergency water supply from Big Oaks.

The District is responsible for the construction and operation of water mains, distribution lines, wastewater collection, and conveyance systems necessary to connect to Big Oaks' water and wastewater facilities.

During the prior year, the District began receiving water supply from North Fort Bend Water Authority and completed construction of its interim wastewater treatment plant. As a result, the District was no longer receiving water supply or wastewater treatment services from Big Oaks.

Note 11 – Interim Wastewater Services Agreement

On December 12, 2017, the District executed an Interim Wastewater Treatment Services Agreement (the "Interim Agreement") with Fort Bend County Municipal Utility District No. 206 ("FB 206"). Under the Interim Agreement, FB 206 agrees to receive up to 15,000 gallons per day of wastewater from the District, in exchange for which the District agrees to pay $140 per truckload of wastewater discharged, or approximately $0.02 per 1,000 gallons of wastewater, to FB 206.

The Interim Agreement shall be in force from December 12, 2017, until the District provides FB 206 with written notice of termination. However, the Interim Agreement shall not continue after December 31, 2020, unless both the District and FB 206 sign a written amendment extending it. During the current year, the District allowed the agreement to expire according to its terms.

Note 12 – Lease Agreement

On August 14, 2018, the District entered into a lease agreement for a 200,000 gallon per day interim wastewater treatment plant with AUC Group, Inc. Under the agreement, the District will lease the interim plant for an initial term of 60 months, with the option to extend the lease on a month-to month basis thereafter. The total rent for the interim plant, excluding installation and startup costs, shall be $1,110,000, payable in 60 equal monthly installments of $18,500. The District shall also pay for installation of the interim plant. Should the District choose to exercise its option to extend the agreement, monthly rent shall be $13,400. The District also has the option to purchase the interim plant during the initial period, or during an extension should the District exercise its option to extend. The purchase price shall be the interim plant's residual value; if the District exercises this option during an extension, the purchase price shall be reduced by an amount equal to the monthly principal value. For the year ended June 30, 2021, the District paid $222,000 in monthly lease payments.

On October 1, 2019, the District entered into a lease agreement for a 200,000 gallon per day interim wastewater treatment plant with AUC Group, Inc. Under the agreement, the District will lease the interim plant for an initial term of 60 months, with the option to extend the lease on a month-to month basis thereafter. The total rent for the interim plant, excluding installation and startup costs, shall be $1,125,000, payable in 60 equal monthly installments of $18,750. The District shall also pay for installation of the interim plant. Should the District choose to exercise its option to extend the agreement, monthly rent shall be $14,100. The District also has the option to purchase the interim plant during the initial period, or during an extension should the District exercise its option to extend. The purchase price shall be the interim plant's residual value; if the District exercises this option during an extension, the purchase price shall be reduced by an amount equal to the monthly principal value. Operation of the interim plant has begun during the current fiscal year. For the year ended June 30, 2021, the District paid $168,750 in monthly lease payments.

Future minimum leases payments as of June 30, 2021, for term leases are as follows:

Year	Amount
2022	$ 447,000
2023	447,000
2024	428,500
2025	225,000
2026	18,750
	$ 1,566,250

Standard lease terms require the District to prepay the last month's lease payment upon inception of the lease. All such amounts are recorded as a prepaid expense on the *Statement of Net Position*.

Note 13 – Water Supply Commitment Letter Agreement

On August 14, 2018, the District and North Fort Bend Water Authority (the "Authority") entered into an agreement in order to set forth certain terms regarding the Authority's early provision of water service to the District's Water Plant No. 1. Pursuant to the agreement, the District constructed the water line connection to Water Plant No. 1. The project was completed in prior year.

During the current year, the Authority reimbursed $557,160 to the District for construction cost and engineering fees related to the water line connection to Water Plant No. 1. This amount was used to reimburse the District's developer for the cost of the asset.

Note 14 – Interlocal Agreement for Paving and Drainage Improvements

On August 11, 2020, the District entered an Interlocal Agreement with Fort Bend County (the "County") for the construction of paving and drainage improvements to serve the north half of Bellaire Boulevard from Westmoor Drive to the Lakeview Retreat Boundary, and from Harlem Road to Twilight Pond Lane. The cost of the project is estimated to be $3,728,000 of which $2,080,000 is the District's share. The County is not obligated to expend in excess of $1,750,112. The District is responsible for managing the design and overseeing the construction and completion of the project. Once completed, the project will be conveyed to the County for operation and maintenance. Upon completion the District will perform a true-up of project costs and reimburse the County any remaining amount.

