OFFICIAL STATEMENT DATED MARCH 9, 2022

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

The Bonds are NOT "qualified tax-exempt obligations" for financial institutions. See "NOT QUALIFIED TAX-EXEMPT OBLIGATIONS."

NEW ISSUE – Book Entry Only S&P Global Ratings (BAM Insured)......................."AA"

$17,200,000

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 4

(A Political Subdivision of the State of Texas Located within Hays County)

UNLIMITED TAX CONTRACT REVENUE BONDS

SERIES 2022

Dated: April 1, 2022 Due: September 1, as shown on inside cover

Sunfield Municipal Utility District No. 4 ("SMUD 4," the "District," or "Master District") has agreed to assume the responsibility of becoming the coordinating district for provision of regional water, wastewater, and drainage facilities and service to customers within the District, Sunfield Municipal Utility District No. 1 ("SMUD 1"), Sunfield Municipal Utility District No. 2 ("SMUD 2"), and Sunfield Municipal Utility District No. 3 ("SMUD 3") (collectively referred to herein as the "System Participants" or the "Sunfield Districts") in order to encourage the regionalization and to avoid duplication of such facilities in the area. However, the Bonds are secured solely by the taxable value within the District, SMUD 1, and SMUD 3 (collectively referred to herein as the "Financing Participants") and **SMUD 2 has no obligation to make Pledged Contract Payments** (hereinafter defined) to the Master District.

The $17,200,000 Unlimited Tax Contract Revenue Bonds, Series 2022 (the "Bonds"), are special limited obligations of the Master District payable solely from and to the extent of payments required to be made to the Master District by the Financing Participants (the "Pledged Contract Payments") within the Service Area (hereinafter defined) from proceeds of an unlimited annual ad valorem contract tax levied by each Financing Participant for debt service as set forth in the "Contract for Financing, Operation and Maintenance of Regional Water, Sanitary Sewer and Drainage Facilities" entered into between the Master District and each Financing Participant with identical terms (collectively, the "Master District Contract") as described under "SUMMARY OF CERTAIN DOCUMENTS – Master District Contract." The Bonds are limited obligations of the Master District payable solely from the Pledged Contract Payments pursuant to the Indenture (hereinafter defined), and are not obligations of the State of Texas; the City of Buda, Texas; Hays County, Texas; or any other entity other than the Master District. See "THE BONDS – Source of Payment."

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

Principal of the Bonds is payable to the registered owner(s) of the Bonds (the "Bondholder(s)") at the principal payment office of the Paying Agent/Registrar upon surrender of the Bonds for payment at maturity or upon prior redemption. Interest on the Bonds accrues from April 1, 2022, and is payable on September 1, 2022, and each March 1 and September 1 thereafter to the person in whose name the Bonds are registered as of the 15th day of the calendar month next preceding each interest payment date. Unless otherwise agreed between the Paying Agent/Registrar and a Bondholder, such interest is payable by check mailed to such persons or by other means acceptable to such persons and the Paying Agent/Registrar. The Bonds are issuable in principal denominations of $5,000 or any integral multiple thereof in fully registered form only.

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

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

BAM
BUILD AMERICA MUTUAL

The Bonds constitute the first series of unlimited tax contract revenue bonds issued by the Master District. Voters within the boundaries of the System Participants have authorized a total of $308,075,000 principal amount of unlimited tax contract revenue bonds. Following the issuance of the Bonds, $290,875,000 of authorized unlimited tax contract revenue bonds will remain unissued. See "THE BONDS – Authority for Issuance." The Bonds, when issued, will constitute valid and legally binding special limited obligations of the Master District. See "THE BONDS – Source of Payment."

The Bonds are offered when, as and if issued by the District and accepted by the initial purchaser of the Bonds (the "Initial Purchaser"), subject among other things to the approval of the initial Bonds by the Attorney General of Texas and the approval of certain legal matters by Coats Rose, P.C., Houston, Texas, Bond Counsel. Certain legal matters will be passed upon for the District by The Muller Law Group, PLLC, Sugar Land, Texas, Disclosure Counsel. The Bonds in definitive form are expected to be available for delivery on or about April 14, 2022. See "LEGAL MATTERS."

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND INITIAL REOFFERING YIELDS

$6,690,000 Serial Bonds

Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP Number 867344 (b)	Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP Number 867344 (b)
2023	$ 470,000	5.500%	1.300%	AA1	2029 (c)	$ 565,000	4.000%	2.050%	AG8
2024	485,000	5.500%	1.450%	AB9	2030 (c)	580,000	4.000%	2.100%	AH6
2025	500,000	5.500%	1.650%	AC7	2031 (c)	595,000	4.000%	2.150%	AJ2
2026	515,000	5.500%	1.850%	AD5	2032 (c)	615,000	3.000%	2.650%	AK9
2027 (c)	530,000	5.500%	1.900%	AE3	2033 (c)	635,000	3.000%	2.750%	AL7
2028 (c)	545,000	4.000%	2.000%	AF0	2034 (c)	655,000	3.000%	2.900%	AM5

$10,510,000 Term Bonds

$1,370,000 Term Bonds Due September 1, 2036 (c) (d), Interest Rate: 3.000% (Price: $100.000) (a), CUSIP No. 867344 AP8 (b)

$1,450,000 Term Bonds Due September 1, 2038 (c) (d), Interest Rate: 3.000% (Price: $98.721) (a), CUSIP No. 867344 AR4 (b)

$1,535,000 Term Bonds Due September 1, 2040 (c) (d), Interest Rate: 3.125% (Price: $98.961) (a), CUSIP No. 867344 AT0 (b)

$2,480,000 Term Bonds Due September 1, 2043 (c) (d), Interest Rate: 3.125% (Price: $98.082) (a), CUSIP No. 867344 AW3 (b)

$3,675,000 Term Bonds Due September 1, 2047 (c) (d), Interest Rate: 3.250% (Price: $98.297) (a), CUSIP No. 867344 BA0 (b)

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

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

(c) Bonds maturing on September 1, 2027, and thereafter, shall be subject to redemption and payment at the option of the District, in whole or from time to time in part on April 1, 2027, 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 certain mandatory redemption provisions set forth herein under "THE BONDS – Redemption Provisions – *Mandatory Redemption*."

USE OF INFORMATION IN OFFICIAL STATEMENT

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

All of the summaries of the statutes, resolutions, orders, contracts, audited financial statements, engineering and other related reports set forth in this Official Statement are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents, copies of which are available from Bond Counsel, for further information.

The Financial Advisor (herein defined) has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in the Official Statement in accordance with, and as part of, its responsibility to the District and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

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

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

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

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

TABLE OF CONTENTS

USE OF INFORMATION IN OFFICIAL STATEMENT ... 1
SALE AND DISTRIBUTION OF THE BONDS ... 3
- Award of the Bonds ... 3
- Prices and Marketability ... 3
- Securities Laws ... 3

MUNICIPAL BOND INSURANCE ... 3
RATING ... 5
OFFICIAL STATEMENT SUMMARY ... 6
SELECTED FINANCIAL INFORMATION ... 11
INTRODUCTION ... 12
RISK FACTORS ... 12
- General ... 12
- Contract Tax ... 12
- No Reserve Fund ... 13
- Overlapping Debt and Tax Rates ... 13
- Factors Affecting Taxable Values and Tax Payments ... 13
- Tax Collections and Foreclosure Remedies ... 14
- Registered Owners' Remedies and Bankruptcy Limitations ... 14
- Future Debt ... 14
- Marketability ... 15
- Continuing Compliance with Certain Covenants ... 15
- Environmental Regulations ... 15
- Obligations to Guadalupe-Blanco River Authority ... 15
- Infectious Disease Outlook – COVID-19 ... 16
- Approval of the Bonds ... 16
- Changes in Tax Legislation ... 16
- Competitive Nature of Austin Residential Commercial/Industrial Market ... 16
- Bond Insurance Risk Factors ... 17

THE BONDS ... 17
- General ... 17
- Book-Entry-Only System ... 18
- Registration, Transfer and Exchange ... 19
- Mutilated, Lost, Stolen or Destroyed Bonds ... 20
- Authority for Issuance ... 20
- Source of Payment ... 20
- Pledged Contract Payments by the Participants ... 21
- Unconditional Obligation to Pay ... 21
- Funds ... 21

Record Date for Interest Payment 21
Redemption Provisions 22
Annexation 23
Consolidation 24
Defeasance 24
Issuance of Additional Debt 24
Specific Tax Covenants 25
Amendments to the Bond Order 25
Registered Owners' Remedies and Bankruptcy Limitations 26
Legal Investment and Eligibility to Secure Public Funds in Texas 26
Short-Term Debt 27
Use and Distribution of Bond Proceeds 27
SUMMARY OF CERTAIN DOCUMENTS 28
Master District Contract 28
DISTRICT DEBT 29
General 29
Assessed Valuation of the Financing Participants 29
Direct and Estimated Overlapping Debt Statement 30
Debt Ratios 30
Debt Service Requirement Schedule 31
TAXING PROCEDURES 32
Authority to Levy Taxes 32
Property Tax Code and County-Wide Appraisal District 32
Property Subject to Taxation by the Financing Participants 32
Tax Abatement 34
Valuation of Property for Taxation 34
Financing Participant and Taxpayer Remedies 34
Levy and Collection of Taxes 34
Rollback of Operation and Maintenance Tax Rate 35
Financing Participant's Rights in the Event of Tax Delinquencies 35
TAX DATA 36
General 36
Debt Service Tax 36
Maintenance Tax 36
Tax Rate Limitations of the Financing Participants 36
Assessed Taxable Valuation Summary 37
Principal Taxpayers 37
Tax Rate Calculations 37
Estimated Overlapping Taxes 38
THE DISTRICT 39
General 39
Description 39
The System Participants 39
The Service Area 39
Management of the District 40
Investment Policy 40
Consultants 40
SUNFIELD 41
Status of Development within the Service Area 42
Homebuilders within the Service Area 42
PHOTOGRAPHS TAKEN WITHIN THE SERVICE AREA .. 43
PHOTOGRAPHS TAKEN WITHIN THE SERVICE AREA .. 44
THE DEVELOPER 45
Role of the Developer 45
Principal Landowner/Developer 45
Development Financing 45
Lot-Sales Contracts 45
THE SYSTEM 46
Regulation 46
Description of the Road and Utility Systems 46
LEGAL MATTERS 48
Legal Opinions 48
No-Litigation Certificate 48
No Material Adverse Change 48
TAX MATTERS 48
Tax Accounting Treatment of Original Issue Discount Bonds 49
Collateral Federal Income Tax Consequences 50
State, Local and Foreign Taxes 50
NOT QUALIFIED TAX-EXEMPT OBLIGATIONS 50
NO-LITIGATION CERTIFICATE 50
NO MATERIAL ADVERSE CHANGE 50
CONTINUING DISCLOSURE OF INFORMATION 50
Annual Reports 51
Specified Event Notices 51
Availability of Information from EMMA 51
Limitations and Amendments 51
Compliance with Prior Undertakings 52
OFFICIAL STATEMENT 52
General 52
Experts 52
Certification as to Official Statement 52
Updating of Official Statement 53
CONCLUDING STATEMENT 53

APPENDIX A Certain Financial Information Regarding the Participants

APPENDIX B Independent Auditor's Report And Financial Statements

APPENDIX C Specimen Municipal Bond Insurance Policy

SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the 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 "Initial Purchaser") to purchase the Bonds bearing the interest rates shown under "MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND INITIAL REOFFERING YIELDS" at a price of 97.000000% of the par value thereof plus accrued interest to the date of delivery, which resulted in a net effective interest rate of 3.479628%, as calculated pursuant to Chapter 1204 of the Texas Government Code.

Prices and Marketability

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

The delivery of the Bonds is conditioned upon the receipt by the District of a certificate executed and delivered by the Initial Purchaser on or before the date of delivery of the Bonds stating the prices at which a substantial amount of the Bonds of each maturity has been sold to the public. For this purpose, the term "public" shall not include any person who is a bondhouse, broker or similar person acting in the capacity of underwriter or wholesaler. Otherwise, subject to certain restrictions described in the Official Notice of Sale, the District has no understanding with the Initial Purchaser regarding the reoffering yields or prices of the Bonds. Information concerning reoffering yields or prices is the responsibility of the Initial Purchaser.

The prices and other terms with respect to the offering and sale of the Bonds may be changed from time-to-time by the Initial Purchaser after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers who may sell the Bonds into investment accounts.

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

Securities Laws

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

Delivery of Official Statements

The District shall furnish to the Initial Purchaser (and to each participating underwriter of the Bonds, within the meaning of SEC Rule 15c2-12(a), designated by the Initial Purchaser), within seven (7) business days after the sale date, the aggregate number of Official Statements agreed upon between the District and the Initial Purchaser. The District also shall furnish to the Initial Purchaser a like number of any supplements or amendments approved and authorized for distribution by the District for dissemination to potential underwriters of the Bonds, as well as such additional copies of the Official Statement or any such supplements or amendments as the Initial Purchaser may reasonably request prior to the 90th day after the end of the underwriting period described in SEC Rule 15c2-12(f)(2). The District shall pay the expense of preparing the number of copies of the Official Statement agreed upon between the District and the Initial Purchaser and an equal number of any supplements or amendments issued on or before the delivery date, but the Initial Purchaser shall pay for all other copies of the Official Statement or any supplement or amendment thereto.

MUNICIPAL BOND INSURANCE

Bond Insurance Policy

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

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

Build America Mutual Assurance Company

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

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

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

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

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of December 31, 2021, and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $481.5 million, $183.4 million, and $298.1 million, respectively.

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

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

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

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at 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.

RATING

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

The District is not aware of any ratings assigned to the Bonds other than the rating of S&P.

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OFFICIAL STATEMENT SUMMARY

The following material is a summary of certain information contained herein and is qualified in its entirety by the more detailed information and financial statements appearing elsewhere in this Official Statement. The summary should not be detached and should be used in conjunction with the more complete information contained herein. A full review should be made of this entire Official Statement and of the documents summarized or described herein.

THE BONDS

The Issuer	Sunfield Municipal Utility District No. 4 ("SMUD 4," the "District," or the "Master District"), a political subdivision of the State of Texas, is located in Hays County, Texas. See "THE DISTRICT."
The Issue	The $17,200,000 Unlimited Tax Contract Revenue Bonds, Series 2022 (the "Bonds"), are dated April 1, 2022. Interest accrues from April 1, 2022, at the rates set forth on the inside cover page hereof, and is payable September 1, 2022, and each March 1 and September 1 thereafter until the earlier of stated maturity or redemption. The Bonds mature on September 1 in the years and in the principal amounts as set forth on the inside cover page hereof. See "THE BONDS – General."
Redemption Provisions	*Optional Redemption:* Bonds maturing on or after September 1, 2027, are subject to redemption, in whole or from time to time in part, on April 1, 2027, 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*." *Mandatory Redemption:* The Bonds maturing on September 1 in the years 2036, 2038, 2040, 2043 and 2047 are term bonds (the "Term Bonds"). The Term Bonds also have certain mandatory redemption provisions as set forth herein under "THE BONDS – Redemption Provisions – *Mandatory Redemption*."
Book-Entry-Only System	The Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC"), pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in principal denominations of $5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the Beneficial Owners (hereinafter defined) thereof. Principal of and interest on the Bonds will be payable by Zions Bancorporation, National Association, Amegy Bank Division, Houston, Texas (the "Paying Agent/Registrar"), to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the Beneficial Owners of the Bonds. See "THE BONDS – Book-Entry-Only System."
Authority for Issuance	The Bonds are issued pursuant to (i) 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, (ii) various elections held within the District and the other Participants (herein defined), (iii) a bond order (the "Bond Order") adopted by the Board of Directors of the District (the "Board"), (iv) a trust indenture (the "Indenture") between the Master District and Zions Bancorporation, National Association, Amegy Bank Division, Houston, Texas (the "Trustee"), and (v) an order of the Texas Commission on Environmental Quality (the "TCEQ") dated December 3, 2021. See "THE DISTRICT – General" and "THE BONDS – Authority for Issuance."
Source of Payment	Principal of and interest on the Bonds are payable from and secured by an unconditional obligation made severally by the District, Sunfield Municipal Utility District No. 1 ("SMUD 1"), and Sunfield Municipal Utility District No. 3 ("SMUD 3") (the "Financing Participants" collectively or "Financing Participant" individually) pursuant to a Master District Contract (as hereinafter defined) entered into between the Master District and each Financing Participant to make certain debt service payments on the Bonds

(collectively the "Pledged Contract Payments"). **None of the facilities being financed by the Bonds will serve Sunfield Municipal Utility District No. 2 ("SMUD 2"), as such, SMUD 2 has no obligation to make Pledged Contract Payments** to the Master District. By execution of the Master District Contract, each Financing Participant has agreed to pay a pro rata share of debt service on the Bonds based upon the certified assessed valuation of such Financing Participant as a percentage of the total assessed valuation of all taxable property located within boundaries of all Financing Participants. Financing Participants are obligated to make such Pledged Contract Payments from the proceeds of an annual unlimited ad valorem contract tax levied by such Financing Participant on land within its boundaries for Pledged Contract Payments (the "Contract Tax"). No Financing Participant is liable for the payments due by any other Financing Participant. The Bonds are further secured by a Contract Revenue System Debt Service Fund (as hereinafter defined) held by the Trustee (as hereinafter defined) pursuant to the terms of the Indenture (as hereinafter defined). THE BONDS ARE LIMITED OBLIGATIONS OF THE MASTER DISTRICT, PAYABLE SOLELY FROM CERTAIN PLEDGED CONTRACT PAYMENTS OF EACH FINANCING PARTICIPANT AND CERTAIN FUNDS HELD BY THE TRUSTEE UNDER THE INDENTURE, AND ARE NOT OBLIGATIONS OF THE CITY OF BUDA, TEXAS; HAYS COUNTY, TEXAS; OR ANY OTHER POLITICAL SUBDIVISION OR AGENCY. See "THE BONDS – Source of Payment" and "SUMMARY OF CERTAIN DOCUMENTS – Master District Contract."

Payment Record............ The Bonds constitute the first issuance of bonded indebtedness by the District.

Short-Term Debt............ In connection with the Bonds, the District has issued its $10,340,000 Bond Anticipation Note, Series 2021, dated June 9, 2021 (the "BAN"), and distributed proceeds from sale of the BAN as described below. The BAN accrues interest at a rate of 0.66% per year (computed on the basis of a 360-day year and the actual days elapsed) and matures on June 8, 2022, unless called for redemption prior to maturity.

Principal Use of Proceeds .... Proceeds from sale of the Bonds will be used to redeem the BAN, the proceeds of which were used to reimburse the Developer (herein defined) for a portion of the construction costs set out herein under "THE BONDS – Use and Distribution of Bond Proceeds." Proceeds of the Bonds will also be used to: reimburse the Developer for the portion of said construction costs that was not reimbursed by the BAN, pay eighteen (18) months of capitalized interest on the Bonds, pay developer advances, and pay costs of issuance associated with the BAN and the Bonds. See "THE BONDS – Use and Distribution of Bond Proceeds" for further information.

Not Qualified Tax-Exempt Obligations............ The Bonds are <u>NOT</u> "qualified tax-exempt obligations" for financial institutions. See "NOT QUALIFIED TAX-EXEMPT OBLIGATIONS."

Municipal Bond Insurance............ Build America Mutual Assurance Company ("BAM"). See "MUNICIPAL BOND INSURANCE" and "RATING."

Rating .... S&P Global Ratings (BAM Insured): "AA." See "RATING."

Legal Opinion .... Coats Rose, P.C., Houston, Texas. See "LEGAL MATTERS."

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

Disclosure Counsel............ The Muller Law Group, PLLC, Sugar Land, Texas.

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 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. Neither the District nor the System Participants have 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.

THE DISTRICT

Sunfield .... The District is part of the approximately 2,790-acre, master-planned community known as "Sunfield." Sunfield is located along the Interstate 35 corridor and includes amenities such as an Olympic lap pool, pavilion, splash pool, dog park, fishing ponds, and hike and bike trails.

Sunfield is made up of the District and three other municipal utility districts: Sunfield Municipal Utility District No. 1 ("SMUD 1"), Sunfield Municipal Utility District No. 2 ("SMUD 2"), and Sunfield Municipal Utility District No. 3 ("SMUD 3") (collectively referred to herein as the "System Participants" or the "Sunfield Districts"). See "SUNFIELD."

Development within Sunfield.................................... To date, of the approximate 655.4 total acres within the District, no lands have been developed. However, 178.556 acres (752 lots) are under development in the District as Sunfield Phase 5 Sections 1A, 1B and 2-6. All development in Sunfield has occurred in either SMUD 1 or SMUD 3. Current commercial development within SMUD 1 and SMUD 3 consists of: U.S. Foods, Inc., a regional food servicing distribution operator for restaurants, hospital facilities, governmental operations and educational institutions, purchased a 40.17-acre site in 2010 on which it has constructed a 277,000 square-foot office, dry food storage, refrigerated food storage, and freezer food storage facility and a 10,000 square-foot maintenance facility; Tractor Supply Company, a retail farm and ranch store chain, purchased approximately 3.82 acres on which it has constructed a 19,100 square foot retail store; Burger King: on 0.801 acres; a national franchised fast food chain restaurant; Studio 6 Hotel, on 1.40 acres operates a hotel across the street from Baylor Scott and White Hospital; Health Center Commercial Building, a 2.5-acre 20,000 square foot multi-tenant medical office building with Ascension Seton and Dell Children's Medical Group as major tenants;

Baylor Scott and White Hospital Group, purchased 19.60 acres for the construction of a hospital and retail facility estimated investment value of at least $35 million in land, buildings, equipment, inventory and other improvements necessary for a full medical facility. The hospital opened for operations in October of 2019 and includes a full-service emergency department, medical office space, retail pads, operating rooms, imaging, and other facilities; Exeter Property Group (Industrial), owned under the name of Exeter Buda Land LP, purchased 36.78 acres and developed 300,000 square feet of industrial space that has been leased to Amazon. The second phase of this industrial space has been updated to a distribution logistics vehicle lot that will handle the food to go portion of the business line. Exeter Property Group owns another 6.5 acres with plans to develop additional industrial space; Sunfield Station Athletic Complex, purchased 8 acres in April of 2018 and constructed a 30,000 square foot indoor multi-use sports complex and associated sports retail center with an estimated 60,000 square feet of building/retail space. Construction of Sunfield Station was completed in 2019. The complex primarily focuses on indoor volleyball but also includes basketball and other sports. The project estimates that each tournament at the facility will bring up to 1,500 visitors to the City of Buda, Texas, with that number estimated to increase as tournaments grow in size and frequency. Long-range projections indicate the annual visitor count to the facility could exceed 40,000; SNKS Convenience Store, a convenience store site consisting of 1.40 acres was sold and will be located at the corner of Main Street and Campo Del Sol. It will include various convenience store products as well as beer and wine sales and gas facilities; Kiddie Academy Educational Learning Center (Daycare), a 2.16-acre site to the west of Sunfield Station on Main Street was purchased by Buda Enterprise Phase 1, LLC which operates a national franchise known as Kiddie Academy Educational Learning Center. This day care center opened in 2020; HCISD Elementary School, a 16.5-acre site was donated to Hays Consolidated Independent School District for a future elementary school site. The HCISD bond election was passed in May 2021. The Hays ISD Sunfield School Ground Breaking event was held on June 9, 2021 and the construction began on June 10, 2021; AMP CNG, purchased 1.733 acres and constructed a high-pressure lignified natural gas station that fuels all of the U.S. Foods transportation vehicles as well as other LNG clients; Tuscany Apartments, a multi-family development that includes 196 units on 13 acres, which historically is 90-98% leased; Huntington, which purchased 5.81 acres in 2009, which consists of 120 units of senior living apartments. These units are historically 90-100% leased; The Royalton at Sunfield began construction of the 300-apartment complex in mid-February of 2020. The first occupied apartment was delivered on or about June of 2021 and approximately 80% of the construction is complete. The construction is expected to be completed in the first quarter of 2022. In 2020, Buda School Development LLC purchased 10 acres to open a charter school to include K through 6 initially with plans to grow through High School. The charter school is slated to open for the 2022-2023 school year. The remaining commercial acreage in Sunfield is made up of approximately 230 acres which include developed commercial pads, commercial, retail and light industrial land, as well as multi-family land.

