OFFICIAL STATEMENT DATED SEPTEMBER 8, 2022

IN THE OPINION OF BOND COUNSEL, UNDER EXISTING LAW, INTEREST ON THE BONDS IS EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES AND INTEREST ON THE BONDS IS NOT SUBJECT TO THE ALTERNATIVE MINIMUM TAX ON INDIVIDUALS; HOWEVER, SUCH INTEREST IS TAKEN INTO ACCOUNT IN DETERMINING THE ANNUAL ADJUSTED FINANCIAL STATEMENT INCOME OF APPLICABLE CORPORATIONS FOR THE PURPOSE OF DETERMINING THE ALTERNATIVE MINIMUM TAX IMPOSED ON CORPORATIONS FOR TAX YEARS BEGINNING AFTER DECEMBER 31, 2022. SEE "TAX MATTERS" FOR A DISCUSSION OF BOND COUNSEL'S OPINION.

The District has NOT designated the Bonds as "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"
Moody's Investors Service, Inc. (Underlying).........."A3"

$13,750,000
FORT BEND COUNTY MUNICIPAL MANAGEMENT DISTRICT NO. 1
(A Political Subdivision of the State of Texas, located within Fort Bend County)
UNLIMITED TAX PARK BONDS
SERIES 2022

Dated: October 1, 2022 **Due: September 1, as shown on the inside cover**

The $13,750,000 Fort Bend County Municipal Management District No. 1 Unlimited Tax Park Bonds, Series 2022 (the "Bonds") are obligations of Fort Bend County Municipal Management District No. 1 (the "District") and are not obligations of the State of Texas ("Texas"); Fort Bend County, Texas (the "County"); the City of Houston, Texas ("Houston"); the City of Richmond, Texas, or any entity other than the District. Neither the full faith and credit nor the taxing power of Texas; the County; Houston; the City of Richmond, Texas; nor any entity other than the District is pledged to the payment of the principal of or interest on the Bonds. 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, or any successor paying agent/registrar (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 owners of the Bonds 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 will accrue from the initial date of delivery (on or about October 13, 2022) and is payable on March 1, 2023, and on each September 1 and March 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 person and the Paying Agent/Registrar. The Bonds are issuable in denominations of $5,000 of principal or any integral multiple thereof in fully registered form only.

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

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

The Bonds constitute the first series of unlimited tax park bonds issued by the District. Voters of the District have previously authorized $110,240,000 principal amount of unlimited tax bonds for park and recreational facilities at an election held within the District on May 9, 2015, and $264,000,000 principal of unlimited tax bonds for road improvements, and for the refunding of such bonds, at an election held within the District on May 9, 2015. Following the issuance of the Bonds, $96,490,000 principal amount of authorized unlimited tax bonds for park and recreational facilities will remain unissued and $220,755,000 principal amount of authorized unlimited tax bonds for road improvements, and for the refunding of such bonds, will remain unissued. See "THE BONDS – Authority for Issuance."

The Bonds, when issued, will be payable from the proceeds of a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within the District.

The Bonds are offered when, as, and if issued by the District and accepted by 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 Orrick, Herrington & Sutcliffe LLP, Houston, Texas, Disclosure Counsel. The Bonds in definitive form are expected to be available for delivery in Houston on or about October 13, 2022. See "LEGAL MATTERS."

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

$13,750,000
FORT BEND COUNTY MUNICIPAL MANAGEMENT DISTRICT NO. 1
UNLIMITED TAX PARK BONDS
SERIES 2022

$7,495,000 Serial Bonds

Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 34677M (b)	Maturity (September 1)	Principal Amount	Interest Rate	Initial Reoffering Yield (a)	CUSIP No. 34677M (b)
2024	$ 330,000	5.000%	2.600%	GD8	2032 (c)	$ 470,000	4.000%	3.650%	GM8
2025	345,000	5.000%	2.700%	GE6	2033 (c)	490,000	4.000%	3.800%	GN6
2026	360,000	5.000%	2.800%	GF3	2034 (c)	510,000	4.000%	3.900%	GP1
2027	375,000	5.000%	2.900%	GG1	2035 (c)	535,000	4.000%	4.000%	GQ9
2028	395,000	5.000%	3.000%	GH9	2036 (c)	560,000	4.000%	4.050%	GR7
2029	410,000	5.000%	3.150%	GJ5	2037 (c)	585,000	4.000%	4.100%	GS5
2030 (c)	430,000	3.250%	3.350%	GK2	2038 (c)	610,000	4.000%	4.150%	GT3
2031 (c)	450,000	3.250%	3.500%	GL0	2039 (c)	640,000	4.000%	4.200%	GU0

$6,255,000 Term Bonds

$1,360,000 Term Bond Due September 1, 2041 (c)(d), Interest Rate: 4.125% (Price: $97.748) (a), CUSIP No. 34677M GW6 (b)

$2,285,000 Term Bond Due September 1, 2044 (c)(d), Interest Rate: 4.250% (Price: $97.902) (a), CUSIP No. 34677M GZ9 (b)

$2,610,000 Term Bond Due September 1, 2047 (c)(d), Interest Rate: 4.250% (Price: $97.004) (a), CUSIP No. 34677M HC9 (b)

(a) The initial reoffering yield has been provided by the Initial Purchaser and represents the initial offering price to the public of a substantial amount of the Bonds for each maturity. Such initial reoffering yield may subsequently be changed. The initial reoffering yields indicated above represent 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 FactSet Research Systems Inc. on behalf of the American Bankers Association, and are included solely for the convenience of the owners of the Bonds.

(c) The Bonds maturing on September 1, 2030, and thereafter shall be subject to redemption prior to maturity at the option of the District, as a whole or from time to time in part, on October 1, 2029, or any date thereafter at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption. See "THE BONDS – Redemption Provisions – *Optional Redemption*."

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

USE OF INFORMATION IN OFFICIAL STATEMENT

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

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

All of the summaries of the statutes, orders, resolutions, contracts, audits, and engineering and other related reports set forth in the Official Statement are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents, copies of which are available from the Financial Advisor (herein defined).

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

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

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 purpose.

TABLE OF CONTENTS

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"). The Initial Purchaser has agreed to purchase the Bonds, bearing the interest rates shown under "MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL REOFFERING YIELDS, AND CUSIPS" on the cover hereof, at a price of 97.000000% of the principal amount thereof, which resulted in a net effective interest rate of 4.359424%, calculated pursuant to Chapter 1204, Texas Government Code, as amended.

Prices and Marketability

Subject to certain restrictions regarding the "hold-the-offering-price" rule as 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 bond house, broker, or similar person acting in the capacity of underwriter or wholesaler. Otherwise, the District has no understanding with the Initial Purchaser regarding the reoffering yields or prices of the Bonds. Information concerning reoffering yields or prices is the responsibility of the Initial Purchaser.

Subject to certain restrictions described in the Official Notice of Sale, the prices and other terms with respect to the offering and sale of the Bonds may be changed from time to time by the Initial Purchaser after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial reoffering prices, including sales to dealers who may sell the Bonds into investment accounts. IN CONNECTION WITH THE OFFERING OF THE BONDS, THE INITIAL PURCHASER MAY OVER–ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Securities Laws

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

MUNICIPAL BOND INSURANCE

Bond Insurance Policy

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

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

Build America Mutual Assurance Company

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

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

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

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

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2022, and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $490.5 million, $187.1 million, and $303.4 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.

RATINGS

Moody's Investors Service, Inc. ("Moody's") assigned an underlying rating of "A3" to the Bonds. An explanation of the rating may be obtained from Moody's, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007. 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 Moody's, if in their judgment, circumstances so warrant. Any such revisions or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

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

The District is not aware of any rating assigned the Bonds other than the ratings discussed above.

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OFFICIAL STATEMENT SUMMARY

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

THE BONDS

The Issuer	Fort Bend County Municipal Management District No. 1 (the "District"), a political subdivision of the State of Texas ("Texas"), is located in Fort Bend County, Texas (the "County"). See "THE DISTRICT."
The Issue	$13,750,000 Fort Bend County Municipal Management District No. 1 Unlimited Tax Park Bonds, Series 2022 (the "Bonds"). Interest on the Bonds will accrue from the initial date of delivery (on or about October 13, 2022) and the Bonds mature in serial installments on September 1 of each of the years and in the amounts shown on the inside cover hereof. Interest is payable March 1, 2023, and on each September 1 and March 1 thereafter until maturity or prior redemption.
Redemption Provisions	Bonds maturing on September 1, 2030, and thereafter shall be subject to redemption prior to maturity at the option of the District, as a whole or from time to time in part, on October 1, 2029, or any date thereafter at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption. See "THE BONDS – General" and "THE BONDS – Redemption Provisions – *Optional Redemption*." The Bonds maturing on September 1, 2024, through September 1, 2039, both inclusive, are serial bonds. The Bonds maturing on September 1 in the years 2041, 2044, and 2047 are term bonds and are also subject to the mandatory redemption provisions set forth herein under "THE BONDS – Redemption Provisions – *Mandatory Redemption*."
Source of Payment	Principal of and interest on the Bonds are payable from the proceeds of a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, levied against taxable property located within the District. The Bonds are obligations solely of the District and are not obligations of Texas; the County; the City of Houston, Texas ("Houston"); the City of Richmond, Texas; or any entity other than the District. See "THE BONDS – Source of Payment."
Use of Proceeds	Proceeds from the sale of the Bonds will be used to pay for the improvements and related costs shown under "THE BONDS – Use and Distribution of Bond Proceeds." Additionally, proceeds from the sale of the Bonds will be used to pay twelve (12) months of capitalized interest and other certain costs associated with the issuance of the Bonds. See "THE BONDS – Use and Distribution of Bond Proceeds."
Outstanding Bonds	The following bonds have been previously issued by the District: $4,570,000 Unlimited Tax Road Bonds, Series 2016; $7,025,000 Unlimited Tax Road Bonds, Series 2017; $8,750,000 Unlimited Tax Road Bonds, Series 2018; $6,790,000 Unlimited Tax Road Bonds, Series 2019; $8,750,000 Unlimited Tax Road Bonds, Series 2020; and $7,360,000 Unlimited Tax Road Bonds, Series 2021. At the delivery of the Bonds, $39,960,000 principal amount of such bonds will remain outstanding (the "Outstanding Bonds").
NOT Qualified Tax-Exempt Obligations	The District has NOT designated the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b) of the Internal Revenue Code of 1986, as amended. See "NOT QUALIFIED TAX-EXEMPT OBLIGATIONS."
Payment Record	The District has never defaulted on the payment of principal or interest on its previously issued bonds. See "THE BONDS – Source of Payment."
Municipal Bond Insurance	Build America Mutual Assurance Company ("BAM"). See "MUNICIPAL BOND INSURANCE."
Rating	S&P Global Ratings (BAM Insured): "AA." Moody's Investors Service, Inc. (Underlying): "A3." See "RATINGS."