During the current year, the District incurred $1,233,672 in expenditures related to the project and received $55,986 from the County. As of June 30, 2021, the District has $400,345 receivable from the County for the County's share of the project, which is recorded as due from others on the *Statement of Net Position.*

Note 15 – 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.

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Required Supplementary Information

Fort Bend County Municipal Utility District No. 190
Required Supplementary Information - Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Water service	$ 250,000	$ 250,000	$ 401,146	$ 151,146
Sewer service	125,000	125,000	243,755	118,755
Property taxes	919,681	919,681	895,372	(24,309)
Penalties and interest			14,357	14,357
Regional Water Authority fees	350,000	350,000	463,091	113,091
Tap connection and inspection	410,000	410,000	726,850	316,850
Miscellaneous			49,240	49,240
Investment earnings	500	500	730	230
Total Revenues	2,055,181	2,055,181	2,794,541	739,360
Expenditures				
Current service operations				
Purchased services			29,091	(29,091)
Professional fees	149,000	149,000	134,175	14,825
Contracted services	296,250	296,250	467,407	(171,157)
Repairs and maintenance	200,500	200,500	260,092	(59,592)
Utilities	75,000	75,000	84,233	(9,233)
Regional Water Authority fees	300,000	300,000	482,698	(182,698)
Lease	450,000	450,000	390,750	59,250
Administrative	58,775	58,775	43,519	15,256
Other	15,000	15,000	9,539	5,461
Capital outlay		26,886	577,750	(550,864)
Total Expenditures	1,544,525	1,571,411	2,479,254	(907,843)
Revenues Over Expenditures	510,656	483,770	315,287	(168,483)
Other Financing Sources				
Internal transfers			333,000	333,000
Other Items				
Capital contribution			557,160	557,160
Net Change in Fund Balance	510,656	483,770	1,205,447	721,677
Fund Balance				
Beginning of the year	547,897	547,897	547,897	
End of the year	$ 1,058,553	$ 1,031,667	$ 1,753,344	$ 721,677

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 expenditures.

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Texas Supplementary Information

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

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

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

[ ] Other (Specify): ______

2. Retail Service Providers

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

	Minimum Charge	Minimum Usage	Flat Rate (Y / N)	Rate per 1,000 Gallons Over Minimum Usage	Usage Levels		
Water:	$ 32.25	8,000	N	$ 1.00	8,001	to	15,000
				$ 1.50	15,001	to	30,000
				$ 2.00	30,001	to	no limit
Wastewater:	$ 22.25	- 0 -	Y			to	
Surface water fee:	$ 5.06	- 0 -	N	$ 5.06	0	to	no limit

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

Total charges per 10,000 gallons usage: Water $ 84.85 Wastewater $ 22.25

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"	1,117	1,092	x 1.0	1,092
1"	2	2	x 2.5	5
1.5"	1	1	x 5.0	5
2"	20	20	x 8.0	160
3"			x 15.0	
4"			x 25.0	
6"			x 50.0	
8"	1	1	x 80.0	80
10"			x 115.0	
Total Water	1,141	1,116		1,342
Total Wastewater	1,119	1,094	x 1.0	1,094

See accompanying auditor's report.

3. Total Water Consumption during the fiscal year (rounded to the nearest thousand):

Gallons pumped into system:	106,439,000	Water Accountability Ratio: (Gallons billed / Gallons pumped)
Gallons billed to customers:	99,117,000	93.12%

4. Standby Fees (authorized only under TWC Section 49.231):

Does the District have Debt Service standby fees? Yes [ ] No [X]

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

Does the District have Operation and Maintenance standby fees? Yes [ ] No [X]

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

5. Location of District

Is the District located entirely within one county? Yes [X] No [ ]

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

Is the District located within a city? Entirely [ ] Partly [ ] Not at all [X]

City(ies) in which the District is located: ______

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

Entirely [X] Partly [ ] Not at all [ ]