Approximately 751.10 acres (3,079 lots) within Sunfield have been developed for single-family residential use. As of December 1, 2021, there were approximately 2,385 total complete homes (approximately 2,357 occupied, 14 unoccupied, and 14 model homes), approximately 432 homes under construction, and approximately 262 vacant developed lots. In addition, as of December 1, 2021, approximately 209.41 acres (870 single-family lots) are under development. Sunfield also includes approximately 262.97 acres developed for retail industrial, multi-family, and recreational uses, approximately 1,089.82 undeveloped but developable acres, and approximately 468.63 undevelopable acres. See “SUNFIELD.”

Developer/Principal Landowners	The previous developer of land within the District was 2428 SF PH 1 LLC, a Texas limited liability company (the "Previous Developer"), which is wholly owned by 2428 Partners, LLC. 2428 Partners, LLC is comprised of 2428 Management, LLC, general partner, and IHP Fund III, LLC, limited partner. The principal developer of land within the District is Sunfield Development LLC (the "Developer"), which purchased land from the Previous Developer on December 31, 2020. Sunfield Development LLC is comprised of VP Sunfield Holdings LLC and IHP SF Investments LLC. Sunfield Investments LLC is an additional landowner within the District which owns land that is planned for future commercial, industrial and multi-family uses. Sunfield Investments LLC is comprised of VP Sunfield Holdings LLS and IHP SF Investments LLC. The District is managed by Scarborough Services LLC, a third-party management company controlled by James R. Feagin and Ryan Burkhardt. The Developer and its related entities currently own approximately 502.50 acres in the District, 0 vacant developed lots in the District, 752 lots under development in the District, as well as approximately 852.68 acres in the remainder of Sunfield.
Homebuilders within Sunfield	Homebuilders active within Sunfield include Centex Homes, Pulte Homes, Castle Rock Homes, Gehan Homes, Taylor Morrison (formerly William Lyon Homes and RSI), and Chesmar Homes Austin. Homes being constructed in Sunfield range in price from $300,000 to $600,000. See "SUNFIELD."

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)

Values of the Financing Participants:

	2021 Taxable Assessed Value (a)	Percent of Total
SMUD 1	$ 377,090,385	45.90%
SMUD 3	441,845,560	53.79
SMUD 4	2,554,583	0.31
Total	$ 821,490,528	100.00%

Direct Debt:	
The Bonds	$ 17,200,000
Estimated Overlapping Debt	$150,429,294
Total Direct and Estimated Overlapping Debt	$167,629,294
Direct Debt Ratios:	
As a percentage of the 2021 Taxable Assessed Valuation of the Financing Participants	2.09 %
Direct and Estimated Overlapping Debt Ratios:	
As a percentage of the 2021 Taxable Assessed Valuation of the Financing Participants	20.41 %
Contract Revenue System Debt Service Fund Balance (as of delivery of the Bonds)	$ 920,247 (b)
General Operating Fund Balance (as of December 13, 2021)	$ 213,314

2021 Tax Rate per $100 of Assessed Value of Financing Participants	SMUD 1	SMUD 3	SMUD 4
Utility Debt Service	$0.300	$0.000	$0.000
Road Debt Service	0.320	0.545	0.000
Contract Tax	0.000	0.000	0.000
Maintenance	0.280	0.355	0.900
Total	$0.900	$0.900	$0.900

Average Annual Debt Service Requirement (2022–2047)	$985,689 (c)
Maximum Annual Debt Service Requirement (2023)	$1,085,556 (c)

Contract Tax Rate per $100 of Taxable Assessed Valuation Required to Pay Average Annual Debt Service Requirement (2022–2047) at 95% Tax Collections:

Based on the 2021 Taxable Assessed Valuation of the Financing Participants	$0.13

Contract Tax Rate per $100 of Taxable Assessed Valuation Required to Pay Maximum Annual Debt Service Requirement (2023) at 95% Tax Collections:

Based on the 2021 Taxable Assessed Valuation of the Financing Participants	$0.14

Status of Development in Service Area as of December 1, 2021:

Participant	Total Acreage	Homes Completed (d)	Homes Under Construction	Developed Vacant Lots
SMUD 1	686.00	825	0	0
SMUD 2	584.50	0	0	0
SMUD 3	864.06	1,560	432	262
SMUD 4	655.44	0	0	0
Total	2,790.00	2,385	432	262

(a) Represents the taxable assessed valuation of taxable property as of January 1, 2021, provided by the Hays Central Appraisal District. Small portions of SMUD 1 and SMUD 3 lie within Travis County, and the taxable value of such land within Travis County is not included. See "TAX DATA" and "TAXING PROCEDURES."

(b) Represents eighteen (18) months of capitalized interest on the Bonds to be deposited into the Contract Revenue System Debt Service Fund upon delivery of the Bonds. Texas law does not require that the Master District maintain any particular sum in the Contract Revenue System Debt Service Fund. Proceeds from the Pledged Contract Payments collected for and on account of the Bonds shall be deposited into the Contract Revenue System Debt Service Fund. See "THE BONDS – Funds."

(c) Requirement of debts service on the Bonds. See "DISTRICT DEBT – Debt Service Requirement Schedule."

(d) Approximately 2,357 homes are occupied.

INTRODUCTION

This Official Statement of Sunfield Municipal Utility District No. 4 (the "District," "Master District," or "SMUD 4") is provided to furnish information with respect to the issuance by the District of its $17,200,000 Unlimited Tax Contract Revenue Bonds, Series 2022 (the "Bonds").

The Bonds are issued pursuant to (i) 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, (ii) various elections held within the District and the other System Participants (herein defined), (iii) a bond order (the "Bond Order") adopted by the Board of Directors of the District (the "Board"), (iv) a trust indenture (the "Indenture") between the Master District and Zions Bancorporation, National Association, Amegy Bank Division, Houston, Texas (the "Trustee"), and (v) an order of the Texas Commission on Environmental Quality (the "TCEQ") dated December 3, 2021.

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

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

RISK FACTORS

General

The Bonds are limited obligations of the Master District and are not obligations of the State of Texas; Hays County, Texas; the City of Buda, Texas (the "City"); or any entity other than the Master District. The Bonds are payable solely from and to the extent of the Pledged Contract Payments (as defined herein). The obligations of the Financing Participants (as defined herein) to make Pledged Contract Payments are several, not joint, obligations pro-rated among the Financing Participants based upon the proportion of the assessed valuation of property within their respective boundaries to the total assessed valuation within the boundaries of the Financing Participants (as defined herein). No Financing Participant is obligated to pay the Pledged Contract Payments allocated to any other Financing Participant. The security for payment of the principal of and interest on the Bonds, therefore, depends on the ability of each Financing Participant to collect annual ad valorem taxes (without legal limit as to rate or amount) levied on taxable property within its boundaries sufficient to pay its Pledged Contract Payments. Taxes collected by each Financing Participant are allocated between Pledged Contract Payments which are the source of payment of the Bonds and other ad valorem taxes levied by such Financing Participant without priority of taxes levied for one purpose over taxes levied for any other purpose.

The collection by each Financing Participant of delinquent taxes owed to it and the enforcement by the registered owners of the Bonds (the "Registered Owners") of the Financing Participant's obligation to collect sufficient taxes, if required, may be a costly and lengthy process. The Master District does not make any representations that continued development of taxable property within the boundaries of the Financing Participants will accumulate or maintain taxable values sufficient to justify continued payment of taxes by property owners or that there will be a market for the property, if such property is foreclosed upon by a Financing Participant for nonpayment of taxes. The Master District makes no representations that over the life of the Bonds the property within the boundaries of the Financing Participants will maintain a value sufficient to justify continued payment of taxes by the property owners. The potential increase in taxable valuation of property within the boundaries of the Financing Participants is directly related to the economics of the commercial and residential industry, not only due to general economic conditions, but also due to the particular factors discussed below. See "Registered Owners' Remedies and Bankruptcy Limitations" below, "THE BONDS – Source of Payment," and "APPENDIX A – CERTAIN FINANCIAL INFORMATION REGARDING THE PARTICIPANTS."

Contract Tax

The District, in its capacity as the Master District, is responsible for constructing or otherwise obtaining the water supply and wastewater treatment, as well as the regional water distribution and wastewater collection trunklines and drainage and detention facilities necessary to serve Sunfield (as defined herein) (collectively, the "Master District Facilities" as further defined in "THE SYSTEM – The Master District"). By execution of the "Contract for Financing, Operation and Maintenance of Regional Water, Sanitary Sewer and Drainage Facilities" (the "Master District Contract"), the Master District, Sunfield Municipal Utility District No. 1 ("SMUD 1"), and Sunfield Municipal Utility District No. 3 ("SMUD 3") (SMUD 4, SMUD 1, and SMUD 3 being referred to herein individually as a "Financing Participant" or "Sunfield MUD" and collectively as the "Financing Participants" or "the Sunfield Districts") are obligated to pay a pro rata share of debt service on bonds to be issued by the Master District to finance the Master District Facilities (the "Contract Revenue Bonds") based upon the certified assessed valuation of each Financing Participant. Each Financing Participant is obligated to pay its pro rata share of debt service on the Contract Revenue Bonds, including the Bonds, from the proceeds of ad valorem taxes levied by such district for such purpose (the "Contract Tax") or from any other lawful source of district income. **However, none of the**

facilities being financed by the Bonds will serve Sunfield Municipal Utility District No. 2 ("SMUD 2"), as such, SMUD 2 has no obligation to make Pledged Contract Payments to the Master District. SMUD 2 will issue its own bonds to finance its portion of the Master District Facilities.

The Bonds are the first series of unlimited tax contract revenue bonds to be issued by the Master District. The Master District is authorized to issue unlimited tax contract revenue bonds in an amount necessary to finance the Master District Facilities to serve the entire master-planned development of Sunfield ("Sunfield"), without additional voter approval. The District cannot represent whether any of the development planned or occurring in the area within the Sunfield Districts served by the Master District Facilities (the "Service Area") will be successful. The levy of a Contract Tax to substantially higher levels could have an adverse impact upon future development and upon development and home sales within the within boundaries of all Financing Participants, including the District, and the ability of each Financing Participant to collect, and the willingness of owners of property located within the within the boundaries of all Financing Participants to pay ad valorem taxes (including the Contract Tax). See "THE SYSTEM" and "SUMMARY OF CERTAIN DOCUMENTS."

No Reserve Fund

The Bonds will be issued pursuant to the Bond Order wherein the Pledged Contract Payments will be pledged to payment of debt service on the Bonds. The Bond Order confirms the Contract Revenue System Debt Service Fund but does not create a designated reserve fund. Each Financing Participant's pro rata share of the Pledged Contract Payments is calculated by the Master District. The Master District's annual calculation of the debt service requirement to be paid by the Financing Participants shall include no more than the sum of next year's annual debt service requirements and, at the option of the Master District, up to 50% of the following year's annual debt service requirements to establish a replenishment amount in the Contract Revenue System Debt Service Fund, which when paid by the Financing Participants, will be deposited into such debt service fund. Delay or failure of any Financing Participant to pay its pro rata share of the debt service requirements may adversely affect payment of the Bonds. In the event of a default on a bond payment, the Master District will be obligated to charge the Financing Participants the maximum amount allowed under the Bond Order (100% of the next year's debt service and 50% of the following year's debt service) until such time that both (a) the bond default is cured and (b) the Master District's debt service fund balance is at least 50% of the maximum annual debt service remaining on the Master District's bonds. There is no trust estate or trust indenture securing the payment of the Bonds and no trustee to enforce a mandamus action on behalf of Registered Owners (herein defined). Any action in mandamus as a result of a payment or other default under the Bond Order would have to be brought by the Registered Owners themselves against the Master District, and such an action would not necessarily operate to enforce rights against other Financing Participants. See "RISK FACTORS – Registered Owners' Remedies and Bankruptcy Limitations."

Overlapping Debt and Tax Rates

The Master District and each Financing Participant may each independently issue additional debt that may change the Financing Participants' projected tax rates in the future. Owners of taxable property within the boundaries of all Financing Participants are responsible for the payment of ad valorem taxes levied by each Financing Participant, as applicable, for payment of Pledged Contract Payments. In addition, owners of property located within the boundaries of all Financing Participants are responsible for the payment of ad valorem taxes levied by a Financing Participant, as applicable, for the payment of debt service on unlimited tax bonds issued by the Financing Participant and are also responsible for the payment of ad valorem taxes levied by a Financing Participant, as applicable, for the purpose of paying the Financing Participant's operation and maintenance costs. See "APPENDIX A" attached hereto for information related to indebtedness and taxation requirements of each Financing Participant.

In addition, property located within the boundaries of all Financing Participants is subject to taxation by various other governmental entities. See "TAX DATA – Estimated Overlapping Taxes."

Factors Affecting Taxable Values and Tax Payments

Economic Factors: The rate of development of the Financing Participants is directly related to the vitality of the single-family and multi-family housing, commercial and industrial markets in the Austin, Texas metropolitan area. New residential housing construction can be significantly affected by factors such as interest rates, construction costs, and consumer demand. Decreased levels of home construction activity would restrict the growth of property values within the boundaries of all Financing Participants. The Master District cannot predict the pace or magnitude of any future development or home construction within the boundaries of all Financing Participants. See "SUNFIELD – Status of Development within the Service Area."

Principal Landowner/Developer: There is no commitment by or legal requirement of the Developer (as defined herein), or any other landowner within the boundaries of all Financing Participants to proceed at any particular rate or according to any specified plan with the development of land within the boundaries of all Financing Participants, or of any homebuilder to proceed at any particular pace with the construction of homes within the boundaries of the Financing Participants. Moreover, there is no restriction on any landowner's right to sell its land. Therefore, the Master District can make no representation about the probability of future development, if any, or the rate of future home construction activity within the boundaries of all Financing Participants. Failure to construct taxable improvements on developed lots would restrict the rate of growth of taxable values within the boundaries of all Financing Participants and result in higher tax rates. See "SUNFIELD – Status of Development within the Service Area."

Maximum Impact on District Tax Rates: Assuming no further development or home construction, the value of the land, improvements, and other taxable property currently within the boundaries of all Financing Participants, will be the major determinant of the ability or willingness of property owners to pay their taxes. The taxable assessed valuation as of January 1, 2021, of all taxable property located within the boundaries of all Financing Participants is $821,490,528. After issuance of the Bonds, the maximum annual debt service requirement of the Bonds (2023) will be $1,085,556 and the average annual debt service requirement of the Bonds (2022–2047) will be $985,689. Assuming no increase to nor decrease from the taxable assessed valuation as of January 1, 2021, a tax rate of each Financing Participant of $0.14 and $0.13 per $100 of assessed valuation at a 95% tax collection rate would be necessary to pay the maximum annual debt service requirement and the average annual debt service requirement, respectively.

In 2021, SMUD 1 levied a total tax of $0.900 per $100 of assessed valuation composed of the following: a maintenance tax of $0.280, a utility debt service tax of $0.300, and a road debt service tax of $0.320. In 2021, SMUD 3 levied a total tax of $0.900 per $100 of assessed valuation composed of the following: a maintenance tax of $0.355 and a road debt service tax of $0.545. In 2021, SMUD 4 levied a total tax of $0.900 per $100 of assessed valuation composed of the following: a maintenance tax of $0.900.

Tax Collections and Foreclosure Remedies

The Master District's ability to make debt service payments on the Bonds may be adversely affected by difficulties experienced by each Financing Participant in collecting ad valorem taxes. Under Texas law, the levy of ad valorem taxes by a Financing Participant constitutes a lien in favor of the Financing Participant 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 judicial foreclosure. The Financing Participant'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 proceedings against a taxpayer; or (c) market conditions affecting the marketability of taxable property within the boundaries of all Financing Participants and limiting the proceeds from a foreclosure sale of such property.

Moreover, the proceeds of any sale of property within the boundaries of all Financing Participants available to pay debt service on the Bonds may be limited by the existence of other tax liens on the property (see "TAX DATA – Estimated Overlapping Taxes"), by the current aggregate tax rate being levied against the property, and by other factors (including the taxpayers' right to redeem property after foreclosure). Finally, a bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the boundaries of all Financing Participants pursuant to the Federal Bankruptcy Code could stay any attempt by such Financing Participant to collect delinquent ad valorem taxes assessed against such taxpayer. See "TAXING PROCEDURES."

Registered Owners' Remedies and Bankruptcy Limitations

In the event of default in the payment of principal of or interest on the Bonds, the Registered Owners have a right to seek a writ of mandamus requiring each Financing Participant to levy sufficient taxes each year to make the District's portion of such debt service payments and to enforce the Master District's rights under the Master District Contract to require each Financing Participant to levy sufficient taxes each year to make its portion of such debt service payments. Except for mandamus, the Bond Order does not specifically provide for remedies to protect and enforce the interests of the Registered Owners. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Although the Registered Owners could obtain a judgment against the Master District and the Financing Participants, such a judgment could not be enforced by a direct levy and execution against property within the boundaries of all Financing Participants. Further, the Registered Owners cannot themselves foreclose on property within the boundaries of all Financing Participants or sell property within the boundaries of all Financing Participants in order to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the Registered Owners may be limited further by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the Master District and the Financing Participants. In this regard, should the Master District or any Financing Participant file a petition for protection from creditors under federal bankruptcy laws, the remedy of mandamus or the right of a Financing Participant to seek judicial foreclosure of its tax lien would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge.

Future Debt

Pursuant to the Master District Contract, the Master District may sell additional unlimited tax contract revenue bonds in an amount necessary to provide the facilities intended to be provided by the Master District on parity with the Bonds. The

Master District anticipates that it will continue to issue unlimited tax contract revenue bonds in installments over the next several years. After the sale of the Bonds, the Master District will still owe approximately $19,200,000 to the Developer for the Master District Facilities. Each future issue of bonds is intended to be sold at the earliest practicable date consistent with the maintenance of a reasonable tax rate in the Financing Participants (assuming projected increases in the value of taxable property made at the time of issuance of bonds are accurate). The Master District does not employ any formula with respect to assessed valuations, tax collections or otherwise to limit the amount of parity bonds which it may issue. The issuance of additional bonds is subject to approval by the TCEQ pursuant to its rules regarding issuance and feasibility of bonds. See "SUNFIELD – Status of Development within the Service Area."

After the issuance of the Bonds, the District, in its capacity as the Master District, will have $290,875,000 unlimited tax contract revenue bonds remaining authorized but unissued for financing the Master District Facilities. In addition, the District has $39,525,000 authorized but unissued bonds for providing waterworks, wastewater, and drainage facilities to areas within the boundaries of the District, and $22,350,000 authorized but unissued bonds for providing road facilities to areas within the boundaries of the District (see "THE BONDS – Issuance of Additional Debt"). Additional unlimited tax bonds may hereafter be approved by both the Board and voters of the District. See "APPENDIX A" for a description of the authorized but unissued unlimited tax bonds of SMUD 1 and SMUD 3.

Marketability

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

Continuing Compliance with Certain Covenants

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

Environmental Regulations

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

- Requiring permits for construction and operation of water wells, wastewater treatment and other facilities;
- Restricting the manner in which wastes are treated and released into the air, water and soils;
- Restricting or regulating the use of wetlands or other properties; and
- Requiring remedial action to prevent or mitigate pollution.

Sanctions against a municipal utility 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.

Obligations to Guadalupe-Blanco River Authority

The Master District has entered into an Agreement Regarding Wholesale Treated Water Service with the Guadalupe-Blanco River Authority ("GBRA"). Pursuant to such agreement, GBRA currently provides wholesale water supply to the Master District. See "THE SYSTEM." GBRA is a regional provider of wholesale and retail water and wastewater services for areas located south of the City of Austin, Texas.

Water trunklines connecting the existing development within Sunfield to the GBRA waterlines have been constructed with monies advanced by the Developer. In 2004, the GBRA sold bonds and constructed a water line to the vicinity of Sunfield to serve the full development of the Sunfield Districts and other customers located in the vicinity of Sunfield. Each entity entitled to receive water service through such line is obligated to pay a portion of the debt service on such bonds. Initially, the Master District was obligated to pay approximately 34% of the debt service on such line. In addition to a pro-rata share of the debt service, the Master District is required to pay an annual water reservation fee. The Master District's annual water reservation fee and pro-rata share of debt service allocated to Sunfield are collectively referred to herein as the "GBRA Payment."

Effective February 15, 2012, the Sunfield Districts entered into an amended and restated non-standard water utility service agreement with Goforth Special Utility District ("Goforth SUD") pursuant to which Goforth SUD will be the retail water provider and will have the obligation to make a portion of the GBRA Payment for each permanent connection in Sunfield assumed by Goforth SUD. In addition, in 2015, 2018, 2020 and 2021, as evidenced by the First Amendment to Amended and Restated Non-Standard Water Utility Service Agreement by and between Goforth SUD and Sunfield Municipal Utility District Nos. 1, 3 and 4, the Second Amendment to Amended and Restated Non-Standard Water Utility Service Agreement by and between Goforth SUD and Sunfield Municipal Utility District Nos. 1, 3 and 4, and the Third Amendment to Amended and Restated Non-Standard Water Utility Service Agreement by and between Goforth SUD and Sunfield Municipal Utility District Nos. 1, 3 and 4, and the Assignment and Assumption Agreement by and among GoForth SUD and Sunfield Municipal Utility Districts Nos. 1, 3 and 4, Goforth SUD contracted for the early transfer of a total of 4,000,000 gallons per day ("gpd") of water and assumed the obligation to make the GBRA Payments for such total 4,000,000 gpd of water. For the fiscal year ending September 30, 2021, the Sunfield Districts were responsible for approximately $326,477 of the GBRA payment.

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 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. 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.

Approval of the Bonds

The Attorney General of Texas must approve the legality of the Bonds prior to their delivery. The Attorney General of Texas, however, does not pass upon or guarantee the safety of the Bonds as an investment or the adequacy or accuracy of the information contained in this Official Statement.