Legal Opinion	Coats Rose, P.C., Houston, Texas, Bond Counsel. See "LEGAL MATTERS."
Financial Advisor	Robert W. Baird & Co. Incorporated, Houston, Texas.
Disclosure Counsel	Orrick, Herrington & Sutcliffe LLP, Houston, Texas.
Paying Agent/Registrar	Zions Bancorporation, National Association (Amegy Bank Division), Houston, Texas.

THE DISTRICT

Description	The District is located in the central part of the County, approximately five (5) miles west of the City of Sugar Land, Texas, and approximately 20 miles southwest of downtown Houston. The District is located approximately one (1) mile west of the intersection of U.S. Highway 99 and West Airport Boulevard. The land in the District is partially in the extraterritorial jurisdiction ("ETJ") of Houston and partially in the ETJ of the City of Richmond, Texas. The District is located within Fort Bend County Independent School District. The District plans to annex approximately 265 acres into its boundaries by the end of 2022, which will bring its total acreage to approximately 1,321. See "THE DISTRICT – General" and "THE DISTRICT – Description."
Authority	The Bonds are issued pursuant to (i) the bond order adopted by the Board of Directors of the District on the date of the sale of the Bonds (the "Bond Order"), (ii) Article XVI, Section 59 of the Texas Constitution, (iii) Chapter 1201 of the Texas Government Code, (iv) Chapter 3927 of the Texas Special District Local Laws Code, (v) Chapter 375 of the Texas Local Government Code, (vi) Chapters 49 and 54 of the Texas Water Code, and (vii) an election held by the District on May 9, 2015. See "THE DISTRICT – General."
Harvest Green	The District encompasses all of the land within the approximate 1,055.90-acre master-planned community known as "Harvest Green." The District is empowered to finance road and park/recreational facilities within the Harvest Green development. At full development, Harvest Green is projected to include single family, multi-family, institutional (churches, schools, etc.) and commercial development. Development of Harvest Green began in 2015. See "HARVEST GREEN."
Water and Wastewater Facilities	Approximately 547 acres within the District are located within Fort Bend County Municipal Utility District No. 134D ("MUD 134D") and approximately 493 acres within the District are located within Fort Bend County Municipal Utility District No. 134E ("MUD 134E"). Each of MUD 134D and MUD 134E provide water, wastewater, and certain storm drainage facilities to the property within their respective boundaries. The Developer (herein defined) has advanced funds on behalf of MUD 134D and MUD 134E to finance the construction of the water, wastewater, and drainage facilities to serve portions of the land within MUD 134D and MUD 134E, which are also within the boundaries of the District. Development of water, sewer, and drainage has begun in MUD 134D and MUD 134E. MUD 134D currently has $41,275,000 in outstanding bonds payable from an ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within MUD 134D's boundaries. MUD 134E currently has $39,770,000 in outstanding bonds payable from an ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within MUD 134E's boundaries. MUD 134D set a 2021 tax rate of $1.00 per $100 assessed valuation and MUD 134E set a 2021 tax rate of $1.00 per $100 assessed valuation. See "INVESTMENT CONSIDERATIONS – Overlapping Taxes."
Status of Development Within the District	Of the approximate 1,055.90 acres located within the District, approximately 612.67 acres have been developed with water distribution, sanitary sewer, and storm drainage facilities to serve the single-family residential subdivisions of Harvest Green, Sections 1-5, 7-24, 25A, 25B, and 26-33 (1,945 lots). As of August 15, 2022, the District was comprised of

	1,939 completed homes (1,934 occupied and five (5) unoccupied); three (3) homes under construction; and three (3) vacant developed lots. There is also 113.68 acres of commercial development. The remaining acreage within the District is comprised of 92.19 undeveloped but developable acres and 237.36 undevelopable acres. See "DEVELOPMENT WITHIN THE DISTRICT."
Developer/Principal Landowner	The principal developer of land and/or landowner within the District is Grand Parkway 1358 LP, a Texas limited partnership, which is directly or indirectly owned and/or controlled by the Texas General Land Office. See "DEVELOPER/PRINCIPAL LANDOWNER."
Homebuilders	Homebuilders active within the District include DR Horton, Newmark Homes, Lennar, Coventry Homes, Westin Homes, Highland Homes, Perry Homes, David Weekley Homes, and Tri Pointe Homes. Homes within the District range in price from approximately $235,000 to $1,260,000 and range from approximately 1,400 square feet to 5,600 square feet. In 2016, there were approximately 252 new home sales, in 2017 there were approximately 314 new homes sales, in 2018 there were approximately 310 new home sales, in 2019 there were approximately 355 new home sales, in 2020 there were approximately 483 new home sales, in 2021 there were approximately 113 home sales, and in 2022 there have been approximately 23 home sales (through August 30, 2022). See "DEVELOPER/PRINCIPAL LANDOWNER."

INVESTMENT CONSIDERATIONS

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

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SELECTED FINANCIAL INFORMATION
(UNAUDITED)

2022 Certified Assessed Valuation		$ 929,856,623	(a)
Direct Debt:			
The Outstanding Bonds (at the Delivery of the Bonds)		$ 39,960,000	
The Bonds		13,750,000	
Total		$ 53,710,000	
Estimated Overlapping Debt		$ 120,208,770	(b)
Total Direct and Estimated Overlapping Debt		$ 173,918,770	
Ratio of Direct Debt to 2022 Certified Assessed Valuation ($929,856,623)		5.78 %	
Ratio of Direct and Estimated Overlapping Debt to 2022 Certified Assessed Valuation ($929,856,623)		18.70 %	
Park Debt Service Fund Balance (at the Delivery of the Bonds)		$ 579,488	(c)
Road Debt Service Fund Balance (as of August 11, 2022)		$ 2,599,943	(d)
General Fund Balance (as of August 11, 2022)		$ 923,740	
Road Capital Projects Fund Balance (as of August 11, 2022)		$ 1,151	
2022 Tax Rate:			
Park Debt Service	$0.100 (e)		
Road Debt Service	0.275 (e)		
Maintenance & Operation	0.075		
Total		$ 0.45	
Average Annual Debt Service Requirement (2023-2047)		$ 3,096,198	(f)
Maximum Annual Debt Service Requirement (2042)		$ 3,441,550	(f)
Tax Rate per $100 of Assessed Valuation Required to pay the Average Annual Debt Service Requirement on the Bonds and the Outstanding Bonds (2023-2047) at 95% Collections: Based on the 2022 Certified Assessed Valuation ($929,856,623)		$ 0.36	
Tax Rate per $100 of Assessed Valuation Required to pay the Maximum Annual Debt Service Requirement on the Bonds and the Outstanding Bonds (2042) at 95% Tax Collections Based on the 2022 Certified Assessed Valuation ($929,856,623)		$ 0.39	
Single-Family Homes (including three (3) homes under construction) as of August 15, 2022		1,942	(g)
Estimated Population		6,769	(h)

(a) Represents the assessed value of all taxable property within the District as of January 1, 2022, provided by the Appraisal District (herein defined). Such amount includes $30,064,598 of assessed valuation assigned to properties that remain under review by the Appraisal Review Board (herein defined). Such amount represents the estimated minimum amount of assessed valuation that will ultimately be approved by the Appraisal Review Board, upon which the District will levy its tax.
(b) See "DISTRICT DEBT – Estimated Overlapping Debt Statement."
(c) Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the Park Debt Service Fund. Any funds in the Park Debt Service Fund are pledged only to pay the debt service on the District bonds issued to construct park and recreational facilities, such as the Bonds. At the delivery of the Bonds, 12 months of capitalized interest on the Bonds will be deposited into the Park Debt Service Fund (as reflected in the fund balance).
(d) Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the Road Debt Service Fund. Any funds in the Road Debt Service Fund are pledged only to pay the debt service on the District bonds issued to construct road improvements, and for the refunding of such bonds.
(e) The District is authorized to levy separate debt service taxes for park debt and road debt, both of which are unlimited as to rate or amount. See "THE BONDS – Authority for Issuance."
(f) Debt service on the Bonds. See "DISTRICT DEBT – Debt Service Requirements."
(g) 1,934 homes are occupied.
(h) Based on 3.5 people per occupied home.