ETJs in which the District is located: City of Houston

Are Board members appointed by an office outside the district? Yes [ ] No [X]

If Yes, by whom? ______

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 190
TSI-2 General Fund Expenditures
For the Year Ended June 30, 2021

Purchased services	
Water	$ 29,091
Professional fees	
Legal	86,239
Audit	10,000
Engineering	37,936
	134,175
Contracted services	
Bookkeeping	15,000
Operator	60,086
Garbage collection	35,277
Tap connection and inspection	344,924
Sludge removal	12,120
	467,407
Repairs and maintenance	260,092
Utilities	84,233
Regional Water Authority	482,698
Lease	390,750
Administrative	
Directors fees	10,650
Printing and office supplies	15,837
Insurance	14,433
Other	2,599
	43,519
Other	9,539
Capital outlay	577,750
Total expenditures	$ 2,479,254

Reporting of Utility Services in Accordance with HB 3693:

	Usage	Cost
Electrical	1,014,688 kWh	$ 80,601
Water	N/A	N/A
Natural Gas	N/A	N/A

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 190
TSI-3. Investments
June 30, 2021

Fund	Interest Rate	Maturity Date	Balance at End of Year
General			
TexPool	Variable	N/A	$ 980,000
Debt Service			
TexPool	Variable	N/A	1,020,000
Total - All Funds			$ 2,000,000

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 190
TSI-4. Taxes Levied and Receivable
June 30, 2021

	Maintenance Taxes	Debt Service Taxes	Road Debt Service Taxes	Totals
Taxes Receivable, Beginning of Year	$ 5,290	$ 3,366	$ 2,164	$ 10,820
Adjustments	(250)	(159)	(102)	(511)
Adjusted Receivable	5,040	3,207	2,062	10,309
2020 Original Tax Levy	895,343	561,259	347,446	1,804,048
Adjustments	2,485	1,557	964	5,006
Adjusted Tax Levy	897,828	562,816	348,410	1,809,054
Total to be accounted for	902,868	566,023	350,472	1,819,363
Tax collections:				
Current year	890,357	558,132	345,512	1,794,001
Prior year	5,010	3,188	2,049	10,247
Total Collections	895,367	561,320	347,561	1,804,248
Taxes Receivable, End of Year	$ 7,501	$ 4,703	$ 2,911	$ 15,115
Taxes Receivable, By Years				
2020	$ 7,471	$ 4,684	$ 2,899	$ 15,054
2019	30	19	12	61
Taxes Receivable, End of Year	$ 7,501	$ 4,703	$ 2,911	$ 15,115

	2020	2019	2018	2017
Property Valuations:				
Land	$ 30,279,520	$ 23,944,170	$ 13,941,360	$ 9,303,960
Improvements	105,365,135	45,663,210	2,882,141	
Personal Property	172,190	100,110		
Exemptions	(1,812,808)	(385,260)	(1,505,266)	(2,287,411)
Total Property Valuations	$ 134,004,037	$ 69,322,230	$ 15,318,235	$ 7,016,549
Tax Rates per $100 Valuation:				
Maintenance tax rates *	$ 0.67	$ 0.66	$ 1.35	$ 1.35
Debt service tax rates	0.42	0.42		
Road debt service tax rates	0.26	0.27		
Total Tax Rates per $100 Valuation	$ 1.35	$ 1.35	$ 1.35	$ 1.35
Adjusted Tax Levy:	$ 1,809,054	$ 935,850	$ 206,796	$ 94,723
Percentage of Taxes Collected to Taxes Levied ***	99.17%	98.91%	100%	100%

* Maximum Maintenance Tax Rate Approved by Voters: $1.50 on May 10, 2008
** Maximum Road Maintenance Tax Rate Approved by Voters: $0.25 on May 10, 2008
*** Calculated as taxes collected for a tax year divided by taxes levied for that tax year.