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 tax purposes. Any proposed legislation, whether or not enacted, may also affect the value and liquidity of the Bonds. Prospective purchasers should consult with their own tax advisors with respect to any propose, pending or future legislation.

Competitive Nature of Austin Residential Commercial/Industrial Market

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

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 provider of the Policy (the "Bond Insurer") at such time and in such amounts as would have been due absence such prepayment by the District unless the Bond Insurer chooses to pay such amounts at an earlier date.

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

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

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

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 Initial Purchaser 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 of and interest on the Bonds and the claims paying ability of the Bond Insurer, particularly over the life of the investment. See "MUNICIPAL BOND INSURANCE" and "RATING" 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 following is a description of certain terms and conditions of the Bonds, which description is qualified in its entirety by reference to the Bond Order and the Indenture. A copy of the Bond Order and the Indenture may be obtained from the Master District upon request to Bond Counsel. The Bond Order and the Indenture authorize the issuance and sale of the Bonds and prescribes the terms, conditions and provisions for the payment of the principal of and interest on the Bonds by the Master District.

The Bonds mature on September 1 of the years and in principal amounts, and will bear interest from April 1, 2022, at the rates per annum, set forth on the inside cover page of this Official Statement. Interest on the Bonds will be payable September 1, 2022, and semiannually thereafter on each March 1 and September 1 until maturity or redemption. Bonds maturing on or after September 1, 2027, are subject to redemption prior to maturity at the option of the Master District, in whole or from time to time in part, on April 1, 2027, or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. If less than all the Bonds are redeemed at any time, the particular maturities of Bonds to be redeemed shall be selected by the Master District. If less than all of the Bonds of a particular maturity are redeemed, the Paying Agent/Registrar shall select the particular Bonds to be redeemed by such random method as it deems fair and appropriate.

The Bonds will be issued only in fully registered form in any integral multiples of $5,000 of principal amount for any one maturity and will be initially registered and delivered only to The Depository Trust Company, New York, New York ("DTC"), in its nominee name of Cede & Co., pursuant to the book-entry-only system described herein. No physical delivery of the Bonds will be made to the owners thereof. Initially, principal of and interest on the Bonds will be payable by Zions Bancorporation, National Association, Amegy Bank Division, Houston, Texas (the "Paying Agent/Registrar"), to Cede & Co., as registered owner. DTC will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "Book-Entry-Only System" below.

In the event the Book-Entry-Only System is discontinued and physical bond certificates issued, interest on the Bonds shall be payable by check mailed by the Paying Agent/Registrar on or before each interest payment date, to the Registered Owners as shown on the bond register (the "Register") kept by the Paying Agent/Registrar at the close of business on the 15th calendar day of the month immediately preceding each interest payment date to the address of such Registered Owner as shown on the Register, or by such other customary banking arrangements as may be agreed upon by the Paying Agent/Registrar and the Registered Owner at the risk and expense of such Registered Owner.

If the date for payment of the principal of or interest on any Bond is not a business day, then the date for such payment shall be the next succeeding business day without additional interest and with the same force and effect as if made on the specified date for such payment.

Book-Entry-Only System

This section describes how ownership of the Bonds are to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by DTC while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System 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 Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the United States Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 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.

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

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

Redemption proceeds, principal, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Paying Agent/Registrar or the Master District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Master District or Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

The Master 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 the Master District believes to be reliable, but Issuer 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 Order will be given only to DTC.

Registration, Transfer and Exchange

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

Authority for Issuance

At separate elections held within the boundaries of each Participant on May 12, 2007, the voters of each Participant approved the Master District Contract, thereby, authorizing the levy and collection of the Contract Tax and the issuance of the Bonds and future unlimited tax contract revenue bonds necessary to fund the Master District Facilities. See "Issuance of Additional Debt" below.

A TCEQ order has authorized the Master District to sell the Bonds subject to certain restrictions, including the use of Bond proceeds as summarized in "– Use and Distribution of Bond Proceeds" below.

The Bonds are issued pursuant to (i) 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, (ii) various elections held within the District and the other Participants, (iii) the Bond Order, (iv) the Indenture, and (v) an order of the TCEQ dated December 3, 2021.

Before the Bonds can be issued, the Attorney General of Texas must pass upon the legality of certain related matters. The Attorney General of Texas does not guarantee or pass upon the safety of the Bonds as an investment, the sufficiency of the Pledged Revenues (hereinafter defined) to pay principal and interest on the Bonds or upon the adequacy of the information contained in this Official Statement.

The following principal amount of bonds to be issued by the District have been authorized:

Election Date	Purpose	Amount Authorized	Amount Issued	Remaining Authorized but Unissued
5/12/2007	System Facilities (Master District)	$308,075,000	$ 17,200,000 (a)	$ 290,875,000
5/12/2007	System Facilities	$ 39,525,000	-	$ 39,525,000
5/12/2007	System Facilities Refunding	$ 59,290,000	-	$ 59,290,000
9/22/2007	Roads	$ 22,350,000	-	$ 22,350,000
9/22/2007	Roads Refunding	$ 33,525,000	-	$ 33,525,000

(a) The Bonds.

Source of Payment

The Bonds are payable solely from and to the extent that certain payments required by the Master District Contract are made by the Trustee for the purpose of paying the debt service on the Bonds. The Master District Contract provides that all Financing Participants shall pay a pro rata share of debt service on the Bonds, and any future unlimited tax contract revenue bonds, based upon each Financing Participant's certified assessed valuation as a percentage of the total assessed valuation of the taxable value within the boundaries of all Financing Participants. The debt service requirements shall be calculated to include the charges and expenses of paying agents, registrars and trustees utilized in connection with the Bonds and any bonds of the District subsequently issued, the principal, interest and redemption requirements of the Bonds and any bonds of the Master District subsequently issued and all amounts required to establish and maintain funds established under the Bond Order or the Indenture. Each Financing Participant is obligated to pay its pro rata share of the annual debt service on the Bonds from the proceeds of an annual ad valorem contract tax which is not limited as to rate or amount, or from any other legally available funds of each Financing Participant. Each Financing Participant's pro rata share of debt service requirements will be calculated annually by the Master District; however, the levy of a contract tax for the purpose of paying debt service on the Bonds and any bonds of the Master District subsequently issued is the sole responsibility of each Financing Participant. See "SUMMARY OF CERTAIN DOCUMENTS."

The Bonds are secured by the Indenture entered into by the Master District and the Trustee. Pursuant to the Indenture, the Master District has assigned to the Trustee all of the Master District's right, title and interest in and to the Pledged Contract Payments required by the Master District Contract. See "SUMMARY OF CERTAIN DOCUMENTS – Indenture."

Pledged Contract Payments by the Participants

Principal of and interest on the Bonds and any bonds of the Master District subsequently issued are payable from and secured by an unconditional obligation to make certain payments that are to be made severally by the Financing Participants pursuant to the Master District Contract for the purpose of paying their pro rata shares of debt service requirements which includes principal of and interest on the Bonds and any additional bonds, and fees and charges due the Trustee and the Paying Agent/Registrar (the "Pledged Contract Payments"). By execution of the Master District Contract, the Financing Participants have each agreed to pay such pro rata share of debt service on the Bonds based upon the certified assessed valuation of each Financing Participant as a percentage of the total assessed valuation of the taxable property within the boundaries of all Financing Participants. Financing Participants are obligated to make such debt service requirement payments from the proceeds of the Contract Tax levied by such Financing Participant or other monies legally available to the Financing Participant. No Financing Participant is liable for the payments due by any other Financing Participant.

The Bonds are limited obligations of the Master District, payable solely from the Pledged Contract Payments and certain funds held by the Trustee under the Indenture (i.e., all monies paid into the Contract Revenue System Debt Service Fund for the Bonds, including capitalized interest), and are not obligations of the State of Texas; Hays County, Texas; the City; or any entity other than the Master District. See "SUMMARY OF CERTAIN DOCUMENTS – Master District Contract." The Master District shall calculate on or before September 1 of each year, or as soon thereafter as practical, the amount of Pledged Contract Payments due from each Financing Participant in the following calendar year. The Pledged Contract Payments shall be billed to each Financing Participant by the Master District on or before September 1 of the year prior to the year in which such Pledged Contract Payments become due, or as soon thereafter as practical. Such Pledged Contract Payments shall be due and payable from each Financing Participant directly to the Trustee semiannually on or before November 15 and May 15 of each year.

Unconditional Obligation to Pay

All charges imposed by the Master District to pay debt service on the Bonds will be made by the Financing Participants without set-off, counterclaim, abatement, suspension, or diminution, nor will any Financing Participant have any right to terminate the Master District Contract nor be entitled to the abatement of any such payment or any reduction thereof nor will the obligations of the Financing Participants be otherwise affected for any reason, including without limitation acts or conditions of the Master District that might be considered failure of consideration, eviction or constructive eviction, destruction or damage to the Master District Facilities, failure of the Master District to perform and observe any agreement, whether expressed or implied, or any duty, liability or obligation arising out of or connected with the Master District Contract. All sums required to be paid by the Financing Participants to the Master District for such purposes will continue to be payable in all events and the obligations of the Financing Participants will continue unaffected, unless the requirement to pay is reduced or terminated pursuant to an express provision of the Master District Contract. If any Financing Participant disputes the amount to be paid to the Master District, the Financing Participant shall nonetheless promptly make payments as billed by the Master District, and if it is subsequently determined by agreement, arbitration, regulatory decision, or court decision that such disputed payment should have been less, the Master District will then make proper adjustments to all Financing Participants so that the appropriate Financing Participant will receive credit for its over payments. See "SUMMARY OF CERTAIN DOCUMENTS – Master District Contract."

Funds

The Contract Revenue System Debt Service Fund is confirmed in the Bond Order, of which the proceeds from the Pledged Contract Payments collected for and on account of the Bonds shall be deposited into the Contract Revenue System Debt Service Fund (which includes each Financing Participant's pro rata share of the respective debt service requirements). The Bond Order does not provide for segregated reserve funds. The Master District's annual calculation of the debt service requirement to be paid by the Financing Participants shall include no more than the sum of next year's annual debt service requirements and, at the option of the Master District, an amount up to 50% of the following year's annual debt service requirements, which when paid by the Financing Participants, will be deposited into the Contract Revenue System Debt Service Fund. In the event of a default on a bond payment, the Master District will be obligated to charge the Financing Participants the maximum amount allowed under the Bond Order (100% of the next year's debt service and 50% of the following year's debt service) until such time that both (a) the bond default is cured and (b) the Master District's debt service fund balance is at least 50% of the maximum annual debt service remaining on the Master District's bonds.

There is no trust estate or trust indenture securing the payment of the Bonds and no trustee to enforce a mandamus action on behalf of Registered Owners. There is no reserve fund securing the payment of the Bonds. See "RISK FACTORS – Registered Owners' Remedies and Bankruptcy Limitations."

Record Date for Interest Payment

Interest on the Bonds will be paid to the registered owner appearing on the registration and transfer books of the Paying Agent/Registrar at the close of business on the "Record Date" (the fifteenth calendar day of the month next preceding each interest payment date) and shall be paid by the Paying Agent/Registrar (i) by check sent United States mail, first class postage prepaid, to the address of the registered owner recorded in the registration and transfer books of the Paying Agent/Registrar or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. If the date for the payment of the principal or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where the principal payment office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

In the event of non-payment of interest on a scheduled payment date and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar when funds for the payment of such interest have been received. Notice of the Special Record Date and of the scheduled payment date of the past due interest ("Special Payment Date" which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each registered owner of a Bond appearing in the registration and transfer books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing such notice.

Redemption Provisions

Optional Redemption

The District reserves the right, at its option, to redeem the Bonds maturing on and after September 1, 2027, prior to their scheduled maturities, in whole or from time to time in part, in integral multiples of $5,000, on April 1, 2027, or any date thereafter, at a price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption. If fewer than all of the Bonds are to be redeemed, the particular maturity or maturities and the amounts thereof to be redeemed shall be determined by the District. If fewer than all of the Bonds of the same maturity are to be redeemed, the particular Bonds shall be selected by DTC in accordance with its procedures. See "Book-Entry-Only System" above. Notice of each exercise of the reserved right of optional redemption shall be given by the Paying Agent/Registrar at least thirty (30) calendar days prior to the redemption date, in the manner specified in the Bond Order.

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

Mandatory Redemption

The Bonds maturing on September 1 in the years 2036, 2038, 2040, 2043 and 2047 are term bonds (the "Term Bonds") and 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:

$1,370,000 Term Bond due September 1, 2036

Mandatory Redemption Date	Principal Amount
September 1, 2035	$ 675,000
September 1, 2036 (maturity)	695,000
	$ 1,370,000

$1,450,000 Term Bond due September 1, 2038

Mandatory Redemption Date	Principal Amount
September 1, 2037	$ 715,000
September 1, 2038 (maturity)	735,000
	$ 1,450,000

$1,535,000 Term Bond due September 1, 2040

Mandatory Redemption Date	Principal Amount
September 1, 2039	$ 755,000
September 1, 2040 (maturity)	780,000
	$ 1,535,000

$2,480,000 Term Bond due September 1, 2043

Mandatory Redemption Date	Principal Amount
September 1, 2041	$ 805,000
September 1, 2042	825,000
September 1, 2043 (maturity)	850,000
	$ 2,480,000

$3,675,000 Term Bond due September 1, 2047

Mandatory Redemption Date	Principal Amount
September 1, 2044	$ 880,000
September 1, 2045	905,000
September 1, 2046	930,000
September 1, 2047 (maturity)	960,000
	$ 3,675,000

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 Order. 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.

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

Annexation

The District lies within the extraterritorial jurisdiction of the City of Buda (the "City") and may be annexed by the City under certain circumstances. Under general law, with certain exceptions, annexation of land by the City is subject to three procedures that allow for annexation: (i) on request of a landowner; (ii) for areas with a population of less than 200, by petition of voters and, if voter petitioners do not own more than 50% of the land in the area, by petition of a majority of the property owners in the area; or (iii) for areas with a population of 200 or more, by election of voters and, if voters do not own more than 50% of the land in the area, by petition of a majority of the property owners in the area. However, the foregoing provisions do not apply to areas that are subject to a Strategic Partnership Agreement under Section 43.0751, Texas Local Government Code.

SMUD 1 and the City have previously entered into a Strategic Partnership Agreement, effective September 19, 2006 ("SPA"). Under the SPA, the City agreed to annex the property in SMUD 1 for certain limited purposes, as provided under Sections 43.0751, Texas Local Government Code, and agreed not to annex the property in the SMUD 1 for full purposes until the earlier of (i) September 19, 2036, or (ii) upon completion and issuance of District bonds for 90% of utility infrastructure by SMUD 1 pursuant to the Agreement Concerning Creation and Operation of SMUD 1 between the City and SMUD 1.

If area within SMUD 1 is annexed, under the terms of the SPA, the City must assume SMUD 1's assets and obligations (including any outstanding bonds) and dissolve SMUD 1 within 90 days of annexation. Annexation of property by the City is a policy-making matter within the discretion of the governing body of the City, and therefore, SMUD 1 makes no representation that the City will ever annex SMUD 1 and assume its debt. Moreover, no representation is made concerning the ability of the City to make debt service payments should annexation occur.

SMUD 3 and the District have not entered into a SPA with the City. If land within either SMUD 3 or the District is annexed under general law, such annexed district is dissolved, and the City must assume all outstanding debt of the District.

Consolidation

A municipal utility district (such as the Master District) has the legal authority to consolidate with other districts and, in connection therewith, to provide for the consolidation of its assets, such as cash and the utility system, with the water and wastewater system of municipal utility districts with which it is consolidating as well as its liabilities (which would include the Bonds). No representation is made concerning the likelihood of consolidation.

Defeasance

The Bond Order and the Indenture 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 the Trustee or any place of payment (paying agent) of the Bonds or other obligations of the Master District payable from revenues or from ad valorem taxes or both, amounts sufficient to provide for the payment and/or redemption of the Bonds; provided that such deposits may be invested and reinvested only in (a) direct noncallable obligations of the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the Master District adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the District adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and which mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment and/or redemption of the Bonds.

Upon such deposit as described above, such Bonds shall no longer be regarded as outstanding or unpaid. After firm banking and financial arrangements for the discharge and final payment or redemption of the Bonds have been made as described above, all rights of the Master 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 Master 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.

Issuance of Additional Debt

The Master District may issue additional unlimited tax contract revenue bonds necessary to provide those improvements and facilities pursuant to the terms of the Master District Contract, with the approval of the TCEQ, and upon the issuance of such bonds, the Financing Participants would be responsible for the debt service on such bonds. See "Source of Payment" above and "RISK FACTORS – Future Debt." The Bond Order imposes no limitation on the amount of additional unlimited tax contract revenue bonds which may be issued by the Master District. Any additional unlimited tax contract revenue bonds issued by the Master District will be on a parity with the Bonds. SMUD 2 will issue its own bonds to finance its portion of any future Master District Facilities that will serve SMUD 2.

The issuance of additional obligations by the Master District may increase the Financing Participants' tax rates and adversely affect the security for, and the investment quality and value of, the Bonds. The Master District does not employ any formula with respect to assessed valuations, tax collections, or otherwise to limit the amount of parity bonds which it may issue. The issuance of additional bonds for the construction of additional Master District Facilities is subject to approval by the TCEQ pursuant to issuance guidelines established by it. See "RISK FACTORS – Future Debt."

After the issuance of the Bonds, the District, in its capacity as the Master District, will have $290,875,000 unlimited tax contract revenue bonds remaining authorized but unissued for financing the Master District Facilities. In addition, the District has $39,525,000 unlimited tax bonds authorized but unissued for the purpose of acquiring or constructing water, sewer, and drainage facilities within the boundaries of the District. Additional unlimited tax bonds 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 described in the Bond Order. The District also has $22,350,000 in authorized but unissued unlimited tax bonds for the purchase, construction, acquisition, repair, extension, and improvement of land, easements, works, and improvements of roads inside the boundaries of the District. See "APPENDIX A" for a description of authorized but unissued unlimited tax bonds of SMUD 1 and SMUD 3.

Specific Tax Covenants

The Master District has additionally covenanted and represented in the Bond Order that it:

(1) will not use, permit the use of, or omit to use proceeds of the sale of the Bonds, amounts derived from the investment thereof, or funds held in the Contract Revenue System Debt Service Fund (the "Proceeds") or any other amounts (or any property acquired, constructed, or improved with the Proceeds) in a manner which, if made or omitted, respectively, would cause interest on any Bond to become includable in the gross income, as defined in Section 61 of the Internal Revenue Code of 1986, as amended (the "Code"), of the owners of the Bonds for federal income tax purposes;

(2) will not, at any time prior to the maturity of the Bonds, either (a) use or permit the use of Proceeds or any property acquired, constructed or improved with the Proceeds in any trade or business carried on by any person or entity other than a state or local government (or in any activity of any person other than a natural person) or (b) directly or indirectly impose or accept any charge or other payment for the use of the Proceeds or any property acquired, constructed or improved with the Proceeds in any trade or business carried on by any person other than a state or local government (or any activity of any person other than a natural person), unless in each case such use is merely as a member of the general public or said charge or payment consists of taxes of general application within the Master District or interest earned on certain investments acquired with the Proceeds pending application for their intended purposes;

(3) will not use the Proceeds to make or finance loans to any person or entity other than a state or local government, excluding loans consisting of temporary investment of the Proceeds pending application for their intended purposes but including any transaction which constructively transfers ownership of property financed with Proceeds for federal income tax purposes;

(4) will not, except during certain temporary periods described in the Bond Order, at any time prior to the maturity of the Bonds, directly or indirectly invest the Proceeds in taxable investments (or use such proceeds to replace money if so invested), if as a result of such investment the yield of all such taxable investments acquired with the Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the yield of the Bonds;

(5) will not (a) use any money to pay principal of or interest on the Bonds, or pledge (or permit to be pledged) or otherwise restrict any money, funds, or investments so as to give reasonable assurance of their availability for such purpose, except in each case amounts deposited to the Contract Revenue System Debt Service Fund, or (b) apply any proceeds from the sale of the Bonds or income from the investment thereof, directly or indirectly, to pay principal of or interest on any other indebtedness of the Master District, any other governmental entity which is included within the Master District, or any corporate or other instrumentality of the Master District or any such governmental entity;

(6) will not cause the Bonds to be treated as "federally guaranteed" obligations for purposes of Section 149{b) of the Code or "hedge bonds" within the meaning of Section 149{g) of the Code; and

(7) will file with the Secretary of the Treasury of the United States, not later than the 15th date of the second calendar month after the close of the calendar quarter in which the Bonds were issued, an information report in compliance with the Code.

The Master District may omit to comply with any of the foregoing covenants if it obtains an opinion of nationally recognized bond counsel that such omission would not adversely affect the excludability from gross income for federal income tax purposes of interest on any Bond.

Amendments to the Bond Order

The Master District may, without the consent of or notice to any Registered Owners, amend the Bond Order in any manner not detrimental to the interests of the Registered Owners, including the curing of any ambiguity, inconsistency or formal defect or omission therein. In addition, the Master District may, with the written consent of the Registered Owners of a majority in aggregate principal amount of the Bonds then outstanding affected thereby, amend, add to or rescind any of the provisions of the Bond Order, provided that, without the consent of the Registered Owners of all of the Bonds affected, and provided that it has not failed to make a timely payment of principal of or interest on the Bonds, no such amendment, addition or rescission may (1) change the date specified as the date on which the principal of or any installment of interest on any Bond is due and payable, reduce the principal amount thereof, the redemption price thereof, or the rate of interest thereon, change the place or places at, or the coin or currency in which any Bond or the interest thereon is payable, or in any other way modify the terms or sources of payment of the principal of or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) modify any of the provisions of the Bond Order relating to the amendment thereof, except to increase any percentage provided thereby or to provide that certain other provisions of the Bond Order cannot be modified or waived without the consent of the holder of each Bond affected thereby. In addition, a state, consistent with federal law, may, in the exercise of its police power, make such modifications in the terms and conditions of contractual covenants relating to the payment of indebtedness of a political subdivision as are reasonable and necessary for attainment of an important public purpose. See "SUMMARY OF CERTAIN DOCUMENTS – Indenture" for a discussion on amendments to the Indenture.

Registered Owners' Remedies and Bankruptcy Limitations

If the Master District defaults in the payment of principal, interest, or redemption price on the Bonds when due, or if it fails to make payments into any fund or funds created in the Bond Order and the Indenture, or defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Bond Order and the Indenture, 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 Order and the Indenture. Except for mandamus, the Bond Order does not specifically provide for remedies to protect and enforce the interests of the Registered Owners. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Based on recent Texas court decisions, it is unclear whether Section 49.066 Texas Water Code, effectively waives governmental immunity of a municipal utility district for suits for money damages. Even if such a judgment against the Master District were obtained, it could not be enforced by direct levy and execution against the Financing Participants' property. Further, the Registered Owners cannot themselves foreclose on property within the boundaries of the Financing Participants or sell property within the boundaries of the Financing Participants 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 Master District.