INTRODUCTION

This Official Statement provides certain information in connection with the issuance by Fort Bend County Municipal Management District No. 1 (the "District") of the $13,750,000 Fort Bend County Municipal Management District No. 1 Unlimited Tax Park Bonds, Series 2022 (the "Bonds").

The Bonds are issued pursuant to (i) the bond order adopted by the Board of Directors of the District (the "Board") on the date of the sale of the Bonds (the "Bond Order"), (ii) Article XVI, Section 59 of the Texas Constitution, (iii) Chapter 1201 of the Texas Government Code, (iv) Chapter 3927 of the Texas Special District Local Laws Code, (v) Chapter 375 of the Texas Local Government Code, (vi) Chapters 49 and 54 of the Texas Water Code, and (vii) an election held by the District on May 9, 2015.

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

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

THE BONDS

General

The following is a description of certain terms and conditions of the Bonds, which description is qualified in its entirety by reference to the Bond Order. A copy of the Bond Order may be obtained from the District upon request to Bond Counsel (herein defined). The Bond Order authorizes the issuance and sale of the Bonds and prescribes the terms, conditions, and provisions for the payment of the principal of and interest on the Bonds by the District.

The Bonds will mature on September 1 of the years and in principal amounts, and are dated October 1, 2022, at the rates per annum, set forth on the cover hereof. Interest on the Bonds will accrue from the initial date of delivery (on or about October 13, 2022) and is payable March 1, 2023, and semiannually thereafter on each September 1 and March 1 until maturity or prior redemption. Bonds maturing on September 1, 2030, and thereafter shall be subject to redemption prior to maturity at the option of the District, as a whole or from time to time in part, on October 1, 2029, or any date thereafter at a price equal to the principal amount 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 District. If less than all of the Bonds of a particular maturity are redeemed, the Paying Agent/Registrar (herein defined) shall select the particular Bonds to be redeemed by random selection method.

The Bonds will be issued only in fully registered form in any integral multiples of $5,000 of principal amount for any one (1) 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 "THE BONDS – Book-Entry-Only System."

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 ("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 is to be transferred and how the principal of and interest on the Bonds are to be paid to and credited by DTC, while the Bonds are registered in its nominee's name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The District believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

The District cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC 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 (the "SEC"), and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be required by an authorized representative of DTC. One (1) fully-registered 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 SEC. More information about DTC can be found at www.dtcc.com.

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

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

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

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

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

The District may decide to discontinue use of the 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.

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 (3) business days after the receipt of the Bonds to be cancelled, and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in an exchange or transfer shall be in any integral multiple of $5,000 for any one (1) maturity and for a like aggregate principal amount as the Bond or Bonds surrendered for exchange or transfer. See "Book-Entry-Only System" herein defined for a description of the system to be utilized initially in regard to ownership and transferability of the Bonds.

Mutilated, Lost, Stolen, or Destroyed Bonds

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

Authority for Issuance

The bonds authorized by the resident electors of the District, the amount of bonds issued and the remaining authorized but unissued bonds are as follows:

Election Date	Purpose	Amount Authorized	Amount Issued	Remaining Authorized But Unissued
May 9, 2015	Park & Recreational Facilities	$ 110,240,000	$ 13,750,000 (a)	$ 96,490,000
May 9, 2015	Road Improvements & Refunding	264,000,000	43,245,000	220,755,000

(a) The Bonds.

The Bonds are issued pursuant to (i) the Bond Order, (ii) Article XVI, Section 59 of the Texas Constitution, (iii) Chapter 1201 of the Texas Government Code, (iv) Chapter 3927 of the Texas Special District Local Laws Code, (v) Chapter 375 of the Texas Local Government Code, (vi) Chapters 49 and 54 of the Texas Water Code, and (vii) an election held by the District on May 9, 2015.

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 or upon the adequacy of the information contained in this Official Statement.

Outstanding Bonds

The following bonds have been previously issued by the District: $4,570,000 Unlimited Tax Road Bonds, Series 2016; $7,025,000 Unlimited Tax Road Bonds, Series 2017; $8,750,000 Unlimited Tax Road Bonds, Series 2018; $6,790,000 Unlimited Tax Road Bonds, Series 2019; $8,750,000 Unlimited Tax Road Bonds, Series 2020; and $7,360,000 Unlimited Tax Road Bonds, Series 2021. At the delivery of the Bonds, $39,960,000 principal amount of such bonds will remain outstanding (the "Outstanding Bonds").

Source of Payment

The Bonds are payable from the proceeds of a continuing direct annual ad valorem tax, levied without legal limitation as to rate or amount, against all taxable property within the District. In the Bond Order, the District covenants to levy a sufficient tax to pay the principal of and interest on the Bonds, with full allowance being made for delinquencies and costs of collection. Collected taxes will be placed in the District's Park Debt Service Fund and used to pay principal of and interest on the Bonds and on any additional park bonds payable from taxes which may hereafter be issued by the District.

Redemption Provisions

Optional Redemption

Bonds maturing on September 1, 2030, and thereafter, shall be subject to redemption at the option of the District, in whole or from time to time in part, on October 1, 2029, or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. Notice of the exercise of the reserved right of redemption will be given at least 30 days prior to the redemption date by sending such notice by first class mail to the Registered Owner of each Bond to be redeemed in whole or in part at the address shown on the bond register. If less than all of the Bonds are redeemed at any time, the maturities of the Bonds to be redeemed shall be selected by the District. If less than all of the Bonds of a certain maturity are to be redeemed, the particular Bonds or portions thereof to be redeemed will be selected by the Paying Agent/Registrar prior to the redemption date by a random selection method in integral multiples of $5,000 within any one (1) maturity. The Registered Owner of any Bond, all or a portion of which has been called for redemption, shall be required to present such Bond to the Paying Agent/Registrar for payment of the redemption price on the portion of the Bonds so called for redemption and issuance of a new Bond in the principal amount equal to the portion of such Bond not redeemed.

Mandatory Redemption

The Bonds maturing on September 1 in the years 2041, 2044, and 2047 are term bonds (the "Term Bonds") and 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 (the "Mandatory Redemption Date"), and in the principal amount set forth in the following schedule:

$1,360,000 Term Bond Maturing on September 1, 2041

Mandatory Redemption Date	Principal Amount
September 1, 2040	$ 665,000
September 1, 2041 (Maturity)	$ 695,000

$2,285,000 Term Bond Maturing on September 1, 2044

Mandatory Redemption Date	Principal Amount
September 1, 2042	$ 730,000
September 1, 2043	$ 760,000
September 1, 2044 (Maturity)	$ 795,000

$2,610,000 Term Bond Maturing on September 1, 2047

Mandatory Redemption Date	Principal Amount
September 1, 2045	$ 830,000
September 1, 2046	$ 870,000
September 1, 2047 (Maturity)	$ 910,000

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.

Annexation

The District is located partially within the extraterritorial jurisdiction ("ETJ") of the City of Houston, Texas ("Houston"), and partially within the ETJ of the City of Richmond, Texas. Houston and the City of Richmond, Texas, are home-rule cities, and as such, they have the authority to annex land within their respective ETJs; however, neither city may annex land in the District unless (i) such annexation has been approved by a majority of those voting in an election held for that purpose within the area to be annexed, and (ii) if the registered voters in the area to be annexed do not own more than 50% of the land in the area, a petition has been signed by more than 50% of the landowners consenting to the annexation. If one (1) of these cities were to annex land that is within its ETJ and within the District, the District would not be dissolved; the annexed land would be subject to taxation by both the applicable city and the District.

Consolidation

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

Issuance of Additional Debt

The District may issue additional bonds necessary to provide improvements and facilities consistent with the purposes for which the District was created. The District's voters have authorized the issuance of $110,240,000 principal amount of unlimited tax bonds for park and recreational facilities to serve the District (the "Park System") and $264,000,000 principal amount of unlimited tax bonds for road improvements to serve the District (the "Road System"), and for the refunding of such bonds, and could authorize additional amounts. The Bonds are the first series of unlimited tax park bonds issued by the District. Following the issuance of the Bonds, $96,490,000 principal amount of authorized unlimited tax bonds for the Park System will remain unissued and $220,755,000 principal amount of authorized unlimited tax bonds for the Road System, and for the refunding of such bonds, will remain unissued. According to the Engineer (herein defined), the remaining authorized but unissued bonds will be sufficient to reimburse the Developer (herein defined) for the remaining amounts owed for the existing facilities and to finance the extension of the Park System and the Road System to serve the remaining undeveloped land within the District. The Bond Order imposes no limitation on the amount of additional parity bonds which may be issued by the District (if authorized by the District's voters and approved by the Board).

Amendments to the Bond Order

The 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 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.

Registered Owners' Remedies

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

Statutory language authorizing local governments such as the District to sue and be sued does not waive the local government's sovereign immunity from suits for money damages, so that in the absence of other waivers of such immunity by the Texas Legislature, a default by the District in its covenants in the Bond Order may not be reduced to a judgment for money damages. If such a judgment against the District were obtained, it could not be enforced by direct levy and execution against the District's property. Further, the Registered Owners cannot themselves foreclose on property within the District or sell property within the District to enforce 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 be further limited by a 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 and creditors of political subdivisions, such as the District.