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 190
TSI-5. Long-Term Debt Service Requirements
Series 2019--by Years
June 30, 2021

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2022	$ 190,000	$ 188,593	$ 378,593
2023	195,000	179,931	374,931
2024	205,000	170,931	375,931
2025	210,000	161,593	371,593
2026	220,000	152,193	372,193
2027	225,000	145,268	370,268
2028	235,000	140,668	375,668
2029	240,000	135,918	375,918
2030	250,000	131,018	381,018
2031	260,000	125,918	385,918
2032	270,000	120,618	390,618
2033	280,000	115,118	395,118
2034	285,000	109,290	394,290
2035	295,000	102,944	397,944
2036	305,000	96,004	401,004
2037	320,000	88,382	408,382
2038	330,000	80,257	410,257
2039	340,000	71,669	411,669
2040	355,000	62,547	417,547
2041	365,000	52,869	417,869
2042	380,000	42,150	422,150
2043	390,000	30,600	420,600
2044	405,000	18,675	423,675
2045	420,000	6,300	426,300
	$ 6,970,000	$ 2,529,454	$ 9,499,454

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 190
TSI-5. Long-Term Debt Service Requirements
Series 2019A Road--by Years
June 30, 2021

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2022	$ 120,000	$ 120,206	$ 240,206
2023	125,000	114,694	239,694
2024	130,000	108,957	238,957
2025	135,000	102,994	237,994
2026	140,000	97,156	237,156
2027	145,000	92,906	237,906
2028	150,000	89,956	239,956
2029	155,000	86,906	241,906
2030	160,000	83,756	243,756
2031	165,000	80,506	245,506
2032	170,000	77,156	247,156
2033	175,000	73,706	248,706
2034	185,000	69,991	254,991
2035	190,000	65,888	255,888
2036	195,000	61,434	256,434
2037	205,000	56,556	261,556
2038	210,000	51,369	261,369
2039	220,000	45,856	265,856
2040	225,000	40,015	265,015
2041	235,000	33,831	268,831
2042	240,000	27,000	267,000
2043	250,000	19,650	269,650
2044	260,000	12,000	272,000
2045	270,000	4,050	274,050
	$ 4,455,000	$ 1,616,539	$ 6,071,539

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 190
TSI-5. Long-Term Debt Service Requirements
Series 2020--by Years
June 30, 2021

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2022	$ -	$ 105,113	$ 105,113
2023	125,000	102,300	227,300
2024	130,000	96,563	226,563
2025	130,000	90,713	220,713
2026	135,000	84,750	219,750
2027	140,000	78,563	218,563
2028	145,000	73,238	218,238
2029	145,000	69,613	214,613
2030	150,000	66,663	216,663
2031	155,000	63,613	218,613
2032	160,000	60,462	220,462
2033	165,000	57,212	222,212
2034	170,000	53,862	223,862
2035	175,000	50,412	225,412
2036	180,000	46,862	226,862
2037	180,000	43,262	223,262
2038	185,000	39,612	224,612
2039	190,000	35,743	225,743
2040	200,000	31,600	231,600
2041	205,000	27,169	232,169
2042	210,000	22,500	232,500
2043	215,000	17,719	232,719
2044	220,000	12,825	232,825
2045	225,000	7,819	232,819
2046	235,000	2,644	237,644
	$ 4,170,000	$ 1,340,832	$ 5,510,832

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 190
TSI-5. Long-Term Debt Service Requirements
Series 2020A Road--by Years
June 30, 2021

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2022	$ -	$ 64,494	$ 64,494
2023	75,000	62,806	137,806
2024	80,000	59,319	139,319
2025	80,000	55,719	135,719
2026	85,000	52,006	137,006
2027	85,000	48,181	133,181
2028	85,000	44,675	129,675
2029	90,000	42,181	132,181
2030	90,000	40,381	130,381
2031	95,000	38,531	133,531
2032	95,000	36,631	131,631
2033	100,000	34,681	134,681
2034	100,000	32,681	132,681
2035	105,000	30,631	135,631
2036	110,000	28,482	138,482
2037	110,000	26,282	136,282
2038	115,000	24,031	139,031
2039	115,000	21,659	136,659
2040	120,000	19,163	139,163
2041	125,000	16,481	141,481
2042	125,000	13,669	138,669
2043	130,000	10,800	140,800
2044	135,000	7,819	142,819
2045	140,000	4,725	144,725
2046	140,000	1,575	141,575
	$ 2,530,000	$ 817,603	$ 3,347,603