Subject to the requirements of Texas law discussed below, a political subdivision such as the Master 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 Master 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 Master District must obtain the approval of the TCEQ as a condition to seeking relief under the Federal Bankruptcy Code. The TCEQ is required to investigate the financial condition of a financially troubled district and authorize such district to proceeds 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.

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 securities, and otherwise compromising and modifying the rights and remedies of the Registered Owners' claims against a district.

The District may not be forced into bankruptcy involuntarily.

Legal Investment and Eligibility to Secure Public Funds in Texas

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

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

and bodies politic, to the extent of the market value of the bonds, notes, and other obligations when accompanied by any unmatured interest coupons attached to them.

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

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

Short-Term Debt

In connection with the Bonds, the District has issued its $10,340,000 Bond Anticipation Note, Series 2021, dated June 9, 2021 (the "BAN"), and distributed proceeds from sale of the BAN as described below. The BAN accrues interest at a rate of 0.66% per year (computed on the basis of a 360-day year and the actual days elapsed) and matures on June 8, 2022, unless called for redemption prior to maturity.

Use and Distribution of Bond Proceeds

The construction costs below were compiled by the Master District's Engineer (hereinafter defined) and were submitted to the TCEQ in the Master District's TCEQ Bond Application Report. Non-construction costs are based upon either contract amounts, or estimates of various costs by the Engineer and the Financial Advisor. The actual amounts to be reimbursed by the Master District and the non-construction costs will be finalized after the sale of the Bonds and completion of agreed-upon procedures by the Master District's auditor. The surplus funds may be expended for any lawful purpose for which surplus construction funds may be used, if approved by the TCEQ, where required.

Construction Costs	District's Share
A. District Items	
1. Sunfield Elevated Storage Tank No. 1	$ 1,359,322
2. Sunfield Pump Station No. 1	1,541,128
3. Sunfield 16-Inch Water Transmission Main	501,483
4. Sunfield 24-Inch Water Transmission Main & Water Transmission Main "B"	1,041,205
5. Sunfield Wastewater Improvements	913,936
6. Sunfield Wastewater Treatment Plant Phase 1	3,794,293
7. Sunfield Wastewater Treatment Plant Phase 2 Expansion	1,685,268
8. Stormwater Pollution Prevention (Item Nos. 1-4 and 6)	36,614
9. Engineering (Item Nos. 1-4, 7 and 8)	1,640,437
10. Geotechnical and Material Testing Fees (Item Nos. 1-4)	83,760
11. Inspection Fees (Items Nos. 1-5 and 7)	30,338
Total Construction Costs (73.42% of BIR)	$ 12,627,784
Non-Construction Costs	
A. Legal Fees	$ 445,000
B. Fiscal Agent Fees	344,000
C. Interest	
1. Capitalized Interest (18 Months)	920,247
2. Developer Interest	1,461,500
3. BAN Interest	58,576
D. Bond Discount	516,000
E. BAN Issuance Expenses	237,775
F. TPDES Discharge Permit – Engineering	117,433
G. Bond Issuance Expenses	47,508
H. Bond Application Report	60,000
I. Attorney General Fee (0.10% or a maximum of $9,500)	9,500
J. TCEQ Bond Issuance Fee (0.25%)	43,000
K. Contingency (a)	311,677
Total Non-Construction Costs (23.77% of BIR)	$ 4,572,216
TOTAL BOND ISSUE REQUIREMENT	**$ 17,200,000**

(a) Represents the sum of the difference between the estimated and actual amounts of Capitalized Interest and BAN Interest.

In the instance that approved estimated amounts exceed the 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. However, the Master District cannot and does not guarantee the sufficiency of such funds for such purposes.

SUMMARY OF CERTAIN DOCUMENTS

Master District Contract

Each of the Financing Participants has executed the Master District Contract, as amended, with the Master District and obtained approval of the Master District Contract from the voters of each Financing Participant at elections held separately within the boundaries of each Financing Participant. The Master District Contract provides that all Financing Participants shall pay a pro rata share, based upon each Financing Participant's assessed valuation as a percentage of the total certified assessed valuation within the boundaries of all Financing Participants, of debt service on the Master District bonds, including the Bonds, and any future unlimited tax contract revenue bonds. Each Financing Participant is obligated to pay its pro rata share of the annual debt service payments from the proceeds of an annual ad valorem Contract Tax which is not limited as to rate or amount which includes the charges and expenses of paying agents, registrars, and trustees utilized in connection with the Bonds, the principal, interest and redemption requirements of the Bonds and all amounts required to establish and maintain funds established under the Bond Order or Indenture (the "Pledged Contract Payments"). Each Financing Participant's pro rata share of debt service requirements will be calculated annually by the Master District; however, the levy of a Contract Tax or other available means of payment is the sole responsibility of each Financing Participant for the purpose of paying its pro rata share of debt service on the Bonds. The Master District Facilities have been, and are expected to be, constructed with funds provided by the Developer and proceeds from the Bonds and future unlimited tax contract revenue bonds issued by the Master District, which will also be used to reimburse the Developer for such facilities. The Master District Contract also provides for duties of the parties; establishment and maintenance of funds; assignment; arbitration; amendments; force majeure; and other provisions.

It is anticipated that the Master District Facilities will be acquired or constructed in stages to meet the needs of a continually expanding population within the Service Area. In the event that the Master District fails to meet its obligations to provide Master District Facilities as required by the Master District Contract, each Financing Participant has the right, pursuant to the Master District Contract, to design, acquire, construct, or expand the Master District Facilities needed to provide service to each Participant, and convey such Master District Facilities to the Master District in consideration of payment by the Master District of the actual reasonable necessary capital costs expended by each Financing Participant for such Master District Facilities. See "RISK FACTORS – Future Debt" and "APPENDIX A" for information concerning each Financing Participant's authorized but unissued unlimited tax bond authority.

All sums payable by each Financing Participant to the Master District pursuant to the Master District Contract are to be paid without set off, counterclaim, abatement, suspension, or diminution. If any Financing Participant fails to pay its share of these costs in a timely manner, the Master District Contract provides that the Master District shall be entitled to cancel, in whole or in part, any reservation or allocation of capacity in the Master District's Facilities by such Financing Participant in addition to the Master District's other remedies under the Master District Contract. See "THE BONDS – Source of Payment" and "– Unconditional Obligation to Pay." Under certain conditions, the Master District may extend the Service Area and provide services to other parties who will become Financing Participants and agree to assume their pro rata share of the bonded indebtedness of the Master District Facilities in the same manner as the existing Financing Participants.

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DISTRICT DEBT

General

The following tables and calculations relate to the Bonds. The Financing Participants and various other political subdivisions of government which overlap all or a portion of the Financing Participants are empowered to incur debt to be raised by taxation against all or a portion of the property within the boundaries of all Financing Participants.

Assessed Valuation of the Financing Participants

	2021 Taxable Assessed Value (a)	Percent of Total
SMUD 1	$ 377,090,385	45.90%
SMUD 3	441,845,560	53.79
SMUD 4	2,554,583	0.31
Total	$ 821,490,528	100.00%

Direct Debt:		
The Bonds	$ 17,200,000	
Estimated Overlapping Debt	$150,429,294	
Total Direct and Estimated Overlapping Debt	$167,629,294	
Direct Debt Ratios:		
As a percentage of the 2021 Taxable Assessed Valuation of the Financing Participants	2.09 %	
Direct and Estimated Overlapping Debt Ratios:		
As a percentage of the 2021 Taxable Assessed Valuation of the Financing Participants	20.41 %	
Contract Revenue System Debt Service Fund Balance (as of delivery of the Bonds)	$ 920,247	(b)
General Operating Fund Balance (as of December 13, 2021)	$ 213,314	

2021 Tax Rate per $100 of Assessed Value of Financing Participants	SMUD 1	SMUD 3	SMUD 4
Utility Debt Service	$0.300	$0.000	$0.000
Road Debt Service	0.320	0.545	0.000
Contract Tax	0.000	0.000	0.000
Maintenance	0.280	0.355	0.900
Total	$0.900	$0.900	$0.900

Average Annual Debt Service Requirement (2022–2047)	$ 985,689	(c)
Maximum Annual Debt Service Requirement (2023)	$ 1,085,556	(c)

Contract Tax Rate per $100 of Taxable Assessed Valuation Required to Pay Average Annual Debt Service Requirement (2022–2047) at 95% Tax Collections:
Based on the 2021 Taxable Assessed Valuation of the Financing Participants $0.13

Contract Tax Rate per $100 of Taxable Assessed Valuation Required to Pay Maximum Annual Debt Service Requirement (2023) at 95% Tax Collections:
Based on the 2021 Taxable Assessed Valuation of the Financing Participants $0.14

(a) Represents the taxable assessed valuation of taxable property as of January 1, 2021, provided by the Hays Central Appraisal District. Small portions of SMUD 1 and SMUD 3 lie within Travis County, and the taxable value of such land within Travis County is not included. See "TAX DATA" and "TAXING PROCEDURES."

(b) Represents eighteen (18) months of capitalized interest on the Bonds to be deposited into the Contract Revenue System Debt Service Fund upon delivery of the Bonds. Texas law does not require that the Master District maintain any particular sum in the Contract Revenue System Debt Service Fund. Proceeds from the Pledged Contract Payments collected for and on account of the Bonds shall be deposited into the Contract Revenue System Debt Service Fund. See "THE BONDS – Funds."

(c) Requirement of debts service on the Bonds. See "DISTRICT DEBT – Debt Service Requirement Schedule."

Direct and Estimated Overlapping Debt Statement

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

Taxing Jurisdiction	Outstanding Debt January 31, 2022	Overlapping Percent	Overlapping Amount
Hays County	$ 519,804,579	2.70%	$ 14,058,867
Hays Consolidated ISD	542,425,000	7.82	42,436,856
Austin CCD	436,260,000	0.29	1,283,571
Sunfield MUD No. 1	33,015,000	100.00	33,015,000
Sunfield MUD No. 3	59,635,000	100.00	59,635,000
Total Estimated Overlapping Debt			$ 150,429,294
The Master District (a)			$ 17,200,000
Total Direct & Estimated Overlapping Debt			$ 167,629,294

Debt Ratios

Direct Debt Ratios:
As a percentage of the 2021 Taxable Assessed Valuation of the Financing Participants .... 2.09 %

Direct and Estimated Overlapping Debt Ratios:
As a percentage of the 2021 Taxable Assessed Valuation of the Financing Participants .... 20.41 %

(a) Includes the Bonds.

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Debt Service Requirement Schedule

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

Calendar	Plus: The Bonds		
Year	Principal	Interest	Debt Service
2022	$ –	$ 256,482	$ 256,482
2023	470,000	615,556	1,085,556
2024	485,000	589,706	1,074,706
2025	500,000	563,031	1,063,031
2026	515,000	535,531	1,050,531
2027	530,000	507,206	1,037,206
2028	545,000	478,056	1,023,056
2029	565,000	456,256	1,021,256
2030	580,000	433,656	1,013,656
2031	595,000	410,456	1,005,456
2032	615,000	386,656	1,001,656
2033	635,000	368,206	1,003,206
2034	655,000	349,156	1,004,156
2035	675,000	329,506	1,004,506
2036	695,000	309,256	1,004,256
2037	715,000	288,406	1,003,406
2038	735,000	266,956	1,001,956
2039	755,000	244,906	999,906
2040	780,000	221,313	1,001,313
2041	805,000	196,938	1,001,938
2042	825,000	171,781	996,781
2043	850,000	146,000	996,000
2044	880,000	119,438	999,438
2045	905,000	90,838	995,838
2046	930,000	61,425	991,425
2047	960,000	991,200	991,200
Total	$ 17,200,000	$ 8,427,919	$ 25,627,919

Average Annual Debt Service Requirement (2022–2047) $985,689

Maximum Annual Debt Service Requirement (2023) $1,085,556

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TAXING PROCEDURES

Authority to Levy Taxes

Each Financing Participant is authorized to levy a continuing, direct annual ad valorem tax, without legal limitation as to rate or amount, on all taxable property within its boundaries in sufficient amount to pay its pro-rata share of principal and interest on the Bonds, and any additional bonds payable from taxes which the Master District may hereafter issue, and to pay the expenses of assessing and collecting such taxes. In addition, each Financing Participant is authorized to levy a continuing, direct annual ad valorem tax, without legal limitation as to rate or amount, on all taxable property within its boundaries in sufficient amount to pay the principal and interest on any bonds issued for the purpose of providing internal water distribution, wastewater collection, and storm drainage, and road facilities to serving the land within its boundaries. Voters within the District have authorized the levy of a maintenance tax not to exceed $1.00 per $100 valuation. See "TAX DATA" and "APPENDIX A."

Property Tax Code and County-Wide Appraisal District

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

The Tax Code requires each appraisal district, by May 15 of each year, or as soon thereafter as practicable, to prepare appraisal records of property as of January 1 of each year based upon market value. The chief appraiser must give written notice before May 15, or as soon thereafter as practicable, to each property owner whose property value is appraised higher than the value in the prior tax year or the value rendered by the property owner, or whose property was not on the appraisal roll the preceding year, or whose property was reappraised in the current tax year. Notice must also be given if ownership of the property changed during the preceding year. The Appraisal Review Board has the ultimate responsibility for determining the value of all taxable property within the Financing Participants; however, any property owner who has timely filed notice with the Appraisal Review Board may appeal a final determination by the Appraisal Review Board by filing suit in a Texas district court. Prior to such appeal or any tax delinquency date, however, the property owner must pay the tax due on the value of that portion of the property involved that is not in dispute or the amount of tax imposed in the prior year, whichever is greater, or the amount of tax due under the order from which the appeal is taken. 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. In addition, taxing units, such as the Financing Participants, are entitled to challenge certain matters before the Appraisal Review Board, including the level of appraisals of a certain category of property, the exclusion of property from the appraisal records of the granting in whole or in part of certain exemptions. A taxing unit may not, however, challenge the valuation of individual properties.

Although the Financing Participants have the responsibility for establishing tax rates and levying and collecting its taxes each year, under the Tax Code, the Participants do not establish appraisal standards or determine the frequency of revaluation or reappraisal. The Appraisal District is governed by a board of directors elected by the governing bodies of the county and all cities, towns, school districts and, if entitled to vote, the conservation and reclamation districts that participate in the Appraisal District. The Tax Code requires each appraisal district to implement a plan for periodic reappraisal of property to update appraised values. Such plan must provide for reappraisal of all real property in the appraisal district at least once every three years. It is not known what frequency of future reappraisals will be utilized by the Appraisal District or whether reappraisals will be conducted on a zone or county-wide basis.

Property Subject to Taxation by the Financing Participants

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 within the boundaries of all Financing Participants are subject to taxation by the applicable Financing Participant. 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 applicable Financing Participant 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 of Directors of the applicable Financing Participant. The applicable Financing Participant may be required to offer such exemptions if a majority of voters approve same at an election. The Financing Participant 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. Each Financing Participant is authorized by statute to disregard exemptions for the disabled and elderly if granting the exemption would impair its obligation to pay tax supported debt incurred prior to adoption of the exemption by such district. Furthermore, each Financing Participant 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. Surviving spouses of a deceased veteran who has received a disability rating of 100% are entitled to receive a residential homestead exemption equal to the exemption received by the deceased spouse until such surviving spouse remarries. In addition, a partially disabled veteran or the surviving spouse of a partially disabled veteran is 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 at no cost by a charitable organization. This exemption also applies to a residence homestead that was donated by a charitable organization at some cost to such veterans. 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 Tax Code authorizes the governing body of each political subdivision in the State to exempt up to twenty percent (20%) of the appraised market value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption may be considered each year, but must be adopted by May 1. None of the Financing Participants has ever adopted a homestead exemption. See "TAX DATA."

Freeport Goods and Goods-in-Transit 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 2013 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 January 1 of the first tax year in which it proposes to tax the property at the time and in the manner prescribed by applicable law. Each of the Financing Participants has taken official action to allow taxation of all such goods-in-transit personal property for all prior and subsequent years.

Tax Abatement

Hays County or Travis County may designate all or part of the area within the boundaries of the Financing Participants as a reinvestment zone. Thereafter, either Hays Consolidated Independent School District and the applicable Financing Participant, at the option and discretion of each entity, may enter into tax abatement agreements with owners of property within the zone. Prior to entering into a tax abatement agreement, each entity must adopt guidelines and criteria for establishing tax abatement which each entity will follow in granting tax abatement to owners of property. The tax abatement agreements may exempt from ad valorem taxation by each of the applicable taxing jurisdictions, including a Financing Participant, 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, Hays County and Travis County have not designated any of the area within the boundaries of the Financing Participants as a reinvestment zone.

Valuation of Property for Taxation

Generally, property within the boundaries of all Financing Participants must be appraised by the Appraisal Districts at market value as of January 1 of each year. Once an appraisal roll is prepared and finally approved by the Appraisal Review Boards, it is used by the Financing Participants in establishing its tax rolls and tax rate. Assessments under the Tax Code are to be based on one hundred percent (100%) of market value, as such is defined in the Tax Code. Nevertheless, certain land may be appraised at less than market value, as such is defined in the 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 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 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 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 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 and taxes for the previous five years for open space land and timberland.

Financing Participant and Taxpayer Remedies

Under certain circumstances, taxpayers and taxing units, including the Financing Participants, may appeal orders of the Appraisal Review Boards by filing a timely petition for review in district court. In such event, the property value in question may be determined by the court, or by a jury, if requested by any party. Additionally, taxing units may bring suit against the Appraisal Districts to compel compliance with the Tax Code.

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

Levy and Collection of Taxes

Each Financing Participant is responsible for the levy and collection of its taxes unless it elects to transfer such functions to another governmental entity. The rate of taxation is set by the Board, after the legally required notice has been given to owners of property within the Financing Participant, based upon: a) the valuation of property within the Financing Participant 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. Personal property incurs an additional twenty percent (20%) penalty on or after April 1 of the year in which the taxes became delinquent and real property incurs such additional penalty on July 1 of the year in which the taxes become delinquent. For those taxes billed at a later date and that become delinquent on or after March 1, they will also incur an additional penalty for collection costs of an amount established by the Financing Participant 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 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.

Rollback of Operation and Maintenance Tax Rate

Chapter 49, Texas Water Code, as amended, classifies districts differently based on the current operation and maintenance tax rate or on the percentage of build-out that the District has completed. Districts that have adopted an operation and maintenance tax rate for the current year that is 2.5 cents or less per $100 of taxable value are classified as "Low Tax Rate Districts." Districts that have financed, completed, and issued bonds to pay for all improvements and facilities necessary to serve at least 95% of the projected build-out of the district are classified as "Developed Districts." Districts that do not meet either of the classifications previously discussed are classified herein as "Other Districts." The impact each classification has on the ability of a district to increase its maintenance and operations tax rate is described for each classification below.

Low Tax Rate Districts

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

Developed Districts

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

Developing Districts

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

The District

A determination as to the District’s status as a Low Tax Rate District, Developed District or Developing District will be made by the Board of Directors on an annual basis around August, September, or October of each year. For the 2021 tax year, the Board of Directors of each Financing Participant has determined such District’s classification is that of a Developing District. The District cannot give any assurances as to what its, or the other Financing Participants, classification will be at any point in time or whether the Financing Participants’ future tax rates will result in a total tax rate that will reclassify each Financing Participant into a new classification and new election calculation.

Financing Participant’s Rights in the Event of Tax Delinquencies

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

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

TAX DATA

General

Taxable property within the boundaries of all Financing Participants is subject to the assessment, levy and collection by the applicable Financing Participant of a continuing direct, annual ad valorem tax, without legal limitation as to rate or amount, sufficient to pay its Pro-Rata Share of the 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 each Financing Participant each year against such Financing Participant'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 of SMUD 4 covenants in the Bond Order to assess and levy an ad valorem tax sufficient to produce funds to pay its pro rata portion of the principal and interest on the Bonds. Pursuant to the requirements of the Master District Contract, SMUD 1 and SMUD 3 are likewise required 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 its pro-rata portion of the principal of and interest on the Bonds. The actual rate of such taxes will be determined from year to year as a function of the Financing Participant's tax base, its debt service requirements, and available funds. In addition, each Financing Participant has the power and authority to assess, levy, and collect ad valorem taxes, not to exceed $1.00 per $100 of assessed valuation for operation and maintenance purposes. In 2021, SMUD 1 levied a total tax of $0.900 per $100 of assessed valuation composed of the following: a maintenance tax of $0.280, a utility debt service tax of $0.300, and a road debt service tax of $0.320. In 2021, SMUD 3 levied a total tax of $0.900 per $100 of assessed valuation composed of the following: a maintenance tax of $0.355 and a road debt service tax of $0.545. In 2021, SMUD 4 levied a total tax of $0.900 per $100 of assessed valuation composed of the following: a maintenance tax of $0.900.

Debt Service Tax

Each Financing Participant, including the District, has the statutory authority to issue unlimited tax bonds for the purpose of providing water distribution, wastewater collection, storm drainage, and road facilities serving the land within its boundaries. Such bonds, if issued, will be served by a continuing, annual ad valorem tax adequate to provide funds to pay the principal of and interest on such bonds. Such tax is in addition to the contract tax. See "APPENDIX A" for information related to each Financing Participant's historical tax data and authorized but unissued unlimited tax bonds.

Maintenance Tax

The boards of directors of each Financing Participant have the statutory authority to levy and collect an annual ad valorem tax for maintenance purposes, including, but not limited to, funds for planning, constructing, maintaining, repairing and operating all necessary land, plants, works, facilities, improvements, appliances and equipment, if such maintenance tax is authorized by a vote of the Financing Participant's electors. Such tax would be in addition to the contract tax and taxes levied for paying principal of and interest on any tax bonds which may be issued in the future by the Financing Participant. At an election held on May 12, 2007, voters within the District authorized a maintenance tax not to exceed $1.00 per $100 assessed valuation.

Tax Rate Limitations of the Financing Participants

Debt Service:	Unlimited (no legal limit as to rate or amount).
Maintenance:	$1.00 per $100 Assessed Taxable Valuation.
Contract Tax:	Unlimited (no legal limit as to rate or amount).

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Assessed Taxable Valuation Summary

The following represents the type of property comprising the 2021 tax rolls as certified by the Appraisal District.

Type of Property	SMUD 1 Taxable Assessed Valuation	SMUD 3 Taxable Assessed Valuation	SMUD 4 Taxable Assessed Valuation
Land	$ 87,690,040	$ 116,132,569	$ 14,298,326
Improvements	294,033,008	342,667,354	56,650
Personal Property	40,634,312	1,363,151	1,317,127
Exemptions	(45,266,975)	(18,317,514)	(13,117,520)
Total	$ 377,090,385	$ 441,845,560	$ 2,554,583

Principal Taxpayers

The following are the principal taxpayers within the boundaries of all Financing Participants as shown on the combined certified appraisal rolls of the Financing Participants for the 2021 tax year. See "APPENDIX A" for the principal taxpayers within the boundaries of each individual Financing Participant.