Bankruptcy Limitation to Registered Owners' Rights

The enforceability of the rights and remedies of the Registered Owners may be limited by laws relating to bankruptcy, reorganization, or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. Subject to the requirements of Texas law, the District may voluntarily proceed under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. Sections 901-946, if the District: (1) is generally authorized to file for federal bankruptcy protection by Texas law; (2) is insolvent or unable to meet its debts as they mature; (3) desires to effect a plan to adjust such debt; 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. Under Texas law, a municipal utility district such as the District must obtain approval of the Texas Commission on Environmental Quality (the "TCEQ") prior to filing for bankruptcy. The TCEQ must investigate the financial condition of the District and will authorize the District to proceed only if the TCEQ determines that the 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 the District decided in the future to proceed voluntarily under the Federal Bankruptcy Code, the District would develop and file a plan for the adjustment of its debts, and the Bankruptcy Court would confirm the District's plan if: (1) the plan complies with the applicable provisions of the Federal Bankruptcy Code; (2) all payments to be made in connection with the plan are fully disclosed and reasonable; (3) the District is not prohibited by law from taking any action necessary to carry out the plan; (4) administrative expenses are paid in full; and (5) the plan is in the best interests of creditors and is feasible. If such a plan were confirmed by the bankruptcy court, it could, among other things, affect a Registered Owner by reducing or eliminating the amount of indebtedness, deferring or rearranging the debt service schedule, reducing or eliminating the interest rate, modifying or abrogating collateral or security arrangements, substituting (in whole or in part) other securities, and otherwise compromising and modifying the rights and remedies of such Registered Owner's claim against the District.

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.

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Use and Distribution of Bond Proceeds

Proceeds from the sale of the Bonds will be used to pay for the improvements and related costs shown below. Additionally, proceeds from the sale of the Bonds will be used to pay twelve (12) months of capitalized interest and other certain costs associated with the issuance of the Bonds, as shown below.

Non-construction costs are based upon either contract amounts, or estimates of various costs by the Engineer and the Financial Advisor (herein defined). The actual amounts to be reimbursed by the District and the non-construction costs will be finalized after the sale of the Bonds and completion of agreed-upon procedures by the District's auditor.

CONSTRUCTION COSTS			
A.	Developer Contribution Items		
	1. Harvest Corner Softscape	$	1,143,359
	2. Harvest Green Section 9 Softscape		300,153
	3. Harvest Green Section 10 Landscape		335,912
	4. Harvest Green Section 14 Landscape		355,324
	5. Harvest Green Section 15 Softscape - Phase 1		645,719
	6. Harvest Green Section 15 Softscape - Phase 2		188,478
	7. Harvest Green Section 15 Softscape - Phase 3		409,952
	8. Harvest Green Section 16 Softscape		175,080
	9. Harvest Green Section 17 Softscape - Phase 1		371,035
	10. Harvest Green Section 17 Softscape - Phase 2		263,009
	11. Harvest Green Section 18		238,422
	12. Harvest Green Section 22 Softscape		346,621
	13. Harvest Green Sports Basin		915,705
	14. Harvest Green Section 23 Softscape		382,308
	15. Harvest Green Section 19 & 26		235,677
	16. Harvest Green Section 27 Landscape		286,664
	17. Harvest Green Section 24		496,213
	18. Harvest Green Section 25A		272,056
	19. Harvest Green Phase I Detention		254,413
	20. Harvest Green Phase II Detention		343,483
	21. Harvest Green Phase IV Detention		303,073
	22. Harvest Green Phase IV Detention Completion		619,632
	23. Engineering		1,031,581
	Total Developer Contribution Items	$	9,913,869
B.	District Items		
	None	$	–
	Total District Items	$	–
	TOTAL CONSTRUCTION COSTS (72.1% of BIR)	**$**	**9,913,869**
NON-CONSTRUCTION COSTS			
A.	Legal Fees	$	315,000
B.	Fiscal Agent Fees		275,000
C.	Developer Interest (4.50%)		2,026,138
D.	Capitalized Interest (12 Months)		579,488
E.	Bond Discount		412,500
F.	Engineering Report Costs		32,000
G.	Bond Issuance Expenses		30,672
H.	Creation Costs		11,271
I.	Operating Costs		105,300
J.	Attorney General's Fee ($9,500 Maximum)		9,500
K.	Contingency (a)		39,262
	TOTAL NON-CONSTRUCTION COSTS (27.9% of BIR)	**$**	**3,836,131**
TOTAL BOND ISSUE REQUIREMENT		**$**	**13,750,000**

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

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

DISTRICT DEBT

General

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

2022 Certified Assessed Valuation		$ 929,856,623	(a)
Direct Debt:			
The Outstanding Bonds (at the Delivery of the Bonds)		$ 39,960,000	
The Bonds		13,750,000	
Total		$ 53,710,000	
Estimated Overlapping Debt		$ 120,208,770	(b)
Total Direct and Estimated Overlapping Debt		$ 173,918,770	
Ratio of Direct Debt to 2022 Certified Assessed Valuation ($929,856,623)		5.78 %	
Ratio of Direct and Estimated Overlapping Debt to 2022 Certified Assessed Valuation ($929,856,623)		18.70 %	
Park Debt Service Fund Balance (at the Delivery of the Bonds)		$ 579,488	(c)
Road Debt Service Fund Balance (as of August 11, 2022)		$ 2,599,943	(d)
General Fund Balance (as of August 11, 2022)		$ 923,740	
Road Capital Projects Fund Balance (as of August 11, 2022)		$ 1,151	
2022 Tax Rate:			
Park Debt Service	$0.100 (e)		
Road Debt Service	0.275 (e)		
Maintenance & Operation	0.075		
Total		$ 0.45	
Average Annual Debt Service Requirement (2023-2047)		$ 3,096,198	(f)
Maximum Annual Debt Service Requirement (2042)		$ 3,441,550	(f)
Tax Rate per $100 of Assessed Valuation Required to pay the Average Annual Debt Service Requirement on the Bonds and the Outstanding Bonds (2023-2047) at 95% Collections: Based on the 2022 Certified Assessed Valuation ($929,856,623)		$ 0.36	
Tax Rate per $100 of Assessed Valuation Required to pay the Maximum Annual Debt Service Requirement on the Bonds and the Outstanding Bonds (2042) at 95% Tax Collections Based on the 2022 Certified Assessed Valuation ($929,856,623)		$ 0.39	
Single-Family Homes (including three (3) homes under construction) as of August 15, 2022		1,942	(g)
Estimated Population		6,769	(h)

(a) Represents the assessed value of all taxable property within the District as of January 1, 2022, provided by the Appraisal District (herein defined). Such amount includes $30,064,598 of assessed valuation assigned to properties that remain under review by the Appraisal Review Board (herein defined). Such amount represents the estimated minimum amount of assessed valuation that will ultimately be approved by the Appraisal Review Board, upon which the District will levy its tax.
(b) See "DISTRICT DEBT – Estimated Overlapping Debt Statement."
(c) Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the Park Debt Service Fund. Any funds in the Park Debt Service Fund are pledged only to pay the debt service on the District bonds issued to construct the Park System, such as the Bonds. At the delivery of the Bonds, 12 months of capitalized interest on the Bonds will be deposited into the Park Debt Service Fund (as reflected in the fund balance).
(d) Neither Texas law nor the Bond Order requires that the District maintain any particular sum in the Road Debt Service Fund. Any funds in the Road Debt Service Fund are pledged only to pay the debt service on the District bonds issued to construct the Road System, and for the refunding of such bonds.
(e) The District is authorized to levy separate debt service taxes for park debt and road debt, both of which are unlimited as to rate or amount. See "THE BONDS – Authority for Issuance."
(f) Debt service on the Bonds. See "DISTRICT DEBT – Debt Service Requirements."
(g) 1,934 homes are occupied.
(h) Based on 3.5 people per occupied home.

Estimated Overlapping Debt Statement

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

Taxing Jurisdiction	Outstanding Debt as of July 31, 2022	Percent	Overlapping Amount
Fort Bend County	$ 841,406,248	0.95%	$ 7,989,088
Fort Bend Independent School District	1,593,105,000	1.94%	30,941,771
Ford Bend County Drainage District	24,530,000	0.95%	232,910
Fort Bend County MUD No. 134D	41,275,000	100.00%	41,275,000
Fort Bend County MUD No. 134E	39,770,000	100.00%	39,770,000
TOTAL ESTIMATED OVERLAPPING DEBT			$ 120,208,770
Direct Debt			$ 53,710,000 (a)
TOTAL DIRECT & ESTIMATED OVERLAPPING DEBT			$ 173,918,770 (a)

(a) Includes the Bonds and the Outstanding Bonds.

Debt Ratios

	2022 Certified Assessed Valuation
Direct Debt (a)	5.78%
Total Direct and Estimated Overlapping Debt (a)	18.70%

(a) Includes the Bonds and the Outstanding Bonds.

Debt Service Requirements

The following schedule sets forth the principal and interest requirements on the Outstanding Bonds (as of August 1, 2022) and the Bonds. Totals may not sum due to rounding.