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 190
TSI-5. Long-Term Debt Service Requirements
All Bonded Debt Series--by Years
June 30, 2021

Due During Fiscal Years Ending	Principal Due September 1	Interest Due September 1, March 1	Total
2022	$ 310,000	$ 478,406	$ 788,406
2023	520,000	459,731	979,731
2024	545,000	435,770	980,770
2025	555,000	411,019	966,019
2026	580,000	386,105	966,105
2027	595,000	364,918	959,918
2028	615,000	348,537	963,537
2029	630,000	334,618	964,618
2030	650,000	321,818	971,818
2031	675,000	308,568	983,568
2032	695,000	294,867	989,867
2033	720,000	280,717	1,000,717
2034	740,000	265,824	1,005,824
2035	765,000	249,875	1,014,875
2036	790,000	232,782	1,022,782
2037	815,000	214,482	1,029,482
2038	840,000	195,269	1,035,269
2039	865,000	174,927	1,039,927
2040	900,000	153,325	1,053,325
2041	930,000	130,350	1,060,350
2042	955,000	105,319	1,060,319
2043	985,000	78,769	1,063,769
2044	1,020,000	51,319	1,071,319
2045	1,055,000	22,894	1,077,894
2046	375,000	4,219	379,219
	$ 18,125,000	$ 6,304,428	$ 24,429,428

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 190
TSI-6. Change in Long-Term Bonded Debt
June 30, 2021

	Bond Issue			
	Series 2019	Series 2019A Road	Series 2020	Series 2020A Road
Interest rate	2.00% - 4.50%	2.00% - 4.50%	2.00% - 4.50%	2.00% - 4.50%
Dates interest payable	9/1; 3/1	9/1; 3/1	9/1; 3/1	9/1; 3/1
Maturity dates	9/1/21 - 9/1/44	9/1/21 - 9/1/44	9/1/22 - 9/1/45	9/1/22 - 9/1/45
Beginning bonds outstanding	$ 6,970,000	$ 4,455,000	$ -	$ -
Bonds issued			4,170,000	2,530,000
Ending bonds outstanding	$ 6,970,000	$ 4,455,000	$ 4,170,000	$ 2,530,000
Interest paid during fiscal year	$ 192,868	$ 122,906	$ 52,556	$ 32,247

Paying agent's name and city
All Series — Regions Bank, an Alabama state banking corporation, Houston, TX

Bond Authority:	Water, Sewer and Drainage Bonds	Parks and Recreational Bonds	Road Bonds
Amount Authorized by Voters	$ 131,630,200	$ 19,500,000	$ 70,708,000
Amount Issued	(11,140,000)		(6,985,000)
Remaining To Be Issued	$ 120,490,200	$ 19,500,000	$ 63,723,000

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

Debt Service Fund cash and investment balances as of June 30, 2021: $ 1,152,118

Average annual debt service payment (principal and interest) for remaining term of all debt: $ 977,177

See accompanying auditors' report.

Totals
$ 11,425,000
6,700,000
$ 18,125,000
$ 400,577

Fort Bend County Municipal Utility District No. 190
TSI-7a. Comparative Schedule of Revenues and Expenditures - General Fund
For the Last Five Fiscal Years

	Amounts				
	2021	2020	2019	2018	2017
Revenues					
Water service	$ 401,146	$ 298,489	$ 147,104	$ 39,281	$ -
Sewer service	243,755	192,432	88,662	20,270	
Property taxes	895,372	455,243	217,831	94,521	
Penalties and interest	14,357	8,107	7,456	3,401	
Regional Water Authority fees	463,091	331,712	144,296	54,434	
Tap connection and inspection	726,850	487,738	375,162	352,416	
Miscellaneous	49,240	26,990	5,591	1,180	
Investment earnings	730	708	486	170	14
Total Revenues	2,794,541	1,801,419	986,588	565,673	14
Expenditures					
Current service operations					
Purchased services	29,091	124,148	193,668	50,687	
Professional fees	134,175	154,895	126,309	125,818	87,649
Contracted services	467,407	664,368	265,308	184,469	8,721
Repairs and maintenance	260,092	208,376	117,551	24,548	
Utilities	84,233	53,361	10,065		
Regional Water Authority fees	482,698	209,700			
Lease	390,750	203,500			
Administrative	43,519	60,191	35,944	19,587	10,583
Other	9,539	8,804	7,599	6,219	603
Capital outlay	577,750				775,500
Total Expenditures	2,479,254	1,687,343	756,444	411,328	883,056
Revenues Over/(Under) Expenditures	$ 315,287	$ 114,076	$ 230,144	$ 154,345	$ (883,042)
Total Active Retail Water Connections	1,116	775	455	237	N/A
Total Active Retail Wastewater Connections	1,094	755	439	227	N/A