Taxpayer	Types of Property	Taxable Value 2021 Tax Roll
Continental 396 Fund LLC	Land & Improvements	$ 36,745,826
US Foodservice Inc.	Land & Improvements	35,894,258
Exeter Buda Land LP	Land & Improvements	16,814,654
SWBC Buda LP	Land & Improvements	15,383,620
Sunfield Development LLC (a)	Land & Improvements	15,032,160
Pulte Homes of Texas LP	Land & Improvements	13,410,820
Castlerock Communities LP	Land & Improvements	12,327,490
Austin 35 Assurance LLC	Land & Improvements	9,032,620
Gelco Fleet Trust	Land & Improvements	6,710,915
Buda Tuscany Partners	Land & Improvements	6,568,228
Total of Principal Taxpayers		$167,920,591
Principal Taxpayers Percent of Total of Service Area		20.44%

(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 Bonds if no growth occurs in the tax base of the Financing Participants beyond the taxable assessed valuation as of January 1, 2021 ($821,490,528). The calculations assume collection of 95% of taxes levied, the sale of the Bonds but not the sale of any additional bonds.

Average Annual Debt Service Requirement (2022–2047) $985,689
Contract Tax Rate of $0.13 on the 2021 Taxable Assessed Valuation of the Financing Participants $1,014,541

Maximum Annual Debt Service Requirement (2023) $1,085,556
Contract Tax Rate of $0.14 on the 2021 Taxable Assessed Valuation of the Financing Participants $1,092,582

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Estimated Overlapping Taxes

Property within the boundaries of all Financing Participants is subject to taxation by several taxing authorities in addition to the Financing Participants. 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 a Financing Participant is on a parity with tax liens of other taxing jurisdictions. In addition to ad valorem taxes required to make debt service payments on bonds of the Master District and of such other jurisdictions (see "DISTRICT DEBT – Direct and Estimated Overlapping Debt Statement"), certain taxing jurisdictions are authorized by Texas law to assess, levy and collect ad valorem taxes for operation, maintenance, administrative and/or general revenue purposes. Set forth below is an estimation of all taxes per $100 of assessed valuation levied by such jurisdictions. No recognition is given to local assessments for civic association dues, emergency medical service contributions, fire department contributions or any other charges made by entities other than political subdivisions. The following chart includes the 2021 taxes per $100 of assessed valuation levied by all such taxing jurisdictions. No prediction can be made of the tax rates that will be levied in future years by the respective taxing jurisdictions.

	2021 Tax Rate	
Taxing Jurisdiction	Hays County	Travis County
The Financing Participants (a)	$ 0.900000	$ 0.900000
Hays County	0.386700	---
Hays County Emergency Service District No. 8	0.100000	---
Northeast Hays Emergency Service District No. 2	0.075000	---
Hays Consolidated Independent School District	1.359700	1.359700
Austin Community College District	0.104800	0.104800
Travis County	---	0.357365
Travis County Healthcare District	---	0.118140
Travis County Emergency Service District No. 11	---	0.100000
Total Tax Rate	$ 2.926200	$ 2.940005

(a) Represents the highest total tax rate levied by a Financing Participant.

(b) A small portion of the land within the boundaries of the Financing Participants is located in Travis County, Texas.

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THE DISTRICT

General

The District was created by order of the TCEQ dated June 27, 2005, as Winfield Municipal Utility District No. 4. By order of the TCEQ dated April 10, 2006, the name of the District was changed to Sunfield Municipal Utility District No. 4. By a confirmation election held within the District on May 12, 2007, and operates under Chapters 49 and 54 of the Texas Water Code and other general laws of the State of Texas applicable to municipal utility districts.

The District is empowered, among other things, to purchase, construct, operate, and maintain all works, improvements, facilities, and plants necessary for the supply of water; the collection, transportation, and treatment of wastewater; and the control and diversion of storm water within its boundaries. In addition, the District, acting as the Master District provides regional water, sanitary sewer, drainage, and roads.

The District also is authorized to construct, develop and maintain park and recreational facilities using operating revenues or by issuing bonds payable from taxes, and, under certain limited circumstances, with TCEQ approval, to construct roads. In addition, the District is authorized, upon TCEQ and voter approval, to establish, operate, and maintain a fire department, independently or with one or more other conservation and reclamation districts, and provide such facilities and services to the customers of the District.

Description

The total acreage of the District is 655.44 acres. The District is located in Hays County, Texas, approximately 15 miles south of the City of Austin and approximately 2 miles east of the City of Buda. Primary access to the District is from IH-35 via FM 2001.

The System Participants

SMUD 1, SMUD 2, SMUD 3 and SMUD 4 were created by order of the TCEQ dated June 27, 2005, as Winfield Municipal Utility District No. 1, Winfield Municipal Utility District No. 2, Winfield Municipal Utility District No. 3 and Winfield Municipal Utility District No. 4, respectively. By Order of the TCEQ dated April 10, 2006, the names of SMUD 1, SMUD 2 and SMUD 3 were changed to Sunfield Municipal Utility District No. 1, Sunfield Municipal Utility District No. 2 and Sunfield Municipal Utility District No. 3 and Sunfield Municipal Utility District No. 4, respectively (the "System Particpants"). The System Participants are vested with all of 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. The System Participants are empowered to contract with the Master District for the joint construction, financing, ownership, and operation of any works, improvements, facilities, plants, equipment, and appliances 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 System Participants are subject to the continuing supervision of the TCEQ.

The Service Area

Pursuant to the Master District Contract, the Master District is obligated to provide certain regional water supply facilities and transmission lines, wastewater treatment facilities and conveyance lines and stormwater drainage and detention facilities to serve the land in SMUD 1, SMUD 2, SMUD 3 and the District, which districts serve the master-planned community of Sunfield.

The Service Area contains approximately 2,790.0 acres, including a total of approximately 655.4 acres in the District. Sunfield is a master-planned community located 15 miles south of downtown Austin, Texas, and 2 miles east of Buda, Texas. Sunfield is bounded by Turnersville Road on the north, Farm-to-Market Road 2001 on the south and Firecracker Road is located within the project.

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Management of the District

The District is governed by the Board consisting of five (5) directors, who have control over and management supervision of all affairs of the District. All of the Directors own property in the District. None of the directors live in the District. The directors serve four-year staggered terms. Elections are held in even-numbered years. The current members and officers of the Board are listed below:

Name	Title	Term Expires May
Reed Coleman	President	2022
Carson Fisk	Vice President	2022
Nichol Peterson-Kros	Secretary	2024
Ali Jenkins	Assistant Secretary	2024
Nicole Leventhal	Assistant Secretary	2022

Investment Policy

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

Consultants

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

Tax Assessor/Collector: The tax assessor/collector for the District is the Hays County Tax Office.

Bookkeeper: Municipal Accounts & Consulting LP serves as bookkeeper to the District.

Utility System Operator: The Guadalupe-Blanco River Authority operates the District's wastewater system. Goforth SUD operates the District's water system. See "THE SYSTEM – Wastewater Treatment and Conveyance System."

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. Mark C. Eyring, CPA, PLLC performed the audit of the District's financial statements for the fiscal year ended September 30, 2021. See "APPENDIX B."

Engineer: Murfee Engineering Co., Inc. is retained as the District Engineer for all Sunfield Districts. There are 2 other engineering firms that were hired to design the District's subdivisions, utility infrastructure and roads. Murfee Engineering Co., Inc. designed the Master District's water and wastewater facilities.

General Counsel & Bond Counsel: The District has engaged Coats Rose, P.C., Houston, Texas, as general counsel to the District and as bond counsel ("Bond Counsel") in connection with the issuance of the Bonds. The fees to be paid Bond Counsel in connection with the issuance of the Bonds are contingent upon the sale and delivery of the Bonds. See "LEGAL MATTERS."

Disclosure Counsel: The Muller Law Group, PLLC, Sugar Land, Texas, serves as Disclosure Counsel to the District. The fee to be paid Disclosure Counsel for services rendered in connection with the issuance of the Bonds is contingent on the issuance, sale and delivery of the Bonds.

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

SUNFIELD

Sunfield is a master-planned community located 15 miles south of downtown Austin, Texas, and 2 miles east of Buda, Texas. Sunfield is bounded by Turnersville Road on the north, Farm-to-Market Road 2001 on the south and Firecracker Road is located within the project.

All 2,790 acres of land that make up Sunfield are located within one of four municipal utility districts created by order of the TCEQ to serve Sunfield: SMUD 1, SMUD 2, SMUD 3 and the District. To date, all material development in Sunfield has occurred within SMUD 1 and SMUD 3. However, 178.556 acres (752 lots) are under development in the District as Sunfield Phase 5 Sections 1A, 1B and 2-6.

Currently, approximately 1,021.31 acres are fully developed within Sunfield. Of the developed acres, approximately 751.10 acres (3,079 lots) have been developed for single-family residential and approximately 262.97 acres have been developed for retail, industrial and multi-family, and recreational uses. As of December 1, 2021, Sunfield contained approximately 2,385 completed homes (approximately 2,357 completed and occupied, 14 completed and unoccupied, and 14 model homes), approximately 432 homes under construction, and approximately 262 vacant, developed lots. Additionally, as of December 1, 2021, approximately 209.41 acres (870 lots) are under development in Sunfield. The remaining land in Sunfield consists of approximately 1,089.82 undeveloped but developable acres, and approximately 468.63 undevelopable acres.

Current commercial development within SMUD 1 and SMUD 3 consists of: U.S. Foods, Inc., a regional food servicing distribution operator for restaurants, hospital facilities, governmental operations and educational institutions, purchased a 40.17-acre site in 2010 on which it has constructed a 277,000 square-foot office, dry food storage, refrigerated food storage, and freezer food storage facility and a 10,000 square-foot maintenance facility; Tractor Supply Company, a retail farm and ranch store chain, purchased approximately 3.82 acres on which it has constructed a 19,100 square foot retail store; Burger King: on 0.801 acres; a national franchised fast food chain restaurant; Studio 6 Hotel, on 1.40 acres operates a hotel across the street from Baylor Scott and White Hospital; Health Center Commercial Building, a 2.5-acre 20,000 square foot multi-tenant medical office building with Ascension Seton and Dell Children's Medical Group as major tenants; Baylor Scott and White Hospital Group, purchased 19.60 acres for the construction of a hospital and retail facility estimated investment value of at least $35 million in land, buildings, equipment, inventory and other improvements necessary for a full medical facility. The hospital opened for operations in October of 2019 and includes a full-service emergency department, medical office space, retail pads, operating rooms, imaging, and other facilities; Exeter Property Group (Industrial), owned under the name of Exeter Buda Land LP, purchased 36.78 acres and developed 300,000 square feet of industrial space that has been leased to Amazon. The second phase of this industrial space has been updated to a distribution logistics vehicle lot that will handle the food to go portion of the business line. Exeter Property Group owns another 6.5 acres with plans to develop additional industrial space; Sunfield Station Athletic Complex, purchased 8 acres in April of 2018 and constructed a 30,000 square foot indoor multi-use sports complex and associated sports retail center with an estimated 60,000 square feet of building/retail space. Construction of Sunfield Station was completed in 2019. The complex primarily focuses on indoor volleyball but also includes basketball and other sports. The project estimates that each tournament at the facility will bring up to 1,500 visitors to the City of Buda, Texas, with that number estimated to increase as tournaments grow in size and frequency. Long-range projections indicate the annual visitor count to the facility could exceed 40,000; SNKS Convenience Store, a convenience store site consisting of 1.40 acres was sold and will be located at the corner of Main Street and Campo Del Sol. It will include various convenience store products as well as beer and wine sales and gas facilities; Kiddie Academy Educational Learning Center (Daycare), a 2.16-acre site to the west of Sunfield Station on Main Street was purchased by Buda Enterprise Phase 1, LLC which operates a national franchise known as Kiddie Academy Educational Learning Center. This day care center opened in 2020; HCISD Elementary School, a 16.5-acre site was donated to Hays Consolidated Independent School District for a future elementary school site. The HCISD bond election was passed in May 2021. The Hays ISD Sunfield School Ground Breaking event was held on June 9, 2021 and the construction began on June 10, 2021; AMP CNG, purchased 1.733 acres and constructed a high-pressure lignified natural gas station that fuels all of the U.S. Foods transportation vehicles as well as other LNG clients; Tuscany Apartments, a multi-family development that includes 196 units on 13 acres, which historically is 90-98% leased; Huntington, which purchased 5.81 acres in 2009, which consists of 120 units of senior living apartments. These units are historically 90-100% leased; The Royalton at Sunfield began construction of the 300-apartment complex in mid-February of 2020. The first occupied apartment was delivered on or about June of 2021 and approximately 80% of the construction is complete. The construction is expected to be completed in the first quarter of 2022. In 2020, Buda School Development LLC purchased 10 acres to open a charter school to include K through 6 initially with plans to grow through High School. The charter school is slated to open for the 2022-2023 school year. The remaining commercial acreage in Sunfield is made up of approximately 230 acres which include developed commercial pads, commercial, retail and light industrial land, as well as multi-family land.

At full development, it is anticipated that Sunfield will contain approximately 1,005 acres of residential development, 83 acres of multi-family development, approximately 760 acres of commercial and industrial development, and 942 acres of land for community and recreational uses. The District makes no representation as to the timing or likelihood of such development occurring. In the event that future development does occur within the boundaries of the Financing Participants, it is anticipated that the development costs will be financed through the sale of future bond issues.

Status of Development within the Service Area

The following is a status of construction of single-family housing within the Service Area as of December 1, 2021. All residential development is currently within the boundaries of either SMUD 1 or SMUD 3:

	Section Acreage	Total Lots	Homes Completed	Homes Under Construction	Developed Vacant Lots
Sunfield Phase 1					
Section 1	57.68	159	159	0	0
Section 2	37.67	189	189	0	0
Section 3	8.07	0	0	0	0
Section 5	15.25	73	73	0	0
Section 6	9.17	46	46	0	0
Sunfield Phase 2					
Section 2	5.89	22	22	0	0
Section 3	29.72	36	36	0	0
Section 4	62.03	214	214	0	0
Section 5	26.24	84	84	0	0
Section 6	30.88	150	150	0	0
Section 7	20.00	97	97	0	0
Section 8	28.89	109	109	0	0
Section 9	12.58	44	44	0	0
Section 10	14.82	57	57	0	0
Section 11	43.89	230	224	0	6
Section 12	25.62	136	136	0	0
Sunfield Phase 3					
Section 2	29.31	141	141	0	0
Section 3	45.66	206	205	1	0
Section 4	27.35	96	95	1	0
Section 5A	4.59	28	14	0	14
Section 5B	26.04	121	107	14	0
Section 5C	29.59	144	0	68	76
Section 6A	27.65	112	19	93	0
Section 6B	25.78	106	0	30	76
Sunfield Phase 4					
Section 1A	48.66	249	133	108	8
Section 2	65.31	230	31	117	82
Single-Family Residential Total	751.10	3,079	2,385	432	262

Single-Family Under Development	209.41
Multi-Family & Commercial	222.24
Parks & Recreation	40.73
Undeveloped Developable	1,089.82
Roadway	8.07
Undevelopable Acres	468.63
Total	2,790.00

Homebuilders within the Service Area

Homebuilders active within Sunfield include Centex Homes, Pulte Homes, Castle Rock Homes, Gehan Homes, Taylor Morrison (formerly William Lyon Homes and RSI), and Chesmar Homes Austin. Homes being constructed in Sunfield range in price from $300,000 to $600,000. Homebuilding began in Sunfield in July of 2010 and approximately 15 homes were constructed during 2010; 55 homes were constructed in 2011; 136 homes were constructed in 2012; 129 homes were constructed in 2013; 45 were constructed in 2014; 124 homes were constructed in 2015, 138 homes were constructed in 2016; 151 homes were constructed in 2017; 341 homes were constructed in 2018; 476 homes were constructed in 2019; 502 homes were constructed in 2020; and as of December 1, 2021, approximately 273 homes have been constructed in 2021.

PHOTOGRAPHS TAKEN WITHIN THE SERVICE AREA

(October 2021)

PHOTOGRAPHS TAKEN WITHIN THE SERVICE AREA

(October 2021)

THE DEVELOPER

Role of the Developer

In general, the activities of a developer in a municipal utility district such as each of the Sunfield Districts 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 most 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 utility district pursuant to the rules of the TCEQ. The relative success or failure of a developer to perform such activities in development of the property within a 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.

Principal Landowner/Developer

The previous developer of land within the Service Area was 2428 SF PH 1 LLC, a Texas limited liability company (the "Previous Developer"), which is wholly owned by 2428 Partners, LLC. 2428 Partners, LLC is compromised of 2428 Management, LLC, general partner, and IHP Fund III, LLC, limited partner. The principal developer of land within the Service Area is Sunfield Development LLC (the "Developer"), which purchased land from the Previous Developer on December 29, 2020. Sunfield Development LLC is compromised of VP Sunfield Holdings LLC and IHP SF Investments LLC. Sunfield Investments LLC is an additional land owner within the District which owns land that is planned for future commercial, industrial and multi-family uses. Sunfield Investments LLC is compromised of VP Sunfield Holdings LLS and IHP SF Investments LLC. Development activity within the Service Area is managed by Scarborough Services LLC ("Development Manager"), a third-party management company controlled by James R. Feagin and Ryan Burkhardt, on behalf of the Developer. The Developer and its related entities currently own approximately 502.50 acres in the District, 0 vacant developed lots in the District, 752 lots under development in the District, as well as approximately 852.68 acres in the remainder of Sunfield.

Development Financing

Funding for development of Sunfield is provided by a combination of cash contributions from its partners and a revolving line of credit from Western Alliance Bank (the "Lender"). As of December 1, 2021, the Developer had an outstanding principal balance of $17,307,695 with the Lender and is in good standing with all loan covenants and requirements.

Lot-Sales Contracts

The Developer has entered into lot-sales contracts with Castle Rock Communities, LP ("CR"), Centex Homes ("Centex"), Pulte Homes ("Pulte"), Gehan Homes, LTD ("Gehan"), and Taylor Morrison ("TM" herein and including William Lyon Homes and RSI, former entities of TM) for the purchase of the 755 total lots within the Service Area, of which 0 have been sold.

In the event CR, Gehan, TM or Centex should default under its lot purchase contract, the Developer's sole remedy is retention of earnest money. According to the Developer, as of the date of this Official Statement, CR, Centex, Gehan, and TM are in compliance with the obligations under their respective lot-sales contracts, and, as of December 1, 2021, the total number of lots contracted and purchased by each builder is listed below:

Homebuilder	Total Lots Contracted	Total Lots Purchased
CR	176	0
Centex	138	0
Pulte	128	0
TM	138	0
Gehan	175	0
Totals	755	0

THE SYSTEM

Regulation

According to the Engineer, the water distribution, wastewater collection and storm water drainage facilities and roads constructed by the District have been designed in accordance with accepted engineering practices and the requirements of all governmental agencies having regulatory or supervisory jurisdiction over the construction and operation of such facilities including, among others, the TCEQ, the City of Buda, Goforth SUD, the Texas Department of Transportation and Hays and Travis Counties. According to the District's Engineer, the design of all such facilities has been approved by all required governmental agencies and, the water and sanitary sewer system has been inspected by the appropriate jurisdictional entities.

Operation of the District's waterworks and sewer facilities is subject to regulation by, among others, the Environmental Protection Agency and the TCEQ. In many cases, regulations promulgated by these agencies have become effective only recently and are subject to further development and revisions.

Description of the Road and Utility Systems

- Roads -

The Road System includes arterial roads (major and minor) and internal roads. The major arterial roads include the realignment of Farm-to-Market Road 2001, Firecracker Road and the Loop 4/Main Street extension. These roads are necessary improvements required to serve the District. Various roads are built providing vehicular access to each subdivision within the District. All roads built to serve the District are conveyed to the county in which the road is located for maintenance and operation.

Planning for road extensions and development of a road infrastructure that includes subdivision roads, major and minor arterials and highway/parkway is a task that involves various entities and planning groups. The two primary entities with road planning efforts in the vicinity are the City of Buda, Texas, and the Capital Area Metropolitan Planning Organization ("CAMPO"). These two entities have adopted planning studies that include road improvements anticipated to be constructed as part of Sunfield. The City of Buda, Texas, has adopted the Buda Master Transportation Plan, and CAMPO has adopted the 2030 Regional Roadway System. The road improvements developed and planned in Sunfield comply with both of these plans, in part, by contributing arterial roads and feeder roads. Additionally, the City of Buda, Texas, through the adoption of a Traffic Impact Analysis and Mitigation Plan for Sunfield, has set the design standards for the roads to serve Sunfield. In addition, the Texas Transportation Commission has proposed the realignment of a section of Farm-to-Market Road 2001 east of Interstate Highway 35 and a Main Street extension to State Highway 45 and includes the construction of an interchange and frontage roads, a portion of which will need to be funded by the Sunfield Districts.

- Wastewater Treatment and Conveyance System -

Sunfield is provided wastewater treatment from the Master District's 500,000 gallons per day ("gpd") wastewater treatment plant. The District is a co-permit holder with the Guadalupe-Blanco River Authority ("GBRA") with whom the Master District has contracted to operate the plant. The wastewater treatment plant is permitted for up to 0.99 million gpd. The wastewater collection system consists of 12-and 8-inch diameter gravity collection lines that connect to the Master District's 24-inch wastewater trunkline feeding the wastewater treatment plant. The Master District constructed extensions to the wastewater system to provide service to the northern portions of the District. The extensions included gravity collection lines, a lift station and forcemain. Current flows at the plant are approximately 280,000 gpd. In December of 2020, each of the Sunfield Districts approved an agreement under which the Master District would convey the entirety of the wastewater system serving Sunfield to the GBRA. It is anticipated that this agreement and the transfer of ownership of the wastewater system to the GBRA was completed in April of 2021. Following completion of the sale, the GBRA will be the retail provider of wastewater service to the Sunfield Districts and be responsible for the operation and maintenance of the wastewater system serving Sunfield, including the District.

- Water Supply and Distribution -

Sunfield is provided water service through 8-, 12-, and 16-inch water lines constructed by the District and the Master District and conveyed to Goforth SUD, as the retail service provider, for operation and maintenance. The entire development to date is within the Certificate of Convenience and Necessity No. 11356 held by Goforth SUD. The Master District constructed water system improvements to provide and improve water service to the development. The improvements included a 500,000-gallon elevated storage tank, a 1,500-gallon per minute pump station, a 250,000-gallon ground storage tank, an interconnect and meter assembly, a 16-inch water transmission main, and a 24 inch water transmission main. The existing water supply facilities are sufficient to serve approximately 4,630 living unit equivalents ("LUEs"). Goforth SUD currently is serving approximately 1,861 LUEs in SMUD 3 and approximately 1,331 LUEs SMUD 1.

- Drainage -

The Sunfield development is provided with drainage of stormwater via a curb and guttered street system, buried storm pipes connecting to drainage channels and detention ponds. The land generally slopes southeasterly in the drainage basin of the Blanco River. A majority of the District drains to the north into the Onion Creek watershed and eventually to the Colorado River. A small portion drains to the Plum Creek watershed and eventually to the Guadalupe-Blanco River.