Calendar	Outstanding	The Bonds		Total
Year	Debt Service	Principal	Interest	Debt Service
2022	$ 1,684,365	$ –	$ –	$ 1,684,365
2023	2,459,430	–	511,881	2,971,311
2024	2,459,895	330,000	579,488	3,369,383
2025	2,466,338	345,000	562,988	3,374,325
2026	2,466,108	360,000	545,738	3,371,845
2027	2,470,368	375,000	527,738	3,373,105
2028	2,473,105	395,000	508,988	3,377,093
2029	2,472,768	410,000	489,238	3,372,005
2030	2,475,753	430,000	468,738	3,374,490
2031	2,481,465	450,000	454,763	3,386,228
2032	2,479,750	470,000	440,138	3,389,888
2033	2,485,725	490,000	421,338	3,397,063
2034	2,484,900	510,000	401,738	3,396,638
2035	2,487,388	535,000	381,338	3,403,725
2036	2,492,544	560,000	359,938	3,412,481
2037	2,495,413	585,000	337,538	3,417,950
2038	2,495,475	610,000	314,138	3,419,613
2039	2,498,088	640,000	289,738	3,427,825
2040	2,497,706	665,000	264,138	3,426,844
2041	2,499,269	695,000	236,706	3,430,975
2042	2,503,513	730,000	208,038	3,441,550
2043	2,047,388	760,000	177,013	2,984,400
2044	1,470,806	795,000	144,713	2,410,519
2045	1,067,150	830,000	110,925	2,008,075
2046	573,300	870,000	75,650	1,518,950
2047	–	910,000	38,675	948,675
Total	$56,488,005	$13,750,000	$8,851,312	$79,089,317

Average Annual Requirement (2023-2047).. $3,096,198

Maximum Annual Requirement (2042).. $3,441,550

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TAXING PROCEDURES

Authority to Levy Taxes

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

Property Tax Code and County-Wide Appraisal District

The Texas Property Tax Code (the "Property Tax Code"), specifies the taxing procedures of all political subdivisions of Texas, including the District. Provisions of the Property Tax Code are complex and are not fully summarized herein. The Property Tax Code requires, among other matters, county-wide appraisal and equalization of taxable property values and establishes in each county of 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 the County, including the District. Such appraisal values will be subject to review and change by the Fort Bend Central Appraisal Review Board (the "Appraisal Review Board"). The appraisal roll, as approved by the Appraisal Review Board, will be used by the District in establishing its tax rolls and tax rate.

The Property Tax Code requires the 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 District; 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 District, 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 District has the responsibility for establishing tax rates and levying and collecting its taxes each year, under the Property Tax Code, the District does 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 Property 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 (3) 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 District

Except for certain exemptions provided by Texas law, all real property, tangible personal property held or used for the production of income, mobile homes and certain categories of intangible personal property with a tax situs in the District are subject to taxation by the District. Principal categories of exempt property include, but are not limited to: property owned by Texas or its political subdivisions, if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies and personal effects; certain goods, wares, and merchandise in transit; certain farm products owned by the producer; certain property of charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; and most individually-owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons 65 years or older and certain disabled persons, to the extent deemed advisable by the Board of Directors of the District. The District may be required to offer such exemptions if a majority of voters approve same at an election. The District would be required to call an election upon petition by 20% of the number of qualified voters who voted in the preceding election. The District is authorized by statute to disregard exemptions for the disabled and elderly if granting the exemption would impair the District's obligation to pay tax supported debt incurred prior to adoption of the exemption by the District. The District has not adopted such an exemption.

Furthermore, the District must grant exemptions to disabled veterans or certain surviving dependents of disabled veterans, if requested, but only to the maximum extent allowed by law. The disabled veteran exemption ranges between $5,000 and $12,000, depending upon the disability rating of the veteran claiming the exemption, and qualifying surviving spouses of persons 65 years of age or older will be entitled to receive a resident homestead exemption equal to the exemption received by the deceased spouse. A veteran who receives a disability rating of 100% is entitled to an exemption of the full value of the veteran's residential homestead. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran who is entitled to an exemption for the full value of the veteran's residence homestead is also entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if the residence homestead was donated 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. Also, the surviving spouse of a member of the armed forces who was killed in action is entitled to an exemption of the total appraised value of the surviving spouse's residence homestead if the surviving spouse has not remarried since the service member's death and said property was the service member's residence homestead at the time of death. Such exemption may be transferred to a subsequent residence homestead of the surviving spouse, if the surviving spouse has not remarried, in an amount equal to the exemption received on the prior residence in the last year in which such exemption was received.

The surviving spouse of a first responder who is killed or fatally injured in the line of duty is entitled to an exemption of the total appraised value of the surviving spouse's residence homestead if the surviving spouse has not remarried since the first responder's death, and said property was the first responder's residence homestead at the time of death. Such exemption would be transferred to a subsequent residence homestead of the surviving spouse, if the surviving spouse has not remarried, in an amount equal to the exemption received on the prior residence in the last year in which such exemption was received.

Residential Homestead Exemptions: The Property Tax Code authorizes the governing body of each political subdivision in Texas to exempt up to 20% of the appraised market value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption may be considered each year, but must be adopted by May 1. The District has not adopted a general homestead exemption.

Freeport Goods Exemption and "Goods-in-Transit": A "Freeport Exemption" applies to goods, wares, ores, and merchandise other than oil, gas, and petroleum products (defined as liquid and gaseous materials immediately derived from refining petroleum or natural gas), and to aircraft or repair parts used by a certified air carrier acquired in or imported into Texas which are destined to be forwarded outside of Texas and which are detained in Texas for assembling, storing, manufacturing, processing, or fabricating for less than 175 days. Although certain taxing units may take official action to tax such property in transit and negate such exemption, the District does not have such an option. A "Goods-in-Transit" Exemption is applicable to the same categories of tangible personal property which are covered by the Freeport Exemption, if, for tax year 2011 and prior applicable years, such property is acquired in or imported into Texas for assembling, storing, manufacturing, processing, or fabricating purposes and is subsequently forwarded to another location inside or outside of Texas not later than 175 days after acquisition or importation, and the location where said property is detained during that period is not directly or indirectly owned or under the control of the property owner. For tax year 2012 and subsequent years, such Goods-in-Transit Exemption includes tangible personal property acquired in or imported into Texas for storage purposes only if such property is stored under a contract of bailment by a public warehouse operator at one (1) or more public warehouse facilities in Texas that are not in any way owned or controlled by the owner of such property for the account of the person who acquired or imported such property. A property owner who receives the Goods-in-Transit Exemption is not eligible to receive the Freeport Exemption for the same property. Local taxing units such as the District may, by official action and after public hearing, tax goods-in-transit property. A taxing unit must exercise its option to tax goods-in-transit property before January 1 of the first tax year in which it proposes to tax the property at the time and in the manner prescribed by applicable law. The District has taken official action to allow taxation of all such goods-in-transit personal property for all prior and subsequent years.

Tax Abatement

The County may designate all or part of the area within the District as a reinvestment zone. Thereafter, the District, at the option and discretion of the District, may enter into tax abatement agreements with owners of property within the zone. Prior to entering into a tax abatement agreement, each entity must adopt guidelines and criteria for establishing tax abatement, which each entity will follow in granting tax abatement to owners of property. The tax abatement agreements may exempt from ad valorem taxation by each of the applicable taxing jurisdictions, including the District, for a period of up to 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 jurisdiction. None of the area within the District has been designated as a Reinvestment Zone to date, and the District has not approved any such tax abatement agreements.

Valuation of Property for Taxation

Generally, property in the District must be appraised by the Appraisal District at market value as of January 1 of each year. Once an appraisal roll is prepared and finally approved by the Appraisal Review Board, it is used by the District in establishing its tax rolls and tax rate. Assessments under the Property Tax Code are to be based on 100% of market value, as such is defined in the Property Tax Code.

The Property Tax Code permits land designated for agricultural use, open space or timberland to be appraised at its value based on the land's capacity to produce agricultural or timber products rather than at its fair market value. The Property Tax Code permits under certain circumstances that residential real property inventory held by a person in the trade or business be valued at the price all of such property would bring if sold as a unit to a purchaser who would continue the business. Provisions of the Property Tax Code are complex and are not fully summarized here. Landowners wishing to avail themselves of the agricultural use, open space or timberland designation or residential real property inventory designation must apply for the designation and the appraiser is required by the Property Tax Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by one (1) political subdivision while claiming it for another. If a claimant receives the agricultural use designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use, including taxes for the previous three (3) years for agricultural use and taxes for the previous five (5) years for open space land and timberland.

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

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

Notice and Hearing Procedures

The Property Tax Code establishes procedures for providing notice and the opportunity for a hearing for taxpayers in the event of certain proposed tax increases and provides for taxpayers referenda which could result in the repeal of certain tax increases. Effective September 1, 2003, the District was required to publish a notice of a public hearing regarding the tax rate proposed to be levied in the current year and comparing the proposed tax rate to the tax rate set in the preceding year. If the proposed combined debt service, operation and maintenance, and contract tax rates imposes a tax more than 1.08 times the amount of tax imposed in the preceding year on a residence homestead appraised at the average appraised value of a residence homestead, disregarding any homestead exemption available to the disabled or persons 65 years of age or older, the qualified voters of the taxing jurisdiction by petition of 10% of the registered voters in the taxing jurisdiction may require that an election be held to determine whether to reduce the operation and maintenance tax to the rollback tax rate.

District and Taxpayer Remedies

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

Levy and Collection of Taxes

The District is responsible for the levy and collection of its taxes, unless it elects to transfer such functions to another governmental entity. The date of delinquency may be postponed if the tax bills are mailed after January 1. A person over 65 years of age is entitled by law to pay current taxes on his residential homestead in installments or to defer tax without penalty during the time he owns and occupies the property as his residential homestead. By September 1 of each year, or as soon thereafter as practicable, the rate of taxation is set by the Board of Directors of the District based on valuation of property within the District as of the preceding January 1.

Taxes are due September 1, or when billed, whichever comes later, and become delinquent after January 31 of the following year. A delinquent tax incurs a penalty of 6% of the amount of the tax for the first calendar month it is delinquent, plus 1% for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of 12% regardless of the number of months the tax has been delinquent and incurs an additional penalty of up to 20% if imposed by the District. The delinquent tax also accrues interest at a rate of 1% for each month or portion of a month it remains unpaid. The Property Tax Code also makes provision for the split payment of taxes, discounts for early payment and the postponement of the delinquency of taxes under certain circumstances. The owner of a residential homestead property who is (i) a person at least 65 years of age or older, (ii) under a disability for purpose of payment of disability insurance benefits under the Federal Old Age Survivors and Disability Insurance Act, or (iii) qualifies as a disabled veteran under Texas Law is also entitled by law to pay current taxes on a residential homestead in installments or to defer the payment of taxes without penalty during the time of ownership. Additionally, a person who is delinquent on taxes for a residential homestead is entitled to an agreement with the District to pay such taxes in equal installments over a period of between 12 and 36 months (as determined by the District) when such person has not entered into another installment agreement with respect to delinquent taxes within the District in the preceding 24 months.