*Percentage is negligible

See accompanying auditors' report.

Percent of Fund Total Revenues				
2021	2020	2019	2017	2017
14%	18%	14%	6%	
9%	11%	9%	4%	
31%	25%	22%	17%	
1%	*	1%	1%	
17%	18%	15%	10%	
26%	27%	38%	62%	
2%	1%	1%	*	
*	*	*	*	100%
100%	100%	100%	100%	100%
1%	7%	20%	9%	
5%	9%	13%	22%	626064%
17%	37%	27%	33%	62293%
9%	12%	12%	4%	
3%	3%	1%		
17%	12%			
14%	11%			
2%	3%	4%	3%	75593%
*	*	1%	1%	4307%
21%				5539286%
89%	94%	78%	72%	6307543%
11%	6%	22%	28%	(6,307,443%)

Fort Bend County Municipal Utility District No. 190
TSI-7b. Comparative Schedule of Revenues and Expenditures - Debt Service Fund
For the Last Two Fiscal Years

	Amounts		Percent of Fund Total Revenues	
	2021	2020	2021	2020
Revenues				
Property taxes	$ 908,875	$ 473,441	99%	99%
Penalties and interest	11,332	3,295	1%	1%
Investment earnings	502	859	*	*
Total Revenues	920,709	477,595	100%	100%
Expenditures				
Tax collection services	27,764	12,714	3%	3%
Other	84	493	*	*
Debt service				
Interest and fees	388,999	148,239	42%	31%
Total Expenditures	416,847	161,446	45%	34%
Revenues Over Expenditures	$ 503,862	$ 316,149	55%	66%

*Percentage is negligible

See accompanying auditors' report.

Fort Bend County Municipal Utility District No. 190
TSI-8. Board Members, Key Personnel and Consultants
For the Year Ended June 30, 2021

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):	May 20, 2020
Limit on Fees of Office that a Director may receive during a fiscal year:	$ 7,200
(Set by Board Resolution -- TWC Section 49.0600)	