- Agreement Regarding Wholesale Water Supply and Wastewater Treatment -

The Master District is a party to various agreements with the GBRA pursuant to which Master District has acquired a supply of water for approximately 4,630 LUEs and the transportation of such water to Sunfield. Pursuant to such agreements, the Master District is reserving untreated water, paying for the cost of treating water and its pro rata share of the annual debt service on certain water treatment facilities and water trunklines conveying water to Sunfield ("GBRA Payment"). Pursuant to the hereinafter defined Master District Contract, each of the Sunfield Districts has agreed to pay a portion of the GBRA Payment based upon the projected number of connections in each district. As an obligation to the Master District, each Sunfield Districts' obligation is secured by its unlimited ad valorem taxing authority. Effective February 15, 2012, the Sunfield Districts entered into an amended and restated non-standard water utility service agreement with Goforth SUD pursuant to which Goforth SUD will be the retail provider of water service to Sunfield and will have the obligation to make a pro-rata portion of the GBRA Payment for each permanent connection made in Sunfield assumed by Goforth SUD beginning in the calendar quarter following the installation of such connection. In addition, in 2015, 2018, 2020 and 2021, as evidenced by the First Amendment to Amended and Restated Non-Standard Water Utility Service Agreement by and between Goforth SUD and Sunfield Municipal Utility District Nos. 1, 3 and 4, the Second Amendment to Amended and Restated Non-Standard Water Utility Service Agreement by and between Goforth SUD and Sunfield Municipal Utility District Nos. 1, 3 and 4, and the Third Amendment to Amended and Restated Non-Standard Water Utility Service Agreement by and between Goforth SUD and Sunfield Municipal Utility District Nos. 1, 3 and 4, and the Assignment and Assumption Agreement by and among GoForth SUD and Sunfield Municipal Utility Districts Nos. 1, 3 and 4, Goforth SUD contracted for the early transfer of a total of 4,000,000 gallons per day ("gpd") of water and assumed the obligation to make the GBRA Payments for such total 4,000,000 gpd of water. Sunfield's pro-rata share of the GBRA Payment for the fiscal year ending September 30, 2020, was approximately $430,197. For the fiscal year ending September 30, 2021, the GBRA payment was $326,477. See "RISK FACTORS – Obligations to Guadalupe-Blanco River Authority."

The Master District has entered into a Wastewater Operating Agreement pursuant to which the GBRA operates the 500,000 gpd wastewater treatment plant serving Sunfield.

- Master District -

On April 23, 2007, the District executed a Contract for Financing, Operation of Regional Waste Collection, Treatment and Disposal Facilities, Regional Water Supply and Delivery Facilities and Regional Drainage, including Water Quality Facilities (the "Master District Contract") with the Master District relating to the following facilities and services: the Master District wastewater collection system, the Master District water distribution system, the water supply system and wastewater transportation and treatment system (collectively, the "Master District Facilities"). The Master District Contract was approved by the voters of the District at an election held on May 12, 2007. Similar contracts have been executed between the Master District and the other Sunfield Districts. The Master District Contract provides that the District and all other Sunfield Districts that have executed similar contracts with the Master District pay a pro-rata share of debt service on Contract Revenue Bonds issued to finance the Master District Facilities based upon certified appraised valuation. **However, none of the facilities being financed by the Bonds will serve SMUD 2, as such, SMUD 2 has no obligation to make Pledged Contract Payments to the Master District**. Therefore, the bonds are secured solely by the taxable value within the District, SMUD 1, and SMUD 3. SMUD 2 will issue its own bonds to finance its portion of any Master District Facilities that will serve SMUD 2. Each Financing District is obligated to pay its pro rata share from the proceeds of the Contract Tax (as defined in the Master District Contract) for such purpose, or from any other legally available funds. The Master District Contract also provides for operation and maintenance expenses for facilities constructed pursuant to the Master District Contract; duties of the parties; establishment and maintenance of funds; assignment; arbitration; amendments; force majeure; insurance; and other provisions.

The Master District is authorized to issue contract revenue bonds sufficient to complete acquisition and construction of the Master District Facilities. The District's pro rata share (and that of all the other Financing Participants) of the debt service requirements on the contract revenue bonds is determined by dividing the District's certified gross appraised value by the cumulative total of the certified gross appraised values of all the Financing Participants which are parties to the Master District Contract. The Master District Contract obligates the District to pay its pro rata share of debt service requirements on the contract revenue bonds from the proceeds of the Contract Tax, revenues derived from the operation of the District's water distribution and wastewater collection system or from another legally available funds of the District.

The Master District is authorized to issue additional contract revenue bonds in the principal amount of $290,875,000.

Each Sunfield District is responsible for constructing its internal water distribution, wastewater collection and storm drainage lines within its respective boundaries. The internal facilities are financed with unlimited ad valorem tax bonds sold by each district. The Master District Facilities will be constructed in stages to meet the needs of a continually expanding population within Sunfield. In the event that the Master District fails to meet its obligations under the Master District Contract to provide Master District Facilities, each of the other Sunfield Districts has the right pursuant to its Master District Contract to design, acquire, construct, or expand the Master District Facilities needed to provide service to such district, and convey such Master District Facilities to the Master District in consideration of payment by the Master District of the actual capital costs expended by such district for such Master District Facilities.

LEGAL MATTERS

Legal Opinions

Issuance of the Bonds is subject to the approving legal opinion of the Attorney General of Texas to the effect that the Bonds are valid and binding obligations of the Master District payable from the Pledged Contract Payments. Issuance of the Bonds is also subject to the legal opinion of Bond Counsel that, based upon examination of the transcript of the proceedings incident to authorization and issuance of the Bonds, the Bonds are valid and legally binding obligations of the Master District payable from the sources and enforceable in accordance with the terms and conditions described therein, except to the extent that the enforceability thereof may be affected by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with general principles of equity. The legal opinion will further state that the interest on the Bonds is excludable from gross income for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions as described below under "TAX MATTERS." The legal opinion of Bond Counsel will be printed on the Bonds, if certificated Bonds are issued. Such opinions will express no opinion with respect to the sufficiency of the security for or the marketability of the Bonds. Certain legal matters will be passed upon for the Master District by The Muller Law Group, PLLC, Sugar Land, Texas, Disclosure Counsel.

In addition to serving as Bond Counsel, Coats Rose, P.C. also acts as general counsel to the Master District on matters not related to the issuance of bonds. The legal fees to be paid Bond Counsel and Disclosure Counsel for services rendered in connection with the issuance of the Bonds are based upon a percentage of bonds actually issued, sold, and delivered, and, therefore, such fees are contingent upon the sale and delivery of the Bonds.

No-Litigation Certificate

The District will furnish the Initial Purchaser a certificate, dated as of the date of delivery of the Bonds, executed by both the President and Secretary of the Board, to the effect that no litigation of any nature is then pending against or, to the best knowledge and belief of the certifying officers, threatened against the District contesting or attacking the Bonds; restraining or enjoining the authorization, 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 of proceedings for the authorization, execution or delivery of the Bonds; or affecting the validity of the Bonds, the corporate existence or boundaries of the District or the titles of the then present officers of the Board.

No Material Adverse Change

The obligations of the Initial Purchaser to take and pay for the Bonds, and of the District to deliver the Bonds, are subject to the condition that, up to the time of delivery of and receipt of payment for the Bonds, there shall have been no material adverse change in the condition (financial or otherwise) of the District subsequent to the date of sale from that set forth or contemplated in the Preliminary Official Statement, as it may have been supplemented or amended through the date of sale.

TAX MATTERS

On the date of initial delivery of the Bonds, Coats Rose, P.C., Houston, Texas, Bond Counsel, will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof ("Existing Law"), (1) interest on the Bonds for federal income tax purposes will be excludable from the "gross income" of the holders thereof and (2) the Bonds will not be treated as "specified private activity bonds" the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). Except as stated above, Bond Counsel will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Bonds.

In rendering such opinion, Bond Counsel will rely upon representations and certifications of the Master District made in a certificate pertaining to the use, expenditure, and investment of the proceeds of the Bonds and certain other funds and will assume continuing compliance by the Master District with certain covenants in the Bond Order and the Indenture subsequent to the issuance of the Bonds. Failure to comply with any of these covenants would cause interest on the Bonds to be includable in the gross income of the owners thereof from the date of issuance of the Bonds.

Bond Counsel's opinions are not a guarantee of result and are not binding on the Internal Revenue Service (the "Service"); rather, such opinions represent Bond Counsel's legal judgment based upon its review of existing law to the extent deemed relevant to render such opinions and the representations and covenants referenced above. The Service has an ongoing audit program to determine whether interest on selected state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given as to the likelihood that the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service is likely to treat the Master District as the "taxpayer," and the owners would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Bonds, the Master District may have different or conflicting interests from the owners. 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 its ultimate outcome.

Except as described above, Bond Counsel will express no opinion with respect to any other federal, state or local tax consequences under present law or proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, "S" corporations with "subchapter C" earnings and profits, certain foreign corporations doing business in the United States, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry (or who have paid or incurred certain expenses allocable to) tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

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

Under existing law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Bond for purposes of determining the amount of gain or loss recognized by such owner upon redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price plus the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Bond.

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

Collateral Federal Income Tax Consequences

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

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

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

Under section 6012 of the Code, holders of tax-exempt obligations, such as the Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation. Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Bonds, if such obligation was acquired at a “market discount” and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to “market discount bonds” to the extent such gain does not exceed the accrued market discount of such bonds; although for this purpose, a de minimis amount of market discount is ignored. A “market discount bond” is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the “revised issue price” (i.e., the issue price plus accrued original issue discount). The “accrued market discount” is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

State, Local and Foreign Taxes

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

NOT QUALIFIED TAX-EXEMPT OBLIGATIONS

The District did NOT designate the Bonds as “qualified tax-exempt obligations” for financial institutions.

NO-LITIGATION CERTIFICATE

The Master District and each of the Financing Participants and will furnish the Initial Purchaser a certificate, dated as of the date of delivery of the Bonds, executed by both the President and Secretary of such Board, to the effect that no litigation of any nature is then pending against or, to the best knowledge and belief of the certifying officers, threatened against such district contesting or attacking the Bonds; restraining or enjoining the authorization, 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 of proceedings for the authorization, execution or delivery of the Bonds; or affecting the validity of the Bonds, the corporate existence or boundaries of such District or the titles of the then present officers of the Board.

NO MATERIAL ADVERSE CHANGE

The obligations of the Initial Purchaser to take and pay for the Bonds, and of the Master 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 Master 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.

CONTINUING DISCLOSURE OF INFORMATION

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

Annual Reports

The Master District will provide certain updated financial information and operating data to the MSRB annually. The information to be updated and provided includes all quantitative financial information and operating data with respect to the Master District and the Financing Participants of the general type included in this Official Statement included under the headings "DISTRICT DEBT," "TAX DATA," "APPENDIX A," and "APPENDIX B." The Master District will update and provide this information to the MSRB 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 accounting principles or other such principles as the District may be required to employ from time to time pursuant to state law or regulation, and audited if the audit report is completed within the period during which it must be provided. If the audit report is not complete within such period, then the Master District shall provide unaudited financial statements for the applicable fiscal year to the MSRB within such six (6) month period, and audited financial statements when and if the audit report becomes available. The Master District's current fiscal year end is September 30. Accordingly, it must provide updated information by November 30 in each year, unless the Master District changes its fiscal year. If the District changes its fiscal year, it will notify the MSRB of the change.

Specified Event Notices

The Master 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 (10) business days after the occurrence of an event. The Master District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of beneficial owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District or other obligated person within the meaning of CFR §240.15c2-12 (the "Rule"); (13) consummation of a merger, consolidation, or acquisition involving the Master District or other obligated person within the meaning of the Rule or the sale of all or substantially all of the assets of the Master District or other obligated person within the meaning of the Rule, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the Master District or other obligated person within the meaning of the Rule, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Master District or other obligated person within the meaning of the Rule, 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 Master District or other obligated person within the meaning of the Rule, any of which reflect financial difficulties. The term "material" when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds, the Bond Order, nor the Indenture makes any provision for debt service reserves or liquidity enhancement. The term "financial obligation" when used in this paragraph shall have the meaning ascribed to it under federal securities laws. The term "financial obligation" does not include municipal securities for which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule. In addition, the Master 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 Master 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 Master District has agreed to update information and to provide notices of specified events only as described above. The Master 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 Master 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 Master District disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement, or from any statement made pursuant to its agreement, although holders and beneficial owners of Bonds may seek a writ of mandamus to compel the Master District to comply with its agreement.

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

The Bonds are the first issuance of Bonds by the Master District. The Master District has not entered into a prior continuing disclosure agreement in accordance with the Rule.

OFFICIAL STATEMENT

General

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

Experts

Bond Counsel has reviewed the information appearing in this Official Statement under the captions "THE BONDS," "SUMMARY OF CERTAIN DOCUMENTS," "TAXING PROCEDURES," "THE DISTRICT – General," "LEGAL MATTERS," "TAX MATTERS," and "CONTINUING DISCLOSURE OF INFORMATION." Bond Counsel has reviewed the information under the aforementioned sections solely to determine whether such information fairly summarizes the law or documents referred to in such sections. Bond Counsel has not independently verified other factual information contained in this Official Statement nor conducted an investigation of the affairs of the Master District for the purpose of passing upon the accuracy or completeness of this Official Statement. No person is entitled to rely upon the limited participation of such firm as an assumption of responsibility for, or an expression of opinion of any kind with regard to, the accuracy or completeness of any of the other information contained herein.

The information contained in this Official Statement relating to engineering and to the description of the System generally and, in particular, the engineering information included in the sections captioned "SUNFIELD" and "THE SYSTEM" has been provided by the Engineer and has been included herein in reliance upon the authority of said firm as experts in the field of civil engineering.

The information contained in this Official Statement relating to development and the status of development within the Financing Participants generally and, in particular, the information in the section captioned "SUNFIELD" and "THE DEVELOPER" has been provided by the Developer and has been included herein in reliance upon their authority and knowledge of such party concerning the matters described therein.

The information contained in this Official Statement relating to assessed valuations of property generally and, in particular, that information concerning valuations, analysis of the tax base and percentages of tax collections contained in the sections captioned "TAX DATA" has been provided by the Hays Central Appraisal District and the Master District's Tax Assessor/Collector, and has been included herein in reliance upon the authority of such parties as experts in the field of tax assessing and collecting.

Certification as to Official Statement

The Master District, acting by and through its Board 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 Master District, including particularly other governmental entities, have been obtained from sources believed to be reliable, but the Master District has made no independent investigation or verification of such matters and makes no representation as to the accuracy or completeness thereof.

Updating of Official Statement

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

CONCLUDING STATEMENT

The information set forth herein has been obtained from the Master 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 Sunfield Municipal Utility District No. 4 as of the date shown on the first page hereof.

/s/ Reed Coleman
President, Board of Directors
Sunfield Municipal Utility District No. 4

ATTEST:

/s/ Nichol Peterson-Kros
Secretary, Board of Directors
Sunfield Municipal Utility District No. 4

APPENDIX A

CERTAIN FINANCIAL INFORMATION REGARDING THE PARTICIPANTS

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 4
(In its Capacity as a Participant)

Voter Authorized Unlimited Tax Water, Sewer and Drainage Bonds	$ 39,525,000
Voter Authorized Unlimited Tax Road Bonds	$ 22,350,000
Total Principal Amount of Unlimited Tax Bonds Issued to Date	$ 0
Debt Service Tax Limitation (per $100 of assessed valuation)	Unlimited
Maintenance Tax Limitation (per $100 of assessed valuation)	$1.00
Contract Tax Limitation	Unlimited
Gross Outstanding Direct Debt	$ 0
2021 Gross Certified Assessed Valuation	$ 2,554,583
2021 Gross Certified Assessed Valuation as a Percentage of 2021 Gross Certified Assessed Valuation of all Participants	0.31 %
Average Annual Debt Service on the Bonds ($985,689): Pro rata Share of the Bonds based on 2021 Gross Certified Assessed Valuation	$ 3,065
Maximum Annual Debt Service on the Bonds ($1,085,556): Pro rata Share of the Bonds based on 2021 Gross Certified Assessed Valuation	$ 3,376

Tax Rate Required to Pay Pro rata Share of the Bonds based upon the 2021 Certified Taxable Assessed Value at 95% collections:

Average Annual Debt Service	$0.13
Maximum Annual Debt Service	$0.14

Status of Development as of December 1, 2021:

Acreage	655.44
Total Connections	0
Total Developed Lots	0

Principal Taxpayers

The following are the principal taxpayers in the District as shown on the District's certified appraisal rolls for the 2021 tax year.

Taxpayer	Types of Property	Taxable Value 2021 Tax Roll
ANG Region III LLC	Land & Improvements	$ 1,317,127
LCRA Transmission Srvcs Corp.	Land & Improvements	690,370
2428 Partners LP	Land & Improvements	415,940
Sunfield Development LLC	Land & Improvements	125,690
Homeowner	Land & Improvements	2,916
Director	Land & Improvements	508
Homeowner	Land & Improvements	508
Director	Land & Improvements	508
Director	Land & Improvements	508
Homeowner	Land & Improvements	508
Total of Principal Taxpayers		$ 2,554,583
Principal Taxpayers Percent of Total		100.00%

Historical Tax Collections

SMUD 4 levied its first tax rate in 2021.

Tax Rate Distribution

Tax Year	2021	2020	2019	2018	2017
Utility Debt Service	$0.000	$0.000	$0.000	$0.000	$0.000
Road Debt Service	0.000	0.000	0.000	0.000	0.000
Contract Tax	0.000	0.000	0.000	0.000	0.000
Maintenance	0.900	0.000	0.000	0.000	0.000
Total	$0.900	$0.000	$0.000	$0.000	$0.000

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 1

Voter Authorized Unlimited Tax Water, Sewer and Drainage Bonds	$ 48,990,000
Voter Authorized Unlimited Tax Road Bonds	$ 21,660,000
Voter Authorized Unlimited Tax Park and Recreation Bonds	$ 5,995,000
Total Principal Amount of Unlimited Tax Bonds Issued to Date	$ 37,970,000
Debt Service Tax Limitation (per $100 of assessed valuation)	Unlimited
Maintenance Tax Limitation (per $100 of assessed valuation)	$0.90
Contract Tax Limitation	Unlimited
Gross Outstanding Direct Debt	$ 33,015,000
2021 Gross Certified Assessed Valuation	$ 377,090,385
2021 Gross Certified Assessed Valuation as a Percentage of 2021 Gross Certified Assessed Valuation of all Participants	45.85 %
Average Annual Debt Service on the Bonds ($985,689): Pro rata Share of the Bonds based on 2021 Gross Certified Assessed Valuation	$ 452,463
Maximum Annual Debt Service on the Bonds ($1,085,556): Pro rata Share of the Bonds based on 2021 Gross Certified Assessed Valuation	$ 498,305
Tax Rate Required to Pay Pro rata Share of the Bonds based upon the 2021 Certified Taxable Assessed Value at 95% collections:	
Average Annual Debt Service	$0.13
Maximum Annual Debt Service	$0.14
Status of Development as of December 1, 2021:	
Acreage	686.00
Total Completed Homes	820
Total Developed Lots	820

Principal Taxpayers

The following are the principal taxpayers in the District as shown on the District's certified appraisal rolls for the 2021 tax year.

Taxpayer	Types of Property	Taxable Value 2021 Tax Roll
Continental 396 Fund LLC	Land & Improvements	$ 36,745,826
US Foodservice Inc.	Land & Improvements	35,894,258
Exeter Buda Land LP	Land & Improvements	16,814,654
Austin 35 Assurance LLC	Land & Improvements	9,032,620
Gelco Fleet Trust	Land & Improvements	6,710,915
Buda Tuscany Partners	Land & Improvements	6,568,228
Sunfield Development LLC	Land & Improvements	5,449,300
Buda Huntington Partners	Land & Improvements	4,343,600
Daimler Trust	Land & Improvements	4,006,971
Amazon Com Services Inc.	Land & Improvements	3,923,711
Total of Principal Taxpayers		$129,490,143
Principal Taxpayers Percent of Total		34.34%

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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	Percent of Collections Current Year	Current Year Ended 9/30	Percent of Collections 09/30/2021
2017	$ 228,740,476	$ 0.90	$ 2,058,664	99.76%	2018	100.00%
2018	251,014,621	0.90	2,259,132	99.73%	2019	100.00%
2019	306,259,139	0.90	2,756,332	99.93%	2020	100.00%
2020	335,162,883	0.90	3,016,466	99.64%	2021	99.64%
2021	377,090,385	0.90	2,556,192	(b)	2022	(b)

(a) Total tax rate per $100 of assessed valuation for each respective tax year. See "Tax Rate Distribution" below.

(b) In process of collection.

Tax Rate Distribution

Tax Year	2021	2020	2019	2018	2017
Utility Debt Service	$0.300	$0.340	$0.375	$0.295	$0.150
Road Debt Service	0.320	0.370	0.410	0.505	0.510
Contract Tax	0.000	0.000	0.000	0.000	0.000
Maintenance	0.280	0.190	0.115	0.100	0.240
Total	$0.900	$0.900	$0.900	$0.900	$0.900

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SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 3

Voter Authorized Unlimited Tax Water, Sewer and Drainage Bonds	$ 63,550,000
Voter Authorized Unlimited Tax Road Bonds	$ 57,825,000
Voter Authorized Unlimited Tax Park and Recreation Bonds	$ 5,025,000
Total Principal Amount of Unlimited Tax Bonds Issued to Date	$ 61,050,000
Debt Service Tax Limitation (per $100 of assessed valuation)	Unlimited
Maintenance Tax Limitation (per $100 of assessed valuation)	$0.90
Contract Tax Limitation	Unlimited
Gross Outstanding Direct Debt	$ 59,635,000
2021 Gross Certified Assessed Valuation	$ 441,845,560
2021 Gross Certified Assessed Valuation as a Percentage of 2021 Gross Certified Assessed Valuation of all Participants	53.73 %
Average Annual Debt Service on the Bonds ($985,689): Pro rata Share of the Bonds based on 2021 Gross Certified Assessed Valuation	$ 530,161
Maximum Annual Debt Service on the Bonds ($1,085,556): Pro rata Share of the Bonds based on 2021 Gross Certified Assessed Valuation	$ 583,876
Tax Rate Required to Pay Pro rata Share of the Bonds based upon the 2021 Certified Taxable Assessed Value at 95% collections:	
Average Annual Debt Service	$0.13
Maximum Annual Debt Service	$0.14
Status of Development as of December 1, 2021:	
Acreage	864.06
Total Completed Homes	1,560
Total Developed Lots	2,254

Principal Taxpayers

The following are the principal taxpayers in the District as shown on the District's certified appraisal rolls for the 2021 tax year.