District's Rights in the Event of Tax Delinquencies

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

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

Rollback of Operation and Maintenance Tax Rate

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

Special Taxing Units

Special Taxing Units that adopt a total tax rate that would impose more 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 an election within the district to determine whether to approve the adopted total tax rate. If the adopted total tax rate is not approved at the election, the total tax rate for a Special Taxing Unit is the current year's debt service and contract tax rate plus 1.08 times the previous year's maintenance and operations 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 an election within the district to determine whether to approve the adopted total tax rate. If the adopted total tax rate is not approved at the election, the total tax rate for a Developed District is the current year's debt service and contract tax rate plus 1.035 times the previous year's maintenance and operations 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 or the President (herein defined), alternative procedures and rate limitations may apply for a temporary period. If a district qualifies as both a Special Taxing Unit and a Developed District, the district will be subject to the maintenance and operations tax threshold applicable to Special Taxing Units.

Developing Districts

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

The District

For the 2022 tax year, the District made the determination of its status as a Developing District. For future years, a determination as to a district’s status as a Special Taxing Unit, Developed District or Developing District will be made by the Board on an annual basis. The District cannot give any assurances as to what its classification will be at any point in time or whether the District’s future tax rates will result in a total tax rate that will reclassify the District into a new classification and new election calculation.

TAX DATA

General

Taxable property within the District is subject to the assessment, levy, and collection by the District of a continuing direct annual ad valorem tax, without legal limitation as to rate or amount, sufficient to pay principal of and interest on the Bonds (and any future tax-supported bonds which may be issued from time to time as authorized). Taxes are levied by the District each year against the District’s assessed valuation as of January 1 of that year. Taxes become due October 1 of such year, or when billed, and generally become delinquent after January 31 of the following year. The Board covenants in the Bond Order to assess and levy for each year that all or any part of the Bonds remain outstanding and unpaid a tax ample and sufficient to produce funds to pay the principal of and interest on the Bonds. The actual rate of such tax will be determined from year to year as a function of the District’s tax base, its debt service requirements and available funds. In addition, the District has the power and authority to assess, levy, and collect ad valorem taxes, not to exceed $1.50 per $100 of assessed valuation, for operation and maintenance purposes. The District levied a 2022 tax rate of $0.45 per $100 of assessed valuation composed of a $0.075 tax rate for maintenance and operations, $0.275 for road debt service purposes, and $0.10 for park debt service purposes.

Tax Rate Limitation

Park Debt Service:	Unlimited (no legal limit as to rate or amount).
Road Debt Service:	Unlimited (no legal limit as to rate or amount).
Maintenance & Operations:	$1.50 per $100 Assessed Valuation.
Road Maintenance:	$1.50 per $100 Assessed Valuation.
Park Maintenance:	$0.10 per $100 Assessed Valuation.

Historical Tax Collections

The following table illustrates the collection history of the District for the 2016-2021 tax years:

Tax Year	Certified Assessed Valuation	Tax Rate/ $100 (a)	Adjusted Levy	% of Collections Current Year	Period Ending 9/30	% of Collections as of 7/31/2022
2016	$ 34,662,452	$ 0.45	$ 155,981	99.26%	2017	100.00%
2017	132,716,175	0.45	597,223	99.92%	2018	100.00%
2018	240,806,192	0.45	1,083,628	99.97%	2019	100.00%
2019	369,863,986	0.45	1,664,388	99.67%	2020	99.89%
2020	507,759,600	0.45	2,284,918	99.87%	2021	99.89%
2021	674,023,133	0.45	3,033,104	99.07% (b)	2022	99.07%

(a) Includes a tax for maintenance and operation purposes. See "TAX DATA – Tax Rate Distribution."
(b) Collections through July 31, 2022.

Tax Rate Distribution

	2022	2021	2020	2019	2018	2017
Park Debt Service	$0.100	$0.000	$0.000	$0.000	$0.000	$0.000
Road Debt Service	0.275	0.370	0.390	0.390	0.400	0.350
Maintenance	0.075	0.080	0.060	0.060	0.050	0.010
	$0.450	$0.450	$0.450	$0.450	$0.450	$0.450

Analysis of Tax Base

The following table illustrates the District's total taxable assessed value in the tax years 2018-2022 by type of property.

Type of Property	2022 Assessed Valuation (a)	2021 Assessed Valuation	2020 Assessed Valuation	2019 Assessed Valuation	2018 Assessed Valuation
Land	$ 167,273,653	$ 156,481,110	$ 134,250,810	$ 111,380,720	$ 68,442,510
Improvements	775,160,991	556,663,394	411,741,491	285,215,276	191,818,339
Personal Property	3,161,660	3,584,400	2,488,510	1,579,650	448,070
Less Exemption	(45,804,279)	(42,705,771)	(40,721,211)	(28,311,660)	(19,902,727)
Total	$ 899,792,025	$ 674,023,133	$ 507,759,600	$ 369,863,986	$ 240,806,192

(a) Does not include uncertified value.

Principal Taxpayers

The following represents the principal taxpayers, type of property, and their assessed values as of January 1, 2022:

Taxpayer	Type of Property	Assessed Valuation 2022 Tax Roll
Harvest Green MF Owner LLC	Land & Improvements	$ 29,587,000
Elan Harvest Green Owner LLC	Land & Improvements	14,533,842
Grand Parkway 1358 LP (a)	Land & Improvements	4,733,891
89 Harvest LLC	Land & Improvements	4,304,940
Landmark Industries	Land, Improvements & Personal Property	4,224,150
Vang Tite Properties II LLC	Land & Improvements	3,790,350
SSPL LLC	Land & Improvements	3,622,539
TX Wine Ventures LLC	Land & Improvements	3,295,080
LIDL US Operations LLC	Land	2,757,390
Walcher Simpson Investments LLC	Land & Improvements	2,510,370
Total		$ 73,359,552
Percentage of 2022 Assessed Valuation		7.89%

(a) See "DEVELOPER/PRINCIPAL LANDOWNER."

Tax Rate Calculations

The tax rate calculations set forth below are presented to indicate the tax rates per $100 of Taxable Assessed Valuation that would be required to meet certain debt service requirements if no growth in the District occurs beyond the 2022 Certified Assessed Valuation ($929,856,623). The foregoing further assumes collection of 95% of taxes levied and the sale of no additional bonds:

Average Annual Debt Service Requirements on the Bonds and the Outstanding Bonds (2023-2047)	$3,096,198
Tax Rate of $0.36 on the 2022 Certified Assessed Valuation at 95% collection produces	$3,180,110
Maximum Annual Debt Service Requirements on the Bonds and the Outstanding Bonds (2042)	$3,441,550
Tax Rate of $0.39 on the 2022 Certified Assessed Valuation at 95% collection produces	$3,445,119

Estimated Overlapping Taxes

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

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

Taxing Jurisdiction	2021 Tax Rate/ Per $100 of A.V.
The District (a)	$0.450000
Fort Bend County	0.438300
Fort Bend Independent School District	1.210100
Fort Bend County Drainage District	0.014500
Fort Bend County MUD No. 134D	1.000000 (b)
Fort Bend County MUD No. 134E	1.000000 (b)
Estimated Total Tax Rate	$3.112900 (b)

(a) Represents the District's 2022 tax rate.
(b) A resident in the District only pays one (1) MUD tax rate.

THE DISTRICT

General

The District is a limited-purpose political subdivision of Texas operating as a municipal management district pursuant to Article III, Section 52 and Article XVI, Section 59 of the Texas Constitution; Chapter 1201 of the Texas Government Code; Chapter 3927 of the Texas Special District Local Laws Code; Chapter 375 of the Texas Local Government Code; and Chapters 49 and 54 of the Texas Water Code. The District is vested with all the rights, privileges, authority, and functions conferred by the laws of Texas applicable to municipal management districts, including without limitation those conferred by Chapters 49 and 54, Texas Water Code, as amended. The District is empowered to construct and maintain all road improvements. The District may also construct, operate, and maintain park and recreational facilities. The District is subject to the continuing supervision of the TCEQ.

Description

The District is located in the central part of the County, approximately five (5) miles west of Sugar Land, Texas, and approximately 20 miles southwest of downtown Houston. The District is located approximately one (1) mile west of the intersection of U.S. Highway 99 and West Airport Boulevard. The land in the District is partially in the ETJ of Houston partially in the ETJ of the City of Richmond, Texas. The District is located within Fort Bend County Independent School District. The District plans to annex approximately 265 acres into its boundaries by the end of 2022, which will bring its total acreage to approximately 1,321.

Management of the District

The District is governed by a board of five (5) directors which has control over and management supervision of all affairs of the District. Directors are elected in even-numbered years for four-year staggered terms. The present members and officers of the Board are listed below:

Name	Position	Term Expires May
Ricky Garza	President	2024
John Hermann	Vice President	2026
Michael Madden	Secretary	2024
Sergio Espinosa	Assistant Secretary	2026
Doug Adolph	Assistant Secretary	2026

The District employs the following companies and individuals to operate its utilities and park/recreational facilities:

Tax Assessor/Collector – The District's Tax Assessor/Collector is Tax Tech Inc.