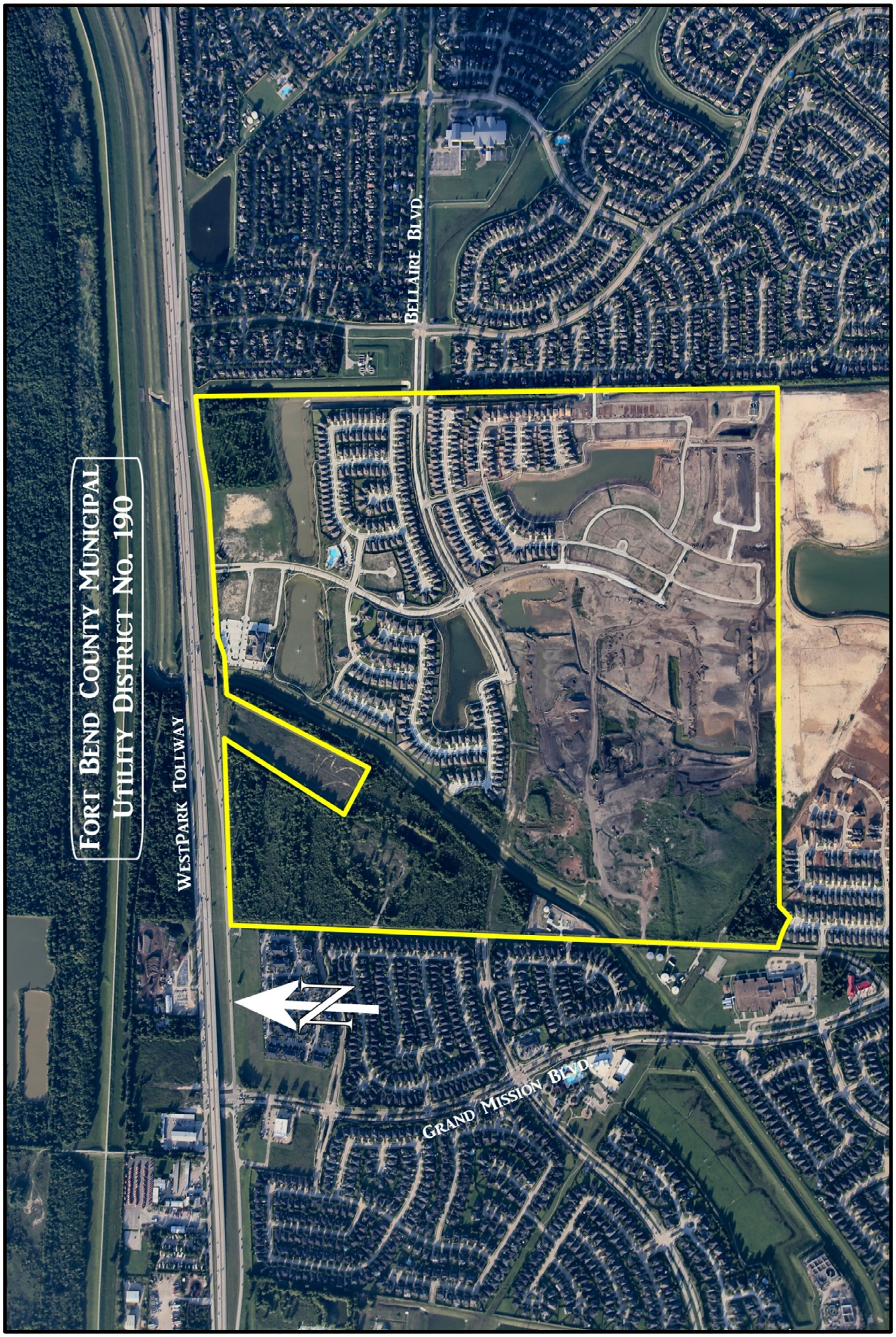
Names:	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid *	Expense Reimburse-ments	Title at Year End
Board Members				
Randy Young	5/18 - 5/22	$ 2,250	$ -	President
Tracy M. Youngblood	5/18 - 5/22	1,800		Vice President
Ronald D. Petersen	5/18 - 5/22	2,250		Assistant Vice President
Glen Vinklarek	5/20 - 5/24	1,950	230	Secretary
Shannon Frederick	5/20 - 5/24	2,400		Assistant Secretary
		Amounts Paid		
Consultants				
Allen Boone Humphries Robinson LLP	2008			Attorney
General legal fees		$ 111,760		
Bond counsel		201,891		
Myrtle Cruz, Inc.	2008	23,526		Bookkeeper
Assessments of the Southwest, Inc.	2008	11,619		Tax Collector
Si Environmental	2017	621,717		Operator
Fort Bend Central Appraisal District	Legislative	9,741		Property Valuation
Perdue, Brandon, Fielder, Collins & Mott, LLP	2017	2,072		Delinquent Tax Attorney
Jones & Carter	2017	114,199		Engineer
McGrath & Co., PLLC	2017	23,100		Auditor
R.W. Baird & Co., Inc.	2017	136,992		Financial Advisor

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

See accompanying auditors' report.

APPENDIX B

AERIAL OF THE DISTRICT



APPENDIX C

AGM SPECIMEN MUNICIPAL BOND INSURANCE POLICY

ASSURED GUARANTY MUNICIPAL

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No: -N

BONDS: $ in aggregate principal amount of Effective Date:

Premium: $

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, 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 Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the 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 AGM. 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 AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

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 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 AGM 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 of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount 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 or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

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

To the fullest extent permitted by applicable law, AGM 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 AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, 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, (a) 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 and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By ______________________________
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
1633 Broadway, New York, N.Y. 10019
(212) 974-0100

APPENDIX D

BAM SPECIMEN MUNICIPAL BOND INSURANCE POLICY

BAM

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