Taxpayer	Types of Property	Taxable Value 2021 Tax Roll
SWBC Buda LP	Land & Improvements	$ 15,383,620
Pulte Homes of Texas LP	Land & Improvements	13,410,820
Castlerock Communities LP	Land & Improvements	12,327,490
Sunfield Development LLC	Land & Improvements	9,457,170
Taylor Morrison of Texas Inc.	Land & Improvements	6,199,200
2428 Partners LP	Land & Improvements	2,798,623
Chesmar Homes LLC	Land & Improvements	2,116,800
Gehan Homes LTD	Land & Improvements	1,507,940
Beproperties LLC	Land & Improvements	665,820
Affinity Development Company LLC	Land & Improvements	582,620
Total of Principal Taxpayers		$ 64,450,103
Principal Taxpayers Percent of Total		14.59%

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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	Percent of Collections Current Year	Current Year Ended 9/30	Percent of Collections 10/31/2021
2017	$ 29,713,781	$ 0.90	$ 267,424	100.00%	2018	100.00%
2018	74,487,517	0.90	670,388	100.00%	2019	100.00%
2019	150,290,949	0.90	1,352,619	99.68%	2020	99.94%
2020	239,204,523	0.90	2,152,841	99.70%	2021	99.85%
2021	441,845,560	0.90	3,976,610	(b)	2022	(b)

(c) Total tax rate per $100 of assessed valuation for each respective tax year. See “Tax Rate Distribution” below.

(d) In process of collection.

Tax Rate Distribution

Tax Year	2021	2020	2019	2018	2017
Utility Debt Service	$0.000	$0.000	$0.000	$0.000	$0.000
Road Debt Service	0.545	0.660	0.755	0.775	0.760
Contract Tax	0.000	0.000	0.000	0.000	0.000
Maintenance	0.355	0.240	0.145	0.125	0.140
Total	$0.900	$0.900	$0.900	$0.900	$0.900

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APPENDIX B

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL

STATEMENTS FOR FISCAL YEAR ENDED SEPTEMBER 30, 2021

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 4

HAYS COUNTY, TEXAS

ANNUAL AUDIT REPORT

SEPTEMBER 30, 2021

C O N T E N T S

INDEPENDENT AUDITOR'S REPORT	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3-6
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET	7
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	8
NOTES TO THE FINANCIAL STATEMENTS	9-16
SUPPLEMENTARY INFORMATION	
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET AND ACTUAL, GENERAL FUND	17
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET AND ACTUAL, SPECIAL REVENUE FUND	18
SCHEDULE OF TEXAS SUPPLEMENTARY INFORMATION REQUIRED BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY	19
SCHEDULE OF SERVICES AND RATES	20
EXPENDITURES FOR THE YEAR ENDED SEPTEMBER 30, 2021	21
ANALYSIS OF CHANGES IN DEPOSITS, ALL GOVERNMENTAL FUND TYPES	22
SCHEDULE OF TEMPORARY INVESTMENTS	23
COMPARATIVE STATEMENTS OF REVENUES AND EXPENDITURES, GENERAL FUND	24
BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS	25-26

Mark C. Eyring, CPA, PLLC

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December 13, 2021

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Sunfield Municipal
Utility District No. 4
Hays County, Texas

I have audited the accompanying financial statements of the governmental activities and each fund of Sunfield Municipal Utility District No. 4, as of and for the year ended September 30, 2021, which collectively comprise the District's basic financial statements, as listed in the table of contents, and the related notes to the financial statements.

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 of material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the 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 assessment of the risk 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 I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each fund of Sunfield Municipal Utility District No. 4 as of September 30, 2021, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITOR'S REPORT (Continued)

Emphasis of Matters

As discussed in Note 5 of the Notes to the Financial Statements, the District has substantial contingent liabilities to its developer and to other governmental entities. My opinions are not modified with respect to these matters.

Other Matters

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on Pages 3 to 6, the Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual, General Fund, on Page 17 and the Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual, Special Revenue Fund, on Page 18 be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on Pages 19 to 26 is presented for purposes of additional analysis and is not a required part of the financial statements. Such 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. Except for the portion marked "unaudited," the information has been subjected to the auditing procedures applied in 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 my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The supplementary information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on it. The accompanying supplementary information includes financial data excerpted from prior year financial statements which were audited by my firm.

Management’s Discussion and Analysis

Using this Annual Report

Within this section of the Sunfield Municipal Utility District No. 4 (the "District") annual report, the District’s Board of Directors provides narrative discussion and analysis of the financial activities of the District for the fiscal year ended September 30, 2021.

The annual report consists of a series of financial statements plus additional supplemental information to the financial statements as required by its state oversight agency, the Texas Commission on Environmental Quality. In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities which engage in a single governmental program. In the District’s case, the single governmental program is provision of sewer, drainage and road services. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented on the left side of the statements, a column for adjustments is to the right of the fund financial statements, and the government-wide financial statements are presented to the right side of the adjustments column. The following sections describe the measurement focus of the two types of statements and the significant differences in the information they provide.

Government-Wide Financial Statements

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

The difference between the District’s total assets and total liabilities is labeled as *net position* and this difference is similar to the total owners’ equity presented by a commercial enterprise.

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

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

Fund Financial Statements

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

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

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

Because the focus of the government-wide and fund financial statements are different, there are significant differences between the totals presented in these financial statements. For this reason, there is an analysis in Note 3 of the notes to the financial statements that reconciles the total fund balances to the amount of net position presented in the governmental activities column on the statement of net position. Also, there is an analysis in Note 3 of the notes to the financial statements that reconciles the total change in fund balances for all governmental funds to the change in net position as reported in the governmental activities column in the statement of activities.

Financial Analysis of the District as a Whole

Financial Analysis of the District as a Whole begins with an understanding of how financial resources flow through the District's funds. Resources in the Capital Projects Fund are derived principally from proceeds of the sale of bonds, and expenditures for water, sewer and drainage facilities from this fund are subject to the Rules of the Texas Commission on Environmental Quality. Resources in the Debt Service Fund are derived principally from the collection of property taxes and are used for the payment of tax collection costs and bond principal and interest. Resources in the General Fund are derived principally from property taxes and service revenues and are used to operate and maintain the system and to pay costs of administration of the District.

Management has financial objectives for each of the District's funds. The financial objective for the General Fund is to keep the fund's expenditures as low as possible while ensuring that revenues are adequate to cover expenditures and maintaining the fund balance that Management believes is prudent. The financial objective for the Special Revenue Fund is to account for all revenues and expenditures of the operations of the District as a Master District (see Note 9) providing regional wastewater, drainage, recreational facilities and road improvements necessary to serve districts located within the Master District's service area. Management believes that these financial objectives were met during the fiscal year.

Management believes that the required method of accounting for certain elements of the government-wide financial statements makes the government-wide financial statements as a whole not useful for financial analysis. In the government-wide financial statements, capital assets and depreciation expense have been required to be recorded at historical cost. Management's policy is to maintain the District's capital assets in a condition greater than or equal to the condition required by regulatory authorities, and management does not believe that depreciation expense is relevant to the management of the District. In the government-wide financial statements, certain non-cash costs of long-term debt are capitalized and amortized over the life of the related debt. Management believes that this required method of accounting is not useful for financial analysis of the District and prefers to consider the required cash flows of the debt as reported in the fund statements and the notes to the financial statements. In the government-wide financial statements, property tax revenues are required to be recorded in the fiscal year for which the taxes are levied, regardless of the year of collection. Management believes that the cash basis method of accounting for property taxes in the funds provides more useful financial information.

The following required summaries of the District's overall financial position and operations for the past two years are based on the information included in the government-wide financial statements. For the reasons described in the preceding paragraph, a separate analysis of the summaries is not presented.

Summary of Net Position

	2021	2020	Change
Current and other assets	$ 388,391	$ 417,429	$ (29,038)
Capital assets	11,650,245	370,000	11,280,245
Total assets	12,038,636	787,429	11,251,207
Long-term liabilities	2,109,466	965,466	1,144,000
Other liabilities	10,687,947	378,470	10,309,477
Total liabilities	12,797,413	1,343,936	11,453,477
Net position:			
Invested in capital assets, net of related debt	(189,755)	0	(189,755)
Unrestricted	(569,022)	(556,507)	(12,515)
Total net position	$ (758,777)	$ (556,507)	$ (202,270)

Summary of Changes in Net Position

	2021	2020	Change
Revenues:			
Charges for services	$ 1,610,267	$ 1,698,397	$ (88,130)
Other revenues	410	41	369
Total revenues	1,610,677	1,698,438	(87,761)
Expenses:			
Service operations	1,575,163	1,709,398	(134,235)
Debt service	237,784	0	237,784
Total expenses	1,812,947	1,709,398	103,549
Change in net position	(202,270)	(10,960)	(191,310)
Net position, beginning of year	(556,507)	(545,547)	(10,960)
Net position, end of year	$ (758,777)	$ (556,507)	$ (202,270)

Financial Analysis of the District's Funds

The District's combined fund balances as of the end of the fiscal year ended September 30, 2021, were $310,434, an increase of $53,508 from the prior year.

The General Fund balance increased by $1,485, as operating advances by the developer and interest earnings exceeded administrative expenditures.

The Special Revenue Fund balance increased by $52,023 due to the increase in the operating reserve of the Master District.

The Capital Projects Fund balance did not change as all proceeds from the Series 2021 Bond Anticipation Note were used for authorized expenditures.

General Fund Budgetary Highlights

The Board of Directors did not amend the budget during the fiscal year. The District's budget is primarily a planning tool. Accordingly, actual results varied from the budgeted amounts. A detailed comparison of budgeted and actual revenues and expenditures is presented on Page 17 of this report. The budgetary fund balance as of September 30, 2021, was expected to be $4,610 and the actual end of year fund balance was $6,095.

Capital Asset and Debt Administration

Capital Assets

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

	Capital Assets (Net of Accumulated Depreciation)		
	2021	2020	Change
Construction in progress	$ 11,650,245	$ 370,000	$ 11,280,245

Changes to capital assets during the fiscal year ended September 30, 2021, are summarized as follows:

Increases:	
Utilities and roads constructed by developer	$ 11,280,245

Debt

On June 9, 2021, the District issued its Series 2021 Bond Anticipation Note (the "BAN') in the amount of $10,340,000 in order to reimburse the developer a portion of the amounts due. The BAN bears interest at 0.66% per annum and matures on June 8, 2022. This BAN will be repaid from the proceeds of the District's next bond issue.

At September 30, 2021, the District had $22,350,000 unlimited tax bonds authorized but unissued for road purposes; $39,525,000 authorized but unissued for water, sanitary sewer and drainage purposes; and $59,290,000 authorized but unissued for refunding purposes.

As further described in Note 5 of the Notes to the Financial Statements, the District has substantial contingent obligations to its developer for funds advanced on behalf of the District and for contractual obligations to other governmental entities. At September 30, 2021, the estimated amount due to the developer was $2,109,466. In addition, the developer has been advancing funds for the construction of Master District Facilities and for debt service and water reservation fees payable to the GBRA. At September 30, 2021, the developer's records indicate that the Master District owes the developer approximately $21,800,000 for these purposes.

ADDITIONAL RELEVANT FACTORS

Property Tax Base

The District did not levy a property tax for the 2020 tax year.

Relationship to the City of Buda

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City of Buda, the District must conform to a City of Buda ordinance consenting to the creation of the District. In addition, the District may be annexed by the City of Buda. If the District is annexed, the City will assume the District's assets and obligations (including the bonded indebtedness) and dissolve the District within ninety (90) days.

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 4

STATEMENT OF NET POSITION AND GOVERNMENTAL FUNDS BALANCE SHEET

SEPTEMBER 30, 2021

	General	Special Revenue Fund	Debt Service	Capital Projects	Total	Adjustments (Note 3)	Statement of Net Position
ASSETS							
Cash, including interest-bearing accounts, Note 7	$ 7,127	$ 237,768	$	$	$ 244,895	$	$ 244,895
Temporary investments, at cost, Note 7	35				35		35
Service accounts receivable		85,248			85,248		85,248
Due to participants, Note 9		3,633			3,633		3,633
Prepaid expenditures		54,580			54,580		54,580
Capital assets, net of accumulated depreciation, Note 4:							
Capital assets not being depreciated					0	11,650,245	11,650,245
Total assets	$ 7,162	$ 381,229	$ 0	$ 0	$ 388,391	11,650,245	12,038,636
LIABILITIES							
Accounts payable	$ 1,067	$ 76,890	$	$	$ 77,957		77,957
Other districts' equity in joint plant					0	269,990	269,990
Long-term liabilities, Note 5:							
Due within one year					0	10,340,000	10,340,000
Due in more than one year					0	2,109,466	2,109,466
Total liabilities	1,067	76,890	0	0	77,957	12,719,456	12,797,413
FUND BALANCES / NET POSITION							
Fund balances:							
Restricted for operating reserve, Note 9		269,990			269,990	(269,990)	0
Committed to Master District		34,349			34,349	(34,349)	0
Unassigned	6,095				6,095	(6,095)	0
Total fund balances	6,095	304,339	0	0	310,434	(310,434)	0
Total liabilities and fund balances	$ 7,162	$ 381,229	$ 0	$ 0	$ 388,391		
Net position:							
Invested in capital assets, net of related debt						(189,755)	(189,755)
Unrestricted						(569,022)	(569,022)
Total net position						$ (758,777)	$ (758,777)

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 4

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments (Note 3)	Statement of Activities
REVENUES							
Billings to participants in joint facilities, Note 9	$	$ 1,584,132	$	$	$ 1,584,132		$ 1,584,132
Interest on deposits	2	399		9	410		410
Other revenues		26,135			26,135		26,135
Total revenues	2	1,610,666	0	9	1,610,677	0	1,610,677
EXPENDITURES / EXPENSES							
Service operations:							
Purchased sewer services, Note 9		326,477			326,477		326,477
Professional fees	775	139,224			139,999		139,999
Contracted services	11,107	95,708			106,815		106,815
Repairs, maintenance and other operating expenditures		95,262			95,262		95,262
Security service		74,700			74,700		74,700
Garbage collection		457,815			457,815		457,815
Administrative expenditures	635	19,450			20,085		20,085
Capital outlay / non-capital outlay		65,185		10,102,225	10,167,410	(10,150,245)	17,165
Surplus billings to Participants					0	336,845	336,845
Debt service:							
BAN issuance expenditures				237,784	237,784		237,784
Total expenditures / expenses	12,517	1,273,821	0	10,340,009	11,626,347	(9,813,400)	1,812,947
Excess (deficiency) of revenues over expenditures	(12,515)	336,845	0	(10,340,000)	(10,015,670)	9,813,400	(202,270)
OTHER FINANCING SOURCES (USES)							
Sale of Bond Anticipation Note, Note 5				10,340,000	10,340,000	(10,340,000)	0
Increase in operating reserve		52,023			52,023	(52,023)	0
Operating advances by developer	14,000				14,000	(14,000)	0
Surplus billings to participants		(336,845)			(336,845)	336,845	0
Total other financing sources (uses)	14,000	(284,822)	0	10,340,000	10,069,178	(10,069,178)	0
Net change in fund balances / net position	1,485	52,023	0	0	53,508	(255,778)	(202,270)
Beginning of year	4,610	252,316	0	0	256,926	(813,433)	(556,507)
End of year	$ 6,095	$ 304,339	$ 0	$ 0	$ 310,434	$ (1,069,211)	$ (758,777)

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 4

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

NOTE 1: REPORTING ENTITY

Sunfield Municipal Utility District No. 4 (the "District") was created by an order of the Texas Commission on Environmental Quality (the "TCEQ") dated June 27, 2005 as Winfield Municipal Utility District No. 4 of Hays County. By order of the TCEQ dated April 10, 2006, the name of the District was changed to Sunfield Municipal Utility District No. 4. The District operates accordance with Texas Water Code Chapters 49 and 54. The District is a political subdivision of the State of Texas, governed by an elected five member Board of Directors. The Board of Directors held its first meeting on November 1, 2005. The District is subject to the continuing supervision of the TCEQ.

The District is empowered, among other things, to purchase, construct, operate and maintain all works, improvements, facilities and plants necessary for the supply of water; the collection, transportation and treatment of wastewater; and the control and diversion of storm water. The District may also provide solid waste collection and disposal service and operate and maintain recreational facilities. In addition, pursuant to V.T.C.A. Special District Code, Chapter 8200, the District is authorized to construct, acquire, improve, maintain or operate roads located within or outside its boundaries. In addition, the District is empowered, if approved by the electorate, the TCEQ and other governmental entities having jurisdiction, to establish, operate and maintain a fire department, either independently or jointly with certain other districts.

In evaluating how to define the District for financial reporting purposes, the Board of Directors of the District has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria established by the Governmental Accounting Standards Board. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the District is able to exercise oversight responsibilities. Based upon the application of these criteria, there were no other entities which were included as a component unit in the District's financial statements.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

The District's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board (the "GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board issued through November 30, 1989 (when applicable), that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the District are discussed below.

Basic Financial Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and governmental fund financial statements (reporting the District's funds). Because the District is a single-program government as defined by the GASB, the District has combined the government-wide statements and the fund financial statements using a columnar format that reconciles individual line items of fund financial data to government-wide data in a separate column on the face of the financial statements. An additional reconciliation between the fund and the government-wide financial data is presented in Note 3.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. The District's net position is reported in three parts – invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The government-wide statement of activities reports the components of the changes in net position during the reporting period.

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for in a separate set of self-balancing accounts that comprises its assets, liabilities, fund balances, revenues and expenditures and changes in fund balances. The District's fund balances are reported as nonspendable, restricted, committed, assigned or unassigned. Nonspendable fund balances are either not in spendable form or are contractually required to remain intact. Restricted fund balances include amounts that can only be used for the specific purposes stipulated by constitutional provisions, external resource providers or enabling legislation. Committed fund balances include amounts that can only be used for the specific purposes determined by formal action of the District's Board of Directors. Assigned fund balances are intended for a specific purpose but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. The transactions of the District are accounted for in the following funds:

General Fund -- To account for all revenues and expenditures not required to be accounted for in other funds.

Special Revenue Fund -- To account for all revenues and expenditures of the operations of the District as a Master District (see Note 9) providing regional wastewater, drainage, recreational facilities and road improvements necessary to serve districts located within the Master District's service area.

Debt Service Fund -- To account for the accumulation of financial resources for, and the payment of, bond principal and interest, paid principally from property taxes levied by the District.

Capital Projects Fund -- To account for financial resources designated to construct or acquire capital assets. Such resources are derived principally from proceeds of the sale of bonds.

Basis of Accounting

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting which recognizes all long-term assets and receivables as well as long-term debt and obligations. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Ad valorem property taxes are recognized as revenues in the fiscal year for which they have been levied and related penalties and interest are recognized in the fiscal year in which they are imposed. An allowance for uncollectibles is estimated for delinquent property taxes and reported separately in the financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available if they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred except for principal and interest on bonds payable which are recorded only when payment is due.

Interfund Activity

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is reported as interfund receivables or payables, as appropriate, as are all other outstanding balances between funds. Operating transfers between funds represent legally authorized transfers from the fund receiving resources to the fund through which the resources are to be expended.

Receivables

Service accounts receivable as reported are considered collectible. The District uses the direct write off method for uncollectible service accounts. Unbilled water and sewer revenues are not material and are not recorded at year end. The District considers service accounts revenues to be available if they are to be collected within 60 days after the end of the fiscal year.

In the fund financial statements, ad valorem taxes and penalties and interest are reported as revenues in the fiscal year in which they become available to finance expenditures of the fiscal year for which they have been levied. Property taxes which have been levied and are not yet collected (or have been collected in advance of the fiscal year for which they have been levied) are recorded as deferred inflow of resources. Property taxes collected after the end of the fiscal year are not included in revenues.

Long-term Liabilities

Long-term debt and other long-term obligations are reported in the government-wide financial statements. Bond premiums and discounts, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable premium or discount. If bonds are refunded and the carrying amount of the new debt is different than the net carrying amount of the old debt, the difference is netted against the new debt and amortized using the effective interest method over the shorter of the remaining life of the refunded debt or the life of the new debt issued.

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 3: RECONCILIATION OF FUND TO GOVERNMENT-WIDE FINANCIAL STATEMENTS

Reconciliation of year end fund balances to net position:

Total fund balances, end of year		$ 310,434
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		
Total capital assets, net		11,650,245
Some long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds:		
Bond Anticipation Note Payable	(10,340,000)	
Due to developer	(2,109,466)	(12,449,466)
The assets in the special revenue fund are owned by the District and other participants in the joint venture:		
Other participants' equity		(269,990)
Net position, end of year		$ (758,777)

Total net change in fund balances:

Total net change in fund balances	$ 53,508
The funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capital outlay	10,150,245
The issuance of long-term debt (bonds payable) provides current financial resources to the funds, while the repayment of the principal of long-term debt consumes the current financial resources of the funds. Neither transaction, however, has any effect on net position. The effect of these differences in the treatment of long-term debt:	
Bond Anticipation Note payable	(10,340,000)
Advances from the developer for operations are recorded as additions to the general fund but are recorded as increases in long-term debt in the statement of net assets	(14,000)
Changes in the Special Revenue Fund reserve from contributions from participants	(52,023)
Change in net assets of governmental activities	$ (202,270)

NOTE 4: CAPITAL ASSETS

At September 30, 2021, “Invested in capital assets, net of related debt” was $(189,755). This amount was negative primarily because not all expenditures from bond proceeds (such as bond issuance costs) were for the acquisition of capital assets. As further described in Note 9, under the terms of an agreements with the Guadalupe-Blanco River Authority (“GBRA”) and Goforth Special Utility District (“Goforth”), the District has transferred to GBRA and Goforth ownership of certain assets constructed by the District. Under the terms of the agreements, the District is to pay for construction of a water distribution system and a sanitary sewer collection system and a drainage system to serve the District. The District shall be the owner of each phase of the system until such phase is completed and approved by the GBRA or Goforth, at which time ownership of such phase shall be transferred to the appropriate entity. However, the District shall have a security interest therein until all bonds issued by the District pursuant to the agreements are retired. Accordingly, the District has no capital assets.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Capital asset activity for the fiscal year ended September 30, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Construction in progress	$ 370,000	$ 11,280,245	$ 0	$ 11,650,245
Changes to capital assets:				
Increase in estimated developer construction		$ 11,280,245	$ 0	
Net increases / decreases to capital assets		$ 11,280,245	$ 0	

NOTE 5: LONG-TERM LIABILITIES AND CONTINGENT LIABILITIES

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bond Anticipation Note payable	$ 0	$ 10,340,000	$ 0	$ 10,340,000	$ 10,340,000
Due to developer for operating advances (see below)	595,466	14,000		609,466	-----------
Due to developer for construction (see below)	370,000	1,130,000		1,500,000	-----------
Total due to developer	965,466	11,484,000	0	12,449,466	0
Total long-term liabilities	$ 965,466	$ 11,484,000	$ 0	$ 12,449,466	$ 10,340,000

Road bonds voted	$ 22,350,000
Road bonds approved for sale and sold	0
Road bonds voted and not issued	22,350,000
Water, sewer and drainage bonds voted	39,525,000
Water, sewer and drainage bonds approved for sale and sold	0
Water, sewer and drainage bonds voted and not issued	39,525,000
Refunding bonds voted	59,290,000
Refunding bonds approved for sale and sold	0
Refunding bonds voted and not issued	59,290,000

Developer Construction Commitments, Liabilities and Advances

The developer within the District has advanced funds to the District to cover initial operating deficits. At September 30, 2021, the cumulative amount of unreimbursed developer advances was $609,466. These amounts have been recorded in the government-wide financial statements. This amount has been recorded as a decrease in “Unrestricted net position” in the government-wide financial statements. Without this decrease, “Unrestricted net position” would have a positive balance of $40,444.