Bookkeeper – The District contracts with L&S District Services for bookkeeping services.

Auditor – As required by the Texas Water Code, the District retains an independent auditor to audit the District's financial statements annually, which annual audit is filed with the TCEQ. A copy of the District's financial statements, audited by McGrath & Co., PLLC for the fiscal year ended December 31, 2021, is included as "APPENDIX A."

Engineer – The consulting engineer retained by the District in connection with the design and construction of the District's facilities is Quiddity (the "Engineer").

Legal Counsel – The District has engaged Coats Rose, P.C. as Bond Counsel in connection with the issuance of the Bonds. The legal fees to be paid Bond Counsel for services rendered in connection with the issuance of the Bonds are based on a percentage of the Bonds actually issued, sold, and delivered and, therefore, such fees are contingent on the sale and delivery of the Bonds. Coats Rose, P.C. also acts as general counsel for the District.

Disclosure Counsel – The District has engaged Orrick, Herrington & Sutcliffe LLP as Disclosure Counsel in connection with the issuance of the Bonds. The legal fees to be paid Disclosure Counsel for services rendered in connection with the issuance of the Bonds are contingent on the sale and delivery of the Bonds.

Financial Advisor – The District has engaged the firm of Robert W. Baird & Co. Incorporated as financial advisor to the District. Payment to the Financial Advisor by the District is contingent upon the issuance, sale, and delivery of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information in this Official Statement.

DEVELOPMENT WITHIN THE DISTRICT

Of the approximate 1,055.90 acres located within the District, approximately 612.67 acres have been developed with water distribution, sanitary sewer, and storm drainage facilities to serve the single-family residential subdivisions of Harvest Green, Sections 1-5, 7-24, 25A, 25B, and 26-33 (1,945 lots). As of August 15, 2022, the District was comprised of 1,939 completed homes (1,934 occupied and five (5) unoccupied); three (3) homes under construction; and three (3) vacant developed lots. There is also 113.68 acres of commercial development. The remaining acreage within the District is comprised of 92.19 undeveloped but developable acres and 237.36 undevelopable acres.

The following is a status of construction of single-family housing within Harvest Green as of August 15, 2022:

			Homes			
			Completed			
Section	Approximate Acreage	No. of Lots	Occupied	Unoccupied	Under Construction	Vacant Lots
Harvest Green, Section 1	17.60	59	59	0	0	0
Harvest Green, Section 2	15.24	66	66	0	0	0
Harvest Green, Section 3	23.02	93	93	0	0	0
Harvest Green, Section 4	19.07	55	55	0	0	0
Harvest Green, Section 5	17.01	44	44	0	0	0
Harvest Green, Section 7	3.78	10	9	1	0	0
Harvest Green, Section 8	3.84	8	7	0	0	1
Harvest Green, Section 9	14.49	38	38	0	0	0
Harvest Green, Section 10	13.90	30	30	0	0	0
Harvest Green, Section 11	17.38	60	60	0	0	0
Harvest Green, Section 12	18.99	79	79	0	0	0
Harvest Green, Section 13	27.32	123	123	0	0	0
Harvest Green, Section 14	24.24	71	71	0	0	0
Harvest Green, Section 15	49.67	123	123	0	0	0
Harvest Green, Section 16	12.11	48	48	0	0	0
Harvest Green, Section 17	18.37	60	60	0	0	0
Harvest Green, Section 18	14.93	54	54	0	0	0
Harvest Green, Section 19	22.22	83	83	0	0	0
Harvest Green, Section 20	12.36	43	42	0	0	1
Harvest Green, Section 21	12.27	38	38	0	0	0
Harvest Green, Section 22	28.64	124	124	0	0	0
Harvest Green, Section 23	18.23	86	85	1	0	0
Harvest Green, Section 24	18.12	44	44	0	0	0
Harvest Green, Section 25A	45.79	119	119	0	0	0
Harvest Green, Section 25B	26.58	78	77	1	0	0
Harvest Green, Section 26	7.68	17	17	0	0	0
Harvest Green, Section 27	16.06	45	45	0	0	0
Harvest Green, Section 28	42.49	41	41	0	0	0
Harvest Green, Section 29	17.55	59	58	1	0	0
Harvest Green, Section 30	28.86	139	139	0	0	0
Harvest Green, Section 31	1.06	3	0	0	2	1
Harvest Green, Section 32	3.25	4	3	1	0	0
Harvest Green, Section 33	0.55	1	0	0	1	0
Subtotal	612.67	1,945	1,934	5	3	3

Developed Commercial Acreage:	113.68
Remaining Developable Acreage:	92.19
Undevelopable Acreage:	237.36
Total:	1,055.90

Homebuilders active within the District include DR Horton, Newmark Homes, Lennar, Coventry Homes, Westin Homes, Highland Homes, Perry Homes, David Weekley Homes, and Tri Pointe Homes. Homes within the District range in price from approximately $235,000 to $1,260,000 and range from approximately 1,400 square feet to 5,600 square feet. In 2016, there were approximately 252 new home sales, in 2017 there were approximately 314 new homes sales, in 2018 there were approximately 310 new home sales, in 2019 there were approximately 355 new home sales, in 2020 there were approximately 483 new home sales, in 2021 there were approximately 113 home sales, and in 2022 there have been approximately 23 home sales (through August 30, 2022). See "DEVELOPER/PRINCIPAL LANDOWNER – Lot Sales Contracts."

HARVEST GREEN

The District encompasses all of the land within the approximate 1,055.90-acre master-planned community known as "Harvest Green." The District is empowered to finance road and park/recreational facilities within the Harvest Green development. At full development, Harvest Green is projected to include single family, multi-family, institutional (churches, schools, etc.) and commercial development. Development of Harvest Green began in 2015.

Two (2) municipal utility districts have been created to encompass the land within Harvest Green: Fort Bend Municipal Utility District No. 134D ("MUD 134D") and Fort Bend Municipal Utility District No. 134E ("MUD 134E"), collectively referred to as the "Harvest Green Districts". The Harvest Green Districts reside entirely within the District. Each Harvest Green District provides water, wastewater, and storm drainage facilities to the property within their respective boundaries. The Developer has advanced funds on behalf of the Harvest Green Districts to finance the construction of the water and wastewater facilities to serve portions of the land within each Harvest Green District. Development of water, sewer, and drainage has begun in the Harvest Green Districts. See "THE SYSTEM."

Harvest Green is planned to include a 300-acre Harvest Green Farm (outside the boundaries of the District) that will supply farm-fresh produce through the community's Farm Share Program. The development of such farm is currently underway. There is also a 12-acre Village Farm planned that will provide farm plots for lease, tours, events, and classes for residents. The Farmhouse Recreation Center, which has a pool, fitness center, splash pad, amphitheater, and playground, opened in Spring 2017.

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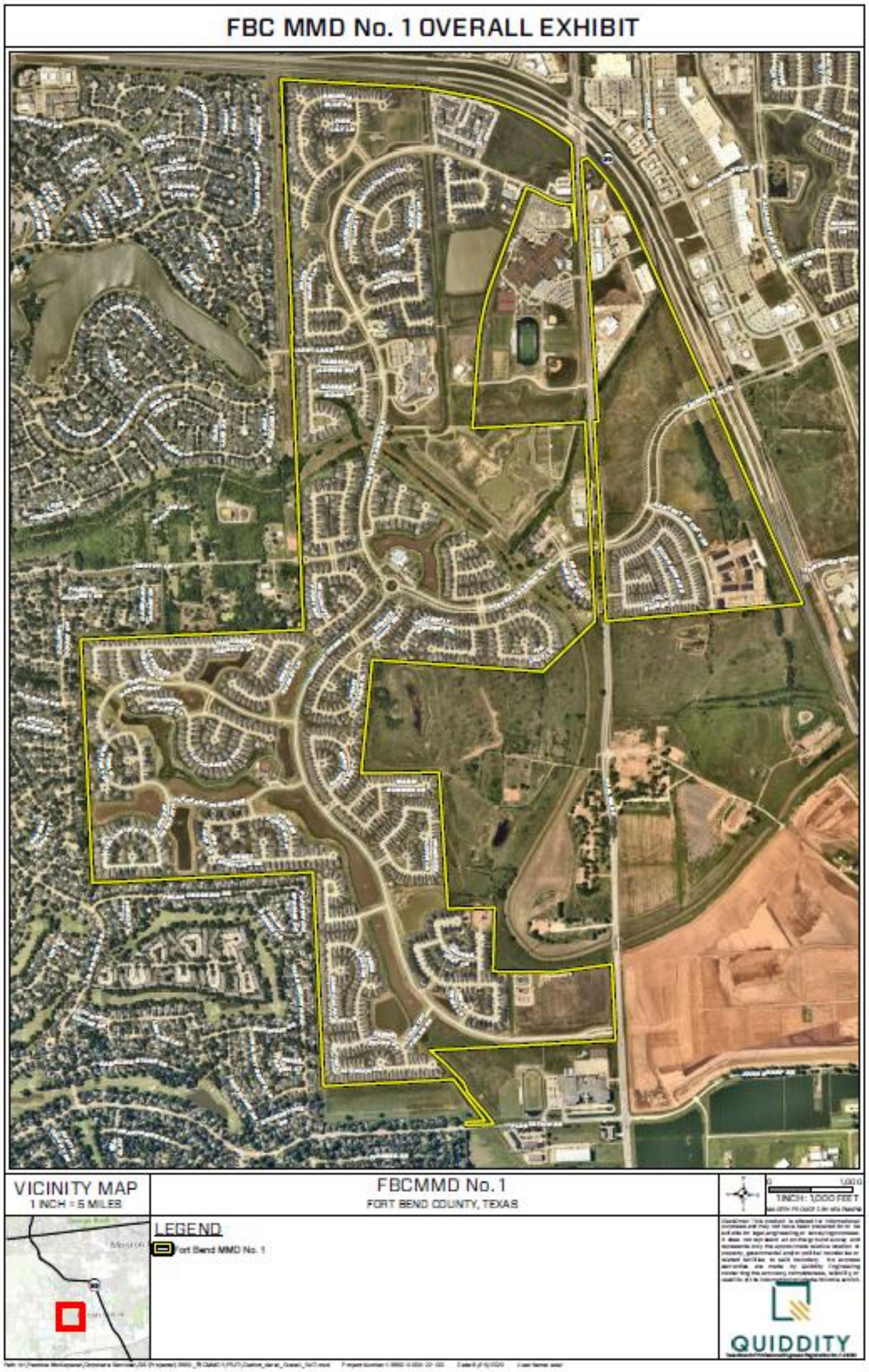
AERIAL PHOTOGRAPH OF THE DISTRICT
(Taken August 2022)