The developer within the District has constructed certain roads and underground facilities within the District's boundaries. The District has agreed to reimburse the developer for these construction and related engineering costs plus interest not to exceed the interest rate of the applicable District bond issue. These amounts are to be reimbursed from the proceeds of future bond issues to the extent approved by the Texas Commission on Environmental Quality. The developer stated that unreimbursed cost of the construction in progress at September 30, 2021, was $1,500,000. This amount has been recorded in the government-wide financial statements and in the schedules in Notes 4 and 5.

On June 9, 2021, the District issued its Series 2021 Bond Anticipation Note (the "BAN') in the amount of $10,340,000 in order to reimburse the developer a portion of the amounts due. The BAN bears interest at 0.66% per annum and matures on June 8, 2022. This BAN will be repaid from the proceeds of the District's next bond issue.

Contingent Liabilities

The District is part of the master-planned community of "Sunfield." Sunfield is comprised of Sunfield Municipal Utility District No. 1, Sunfield Municipal Utility District No. 2, Sunfield Municipal Utility District No. 3, and Sunfield Municipal Utility District No. 4 ("SMUD No. 4"), collectively, the "Participants." On April 23, 2007, the District executed a "Contract for Financing, Operation of Regional Waste Collection Treatment and Disposal Facilities, Regional Water Supply and Delivery Facilities and Regional Drainage, including Water Quality Facilities" ("Master District Contract') with SMUD No. 4 in its capacity as the "Master District."

Pursuant to the contract, the Master District will provide the regional water, sanitary sewer and drainage facilities and capacities ("Master District Facilities") and each Participant will pay its pro rata share of such cost. Each Participant is responsible for constructing its internal water distribution, wastewater collection and storm drainage lines within its respective boundaries. The Master District Facilities will be constructed in stages to meet the needs of a continually expanding population within Sunfield. From time to time, the Master District will issue its Contract Revenue Bonds, and each Participant will pay a portion of the debt service thereon based upon the amount of ad valorem tax base located within its boundaries. The District is obligated to pay its pro rata share from the proceeds of a Contract Tax for such purpose, or from any other legally available funds of the District. The Master District has not issued any Contract Revenue Bonds.

The Master District is a party to various agreements with the Guadalupe-Blanco River Authority ("GBRA") pursuant to which the Master District has acquired a supply of water and the transportation of such water to Sunfield. Pursuant to such agreements, the Master District is reserving untreated water, paying for the costs of treating water and its pro rata share of the annual debt service on certain water treatment facilities and water trunklines conveying water to Sunfield. As an obligation of the Master District, such payments are secured by the unlimited ad valorem taxing authority of each of the Participants. Such payments are currently being made with monies advanced to the Master District by the developer. In the event the developer and/or the Sunfield districts fail to advance monies to the Master District to make such payments, the Sunfield districts would be required to make their pro rata share of such payments based upon their assessed valuation. Such payments may be substantial.

The developer has been advancing funds for the construction of Master District Facilities and for debt service and water reservation fees payable to the GBRA. At September 30, 2021, the developer's records indicate that the Master District owes the developer approximately $21,800,000 for these purposes. The allocation of the amount due to the developer to the participant districts has not been determined.

Bonds issued by the District and the Master District for water, sewer and drainage facilities are subject to prior approval by the Texas Commission on Environmental Quality ("TCEQ"). Such agency has in place certain "economic feasibility rules" which for districts located in Hays County limits the amount of bonds which can be issued to an amount that can be amortized with a tax rate not exceeding $1.20 per $100 valuation, including all other obligations of the issuer secured by ad valorem taxes. Bonds to be issued by the District for roads are not currently subject to such "economic feasibility rules" but are subject to a "no growth tax rate limitation" of $2.50 per $100 valuation imposed by the Office of the Attorney General of Texas.

NOTE 6: PROPERTY TAXES AND CONCENTRATION OF TAX BASE

At an election held May 12, 2007, the voters within the District authorized a maintenance tax not to exceed $1.00 per $100 valuation on all property subject to taxation within the District. This maintenance tax is being used by the General Fund to pay expenditures of operating the District. There is no tax limitation on the rate or amount of taxes that can be levied to (1) pay debt service on wastewater and drainage bonds; (2) to pay debt service on road bonds; (3) to satisfy its contractual obligations to the Master District; and (4) to satisfy its contractual obligations to the GBRA.

Concentration of Tax Base

The District's tax base is concentrated in a small number of taxpayers. The District's developer owns a substantial portion of land within the District and the other Sunfield districts. If any one of the principal District taxpayers did not pay taxes due, the District might need to levy additional taxes or use other debt service funds available to meet the debt service obligations described in Note 5.

NOTE 7: DEPOSITS

The District complied with the requirements of the Public Funds Investment Act during the current fiscal year including the preparation of quarterly investment reports required by the Act.

In accordance with state statutes and the District's investment policies, the District requires that insurance or security be provided by depositories for all funds held by them. At the balance sheet date, the District's deposits were covered by federal insurance.

At the balance sheet date the carrying value and market value of the investments in TexPool was $35.

NOTE 8: 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; personal injuries and natural disasters. Significant losses are covered by insurance as described below. There were no significant reductions in insurance coverage from the prior fiscal year. There have been no settlements which have exceeded the insurance coverage for each of the past three fiscal years.

At September 30, 2021, the District had comprehensive general liability coverage with a per occurrence limit of $1,000,000 and $3,000,000 general aggregate, umbrella liability coverage of $4,000,000, pollution liability coverage of $1,000,000 and consultant's crime coverage of $10,000.

NOTE 9: CONTRACTS WITH OTHER GOVERNMENTAL ENTITIES

Master District Contract

The District is part of the master-planned community of "Sunfield." Sunfield is comprised of Sunfield Municipal Utility District No. 1 ("SMUD No. 1"), Sunfield Municipal Utility District No. 2, Sunfield Municipal Utility District No. 3, and Sunfield Municipal Utility District No. 4, collectively, the "Participants." On April 23, 2007, the District executed a "Contract for Financing, Operation of Regional Waste Collection Treatment and Disposal Facilities, Regional Water Supply and Delivery Facilities and Regional Drainage, including Water Quality Facilities" ("Master District Contract') with the Participants in its capacity as the "Master District."

Pursuant to the contract, the Master District will provide the regional water, sanitary sewer and drainage facilities and capacities ("Master District Facilities") and each Participant will pay its pro rata share of such cost. Each Participant is responsible for constructing its internal water distribution, wastewater collection and storm drainage lines within its respective boundaries. The Master District Facilities will be constructed in stages to meet the needs of a continually expanding population within Sunfield. From time to time, the Master District will issue its Contract Revenue Bonds, and each Participant will pay a portion of the debt service thereon based upon the amount of ad valorem tax base located within its boundaries. The District is obligated to pay its pro rata share from the proceeds of a Contract Tax for such purpose, or from any other legally available funds of the District. The Master District has not issued any Contract Revenue Bonds. See Note 5 for a further discussion of the obligations of the District regarding the construction costs of the Master District Facilities.

The District is further obligated to pay monthly charges for water and sewer services rendered pursuant to the Master District Contract. Participants will be billed monthly by the Master District for (1) the pro rata share of the Master District's monthly operation and maintenance expense, based upon usage or the number of equivalent single family residential customers, whichever is appropriate and (2) any costs incurred by the Master District for the operation and maintenance of the District's facilities. Each Participant will also be credited for the revenues earned by the Master District for services to customers within the Participant's boundaries. If, at the end of a fiscal year, revenues generated by customers in the Participant's boundaries exceed the costs of operating and maintaining the Master District and Participant facilities, the Master District will refund the surplus revenues or credit the Participant for the amount in the next fiscal year. During the year ended September 30, 2021, the District recorded surplus billings from Participants in the amount of $336,845.

The contact authorizes the establishment of an operating and maintenance reserve by the Master District equal to three months' operating and maintenance expenses, as set forth in the Master District's annual budget. The Master District may adjust the reserve as needed, not less than annually. As of September 30, 2021, the Master District had established an operating reserve of $269,990.

Agreements Regarding Wholesale Water Supply and Wastewater Treatment

The Master District is a party to various agreements with the Guadalupe-Blanco River Authority ("GBRA") pursuant to which the Master District has acquired a supply of water and the transportation of such water to Sunfield. Pursuant to such agreements, the Master District is reserving untreated water, paying for the costs of treating water and its pro rata share of the annual debt service on certain water treatment facilities and water trunklines conveying water to Sunfield. As an obligation of the Master District, such payments are secured by the unlimited ad valorem taxing authority of each of the Participants. The Master District's fees payable to the GBRA for the fiscal year ended September 30, 2021, were $326,477.

The Master District has entered into a Wastewater Operating Agreement pursuant to which the GBRA operates the 250,000 gpd wastewater treatment plant serving Sunfield.

Water Utility Service Agreement

On October 1, 2007, amended and restated February 15, 2012 (as amended July 7, 2015, August 22, 2018 and April 28, 2021), the District and Sunfield Municipal Utility District Nos. 1 and 3 entered into a water utility service agreement with Goforth Special Utility District ("Goforth"). The agreement provides that each of the Participants is responsible for the acquisition and construction of all internal facilities necessary for the distribution of water to retail customers within its boundaries. As these facilities are acquired or constructed, the facilities will be conveyed to Goforth. Retail water service will be provided to customers in each district by Goforth in accordance with its standard rates.

Billing and Collection Agreement

On February 15, 2012,the Master District entered into a billing and collection agreement with Goforth. The agreement provides that Goforth will serve as agent for the Master District for the purposes of billing and collecting sanitary sewer charges for water customers of Goforth who: (1) are recipients of sanitary sewer service from the Master District; (2) are located within certain property within the Sunfield districts, and any other areas mutually agreed to by Goforth and the Master District in the future; and (3) have executed a sanitary sewer service agreement with the Master District. Retail sewer service will be billed to customers in each district by Goforth in accordance with Retail water service will be provided to customers in each district by Goforth in accordance with the Master District's rate order.

During the year ended September 30, 2021, the District and Sunfield Municipal Utility District Nos. 1 and 3 assigned all their rights, liabilities and obligations under and pursuant to the agreement to the GBRA.

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 4

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET AND ACTUAL, GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Interest on deposits	$ 1	$ 1	$ 2	$ 1
TOTAL REVENUES	1	1	2	1
EXPENDITURES				
Service operations:				
Professional fees	775	775	775	0
Contracted services	10,500	10,500	11,107	607
Administrative expenditures	2,700	2,700	635	(2,065)
TOTAL EXPENDITURES	13,975	13,975	12,517	(1,458)
EXCESS REVENUES (EXPENDITURES)	(13,974)	(13,974)	(12,515)	1,459
OTHER FINANCING SOURCES (USES)				
Developer advances	13,974	13,974	14,000	26
TOTAL OTHER FINANCIAL SOURCES (USES)	13,974	13,974	14,000	26
EXCESS SOURCES (USES)	0	0	1,485	1,485
FUND BALANCE, BEGINNING OF YEAR	4,610	4,610	4,610	0
FUND BALANCE, END OF YEAR	$ 4,610	$ 4,610	$ 6,095	$ 1,485

The District's Board of Directors adopts an annual nonappropriated budget. This budget may be amended throughout the fiscal year and is prepared on a basis consistent with generally accepted accounting principles.

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 4

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE, BUDGET AND ACTUAL, SPECIAL REVENUE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual	Positive (Negative)
REVENUES				
Billings to participant in joint facilities	$ 1,592,934	$ 1,592,934	$ 1,584,132	$ (8,802)
Interest on deposits	6	6	399	393
Other revenues	9,500	9,500	26,135	16,635
TOTAL REVENUES	1,602,440	1,602,440	1,610,666	8,226
EXPENDITURES				
Service operations:				
Purchased services	850,728	850,728	326,477	(524,251)
Professional fees	102,500	102,500	139,224	36,724
Contracted services	118,000	118,000	95,708	(22,292)
Repairs and maintenance	88,000	88,000	69,485	(18,515)
Other operating expenditures	43,500	43,500	25,777	(17,723)
Security service	0	0	74,700	74,700
Garbage collection	389,565	389,565	457,815	68,250
Administrative expenditures	27,650	27,650	19,450	(8,200)
Capital outlay	0	0	65,185	65,185
TOTAL EXPENDITURES	1,619,943	1,619,943	1,273,821	(346,122)
EXCESS REVENUES (EXPENDITURES)	(17,503)	(17,503)	336,845	354,348
OTHER FINANCING SOURCES (USES)				
Increase in operating reserve	0	0	52,023	52,023
Surplus billings to participants	17,503	17,503	(336,845)	(354,348)
TOTAL OTHER FINANCIAL SOURCES (USES)	17,503	17,503	(284,822)	(302,325)
EXCESS SOURCES (USES)	0	0	52,023	52,023
FUND BALANCE, BEGINNING OF YEAR	252,316	252,316	252,316	0
FUND BALANCE, END OF YEAR	$ 252,316	$ 252,316	$ 304,339	$ 52,023

The District's Board of Directors adopts an annual nonappropriated budget. This budget may be amended throughout the fiscal year and is prepared on a basis consistent with generally accepted accounting principles.

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 4

SCHEDULE OF TEXAS SUPPLEMENTARY INFORMATION
REQUIRED BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

SEPTEMBER 30, 2021

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

[X] TSI-1. Services and Rates

[X] TSI-2. General Fund Expenditures

[X] TSI-3. Temporary Investments

[X] TSI-4. Taxes Levied and Receivable

[ ] TSI-5. Long-Term Debt Service Requirements by Years
None at September 30, 2021.

[ ] TSI-6. Changes in Long-Term Bonded Debt
Not applicable.

[X] TSI-7. Comparative Schedule of Revenues and Expenditures - General Fund and Debt Service Fund - Five Year

[X] TSI-8. Board Members, Key Personnel and Consultants

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 4

SCHEDULE OF SERVICES AND RATES

SEPTEMBER 30, 2021

1. Services Provided by the District during the Fiscal Year:

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

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

__ Other

2. Retail Service Providers

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

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate per 1000 Gallons Over Minimum	Usage Levels
WATER:	$7.00	0	N	$2.25	1 to 6,000
				3.25	6,001 to 12,000
				5.25	Over 12,000
WASTEWATER:	$44.00	0	N	$4.25	Over 0
STORM WATER:	$1.00				

District employs winter averaging for wastewater usage: Yes __ No X

Total charges per 10,000 gallons usage: Water: $33.50 Wastewater: $86.50 Storm Water: $1.00

b. Water and Wastewater Retail Connections for all Sunfield districts within the service area of the Master District (unaudited):

Meter Size	Total Connections	Active Connections	ESFC* Factor	Active ESFCs
Total Water	N/A	N/A		N/A
Total Wastewater	2,113	2,113	1.0	2,113

3. Total Water Consumption during the Fiscal Year (rounded to thousands):

Not Applicable. See Note 9 of the Notes to the Financial Statements.

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

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

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

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 4

EXPENDITURES

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Totals (Memorandum Only)
CURRENT					
Purchased services	$ 0	$ 326,477	$ 0	$ 0	$ 326,477
Professional fees:					
Auditing	775	6,725			7,500
Legal		57,931			57,931
Engineering		74,568			74,568
	775	139,224	0	0	139,999
Contracted services:					
Bookkeeping	11,107	25,205			36,312
Billing agent		12,000			12,000
Operator		58,503			58,503
	11,107	95,708	0	0	106,815
Repairs and maintenance	0	69,485	0	0	69,485
Other operating expenditures:					
Inspections		22,903			22,903
Other		2,874			2,874
	0	25,777	0	0	25,777
Administrative expenditures:					
Director's fees		4,200			4,200
Office supplies and postage	308	3,623			3,931
Insurance		9,276			9,276
Other	327	2,351			2,678
	635	19,450	0	0	20,085
Security service	0	74,700	0	0	74,700
Garbage collection	0	457,815	0	0	457,815
Capital outlay	0	65,185	0	10,102,225	10,167,410
BAN issuance expenditures	0	0	0	237,784	237,784
TOTAL EXPENDITURES	$ 12,517	$ 1,273,821	$ 0	$10,340,009	$11,626,347

See accompanying independent auditor's report.

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 4

ANALYSIS OF CHANGES IN DEPOSITS
ALL GOVERNMENTAL FUND TYPES

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund	Totals (Memorandum Only)
SOURCES OF DEPOSITS					
Cash receipts from revenues	$ 2	$ 1,521,785	$	$ 9	$ 1,521,796
Bond anticipation note proceeds				10,340,000	10,340,000
Operating advances from developer	14,000				14,000
Increase in operating reserve		52,023			52,023
TOTAL DEPOSITS PROVIDED	14,002	1,573,808	0	10,340,009	11,927,819
APPLICATIONS OF DEPOSITS					
Cash disbursements for:					
Current expenditures	11,978	1,306,166			1,318,144
Capital outlay		65,185		10,102,225	10,167,410
Debt service				237,784	237,784
Cash disbursements for:					
Refund of surplus billings to participants		336,845			336,845
TOTAL DEPOSITS APPLIED	11,978	1,708,196	0	10,340,009	12,060,183
INCREASE (DECREASE) IN DEPOSITS	2,024	(134,388)	0	0	(132,364)
DEPOSITS BALANCES, BEGINNING OF YEAR	5,138	372,156	0	0	377,294
DEPOSITS BALANCES, END OF YEAR	$ 7,162	$ 237,768	$ 0	$ 0	$ 244,930

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 4

SCHEDULE OF TEMPORARY INVESTMENTS

SEPTEMBER 30, 2021

	Interest Rate	Maturity Date	Year End Balance	Accrued Interest Receivable
GENERAL FUND				
TexPool				
No. 7928100001	Market	On demand	$ 35	$ 0

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 4

COMPARATIVE STATEMENTS OF REVENUES AND EXPENDITURES, GENERAL FUND

FOR YEARS ENDED SEPTEMBER 30

	AMOUNT					PERCENT OF TOTAL REVENUES				
	2021	2020	2019	2018	2017	2021	2020	2019	2018	2017
REVENUES										
Property taxes	$ 0	$ 0	$ 0	$ 0	$ 0	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Interest on deposits	2	0	1	1	1	100.0	0.0	100.0	100.0	100.0
Other	0	0	0	0	0	0.0	0.0	0.0	0.0	0.0
TOTAL REVENUES	2	0	1	1	1	100.0	0.0	100.0	100.0	100.0
EXPENDITURES										
Service operations:										
Professional fees	775	775								
Contracted services	11,107	9,700	10,175	8,745	8,370					
Administrative expenditures	635	485	492	187	499					
TOTAL EXPENDITURES	12,517	10,960	10,667	8,932	8,869	N/A	N/A	N/A	N/A	N/A
EXCESS REVENUES (EXPENDITURES)	$ (12,515)	$ (10,960)	$ (10,666)	$ (8,931)	$ (8,868)	N/A %	N/A %	N/A %	N/A %	N/A %
TOTAL ACTIVE RETAIL WATER CONNECTIONS	N/A	N/A	N/A	N/A	N/A					
TOTAL ACTIVE RETAIL WASTEWATER CONNECTIONS	2,113	2,113	1,639	1,181	929					

See accompanying independent auditor’s report.

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 4

BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS

SEPTEMBER 30, 2021

Complete District Mailing Address: Sunfield Municipal Utility District No. 4
c/o Coats Rose, P.C.
14755 Preston Road, Suite 600
Dallas, Texas 77524

District Business Telephone No.: 972-788-1600

Submission date of the most recent District Registration Form: November 11, 2021

Limit on Fees of Office that a Director may receive during a fiscal year: $7,200

BOARD MEMBERS

Name and Address	Term of Office (Elected/ Appointed)	Fees of Office Paid	Expense Reimb.	Title at Year End
Reed Coleman c/o Coats Rose, P.C. 14755 Preston Road, Suite 600 Dallas, Texas 77524	Elected 5/05/18- 5/07/22	$ 1,050	$ 0	President
Carson Fisk c/o Coats Rose, P.C. 14755 Preston Road, Suite 600 Dallas, Texas 77524	Elected 5/05/18- 5/07/22	600	0	Vice President
Nichol Peterson-Kros c/o Coats Rose, P.C. 14755 Preston Road, Suite 600 Dallas, Texas 77524	Elected 5/02/20- 5/04/24	1,050	0	Secretary
Matt Prewett c/o Coats Rose, P.C. 14755 Preston Road, Suite 600 Dallas, Texas 77524	Elected 5/05/18- 5/07/22	600	0	Assistant Secretary
Ali Jenkins c/o Coats Rose, P.C. 14755 Preston Road, Suite 600 Dallas, Texas 77524	Appointed 1/29/21- 5/04/24	900	0	Assistant Secretary

SUNFIELD MUNICIPAL UTILITY DISTRICT NO. 4

BOARD MEMBERS, KEY PERSONNEL AND CONSULTANTS (Continued)

SEPTEMBER 30, 2021

CONSULTANTS

Name and Address	Date Hired	Fees and Expense Reimbursements*	Title at Year End
Coats, Rose Yale, Ryman & Lee, P.C. 14755 Preston Road, Suite 600 Dallas, Texas 77524	10/29/08	$ 60,340 115,903 BAN	Attorney
Municipal Accounts & Consulting, L.P. 6500 River Place Blvd, Bldg 4, Suite150 Austin, Texas 78730	8/20/08	39,730 2,500 BAN	Bookkeeper
Taylor Kolmodin 6500 River Place Blvd, Bldg 4, Suite150 Austin, Texas 78730	8/20/08	0	Investment Officer
Inframark, LLC 14050 Summit Drive, Suite 113 Austin, Texas 78728	6/01/12	109,771	Operator
Murfee Engineering Company 1101 S. Capital of Texas Highway Building D, Suite 110 Austin, Texas 78746	11/01/05	122,588 5,780 BAN	Engineer
Hays County Tax Assessor-Collector 102 LBJ Drive San Marcos, Texas 78666	08/08	0	Tax Assessor-Collector
Hays Central Appraisal District 21001 Interstate 35 Kyle, Texas 78640	Legislative Action	0	Central Appraisal District
R. W. Baird & Co. 700 Milam Street, Suite 1300 Houston, Texas 77002	2/05/15	103,400 BAN	Financial Advisor
Mark C. Eyring, CPA, PLLC 12702 Century Drive, Suite C2 Stafford, Texas 77477	8/16/13	7,500 5,950 BAN	Independent Auditor

*Includes Master District.

APPENDIX C

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER] Policy No: _____

MEMBER: [NAME OF MEMBER]

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

Effective Date: _________

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

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

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

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

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

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

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

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

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: ____

Authorized Officer