PHOTOGRAPHS TAKEN WITHIN THE DISTRICT
(Taken August 2022)

PHOTOGRAPHS TAKEN WITHIN THE DISTRICT
(Taken August 2022)

DEVELOPER/PRINCIPAL LANDOWNER

The Role of a Developer

In general, the activities of a developer in a district, such as the District, include the following: acquiring the land within the district, designing the subdivision, the utilities and streets to be constructed in the subdivision, and 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; and selling improved lots and commercial reserves to builders and other developers or other third parties. Pursuant to the rules of the TCEQ, a developer can be required to pay up to 30% of the cost of constructing certain water, wastewater, and drainage facilities in a municipal utility district. The relative success or failure of a developer to perform such activities in the development of property within a municipal utility district may have a profound effect on the security of the bonds issued by a district. A developer is generally under no obligation to a district to develop the property that it owns in a district. Furthermore, there is no restriction on a developer's right to sell any or all of the land that the developer owns within a municipal utility district.

The Developer

The principal developer of land within the District is Grand Parkway 1358 LP, a Texas limited partnership ("Grand Parkway 1358" or the "Developer"), which is owned and controlled by the Texas General Land Office. Grand Parkway 1358 was created to own and/or develop land in the Harvest Green project, and all of the assets and liabilities of Grand Parkway 1358 is related solely to the Harvest Green project.

Development Management

The development of the Harvest Green project is being managed by an affiliate of The Johnson Development Corp. ("JDC"), which has over 40 years of experience in real estate development and its real estate activities have included over 77 projects resulting in the development of nearly 40,000 acres of multi-use commercial parks, office buildings, retail centers, residential subdivisions, master-planned golf course communities and multi-family housing. In the Houston metropolitan area, in addition to Harvest Green, JDC's developments include Atascocita, Steeplechase, Sienna, Riverstone, Silverlake, Fall Creek, Woodforest, Imperial Sugar Land, Edgewater, Tuscan Lakes, Cross Creek Ranch, Harmony, Grand Central Park, Jordan Ranch, and Veranda.

Development Financing

In October 2014, the Developer obtained a revolving credit development loan for the Harvest Green project from Woodforest Bank. The loan, as amended, may have a maximum principal balance of $5,000,000, bears interest at the prime rate plus 1%, has a minimum interest rate of 5.00%, and matures on March 31, 2021. The loan is secured by a first lien deed of trust on approximately 1,052 acres of land in the Harvest Green project, owned by the Developer. The outstanding balance on the loan was $470,485 as of August 1, 2022. According to the Developer, it is in compliance with all material conditions of the loan.

THE SYSTEM

The Park System

The Park System includes landscaping and recreational improvements to serve Harvest Green. Proceeds of the Bonds will be used to finance enhancements within the District's linear trail and park system. See "THE BONDS – Use and Distribution of Bond Proceeds."

The Road System

The road system serves residents of the District by providing access to the major thoroughfares and collectors within the Harvest Green development and surrounding area. The major thoroughfares and collectors serving the District include Harlem Road, West Airport Boulevard, Harvest Garden Boulevard, Harvest Corner Drive and Harvest Home Drive. Harvest Garden Drive and Harvest Corner Drive act as collectors by conveying residents of the District to the major thoroughfare of Harlem Road which connects to the Grand Parkway (State Highway 99) to the north and State Highway 90 to the south. West Airport Boulevard acts as a major thoroughfare by conveying residents of the District to the major thoroughfare of Harlem Road to the west and the Grand Parkway to the east. The District will finance, design, and construct the road system in phases as development progresses. The road system will ultimately be owned, operated, and maintained by the County as the phases are constructed and accepted by the County. The District does not intend to maintain or operate the roads once they are accepted by the County.

Water Supply Facilities for MUDs

Approximately 547 acres within the District are located within MUD 134D and approximately 493 acres within the District are located within MUD 134E. MUD 134D and MUD 134E currently receive all of their water from Water Plant No. 1. MUD 134E owns one (1) ground water plant with one (1) well totaling 2,000 gallons per minute ("gpm"), 635,000 gallons of ground storage tank capacity, booster pumps totaling 2,000 gpm, 40,000 gallons of pressure tank capacity, and appurtenant equipment.

Source of Wastewater Treatment for MUDs

MUD 134E and MUD 134D have entered into a 60-month lease agreement, with the option to purchase, for two (2) interim package 0.2 million gallons per day ("MGD") (200,000 gallons per day ("gpd"), for a total of 0.4 MGD (400,000 gpd)) wastewater treatment plants, which serve the District. A 0.2 MGD plant expansion is currently under construction and anticipated to be complete in Fall 2022. Upon completion of such expansion, the total capacity of the Regional Wastewater Treatment Plant will be 600,000 gpd. The Regional Wastewater Treatment Plant will be capable of serving 2,000 equivalent single-family connections, which is sufficient to serve the existing connections in the District.

100-Year Floodplain

MUD 134D and MUD 134E currently have approximately 195.87 acres within the 100-year floodplain as determined by the Flood Insurance Rate Map 48157C0255L for the County, approved by the Federal Emergency Management Agency (FEMA) on April 2, 2014. These areas are adjacent to and along Oyster Creek and Bullhead Slough and includes a portion of the detention pond and drainage channels. There are no single family residences located within the 100-year floodplain. There are no plans for residential building pads to be located within the 100-year floodplain.

General Fund Operating Statement

The following is a summary of the District's General Fund. The figures for the fiscal years 2017 through 2021 were obtained from the District's audited financial statements, reference to which is hereby made. The District is required by statute to have a certified public accountant prepare and file an annual audit of its financial records with the TCEQ.

	Fiscal Year Ended December 31				
	2021	2020	2019	2018	2017
REVENUES:					
Property taxes	$ 304,310	$ 225,516	$ 139,326	$ 132,597	$ 105,791
Sales and use taxes	182,385	146,533	98,409	14,328	–
Miscellaneous	–	–	3,500	–	63
Investment income	37	273	127	–	91
TOTAL REVENUES	$ 486,732	$ 372,322	$ 241,362	$ 146,925	$ 105,945
EXPENDITURES:					
Professional Fees	$ 70,005	$ 53,502	$ 56,697	$ 72,247	$ 91,833
Contracted Services	14,320	12,211	13,645	23,276	10,650
Repairs and Maintenance	3,577	33,686	2,418	–	–
Utilities	122,860	119,890	–	–	–
Administrative	9,638	9,219	12,985	11,155	6,901
TOTAL EXPENDITURES	$ 220,400	$ 228,508	$ 85,745	$ 106,678	$ 109,384
Excess (Deficiency) of Revenues Over Expenditures	$ 266,332	$ 143,814	$ 155,617	$ 40,247	$ (3,439)
Developer Advances	$ –	$ –	$ –	$ –	$ 25,300
Interfund Transfers	$ –	$ (39,663)	$ (80,465)	$ (25,476)	$ –
Balance, Beginning of Year	$ 217,481	$ 113,330	$ 38,178	$ 23,407	$ 1,546
Balance, End of Year	$ 483,813	$ 217,481	$ 113,330	$ 38,178	$ 23,407

INVESTMENT CONSIDERATIONS

General

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

Economic Factors Affecting Taxable Values and Tax Payments

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

Dependence on the Oil and Gas Industry: Recently, unprecedented volatility in the oil and gas industry due to the unused supply of oil as a result of COVID-19 stay-at-home orders and other mitigation efforts resulted in historic low prices in a segment of the nation's oil trading. Adverse developments in economic conditions, particularly in the oil and gas industry, could adversely impact the businesses of taxpayers and property values in the District, resulting in less local tax revenue. See "INVESTMENT CONSIDERATIONS – Infectious Disease Outlook." Texas may be particularly at risk from any global slowdown in the oil and gas industry, given the prevalence of international trade in Texas and the risk of contraction in the oil and gas industry and spillover effects into other industries. Should oil prices remain depressed over a long period of time or other adverse developments in economic conditions were to occur, particularly in the oil and gas industry, these businesses could be adversely impacted.

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

Maximum Impact on District Tax Rate: Assuming no further development, the value of the land and improvements currently within the District will be the major determinant of the ability or willingness of property owners to pay their taxes. The 2022 Certified Assessed Valuation of property within the District is $929,856,623 (see "SELECTED FINANCIAL INFORMATION"). After issuance of the Bonds, the maximum annual debt service requirement will be $3,441,550 (2042) and the average annual debt service requirement will be $3,096,198 (2023 through 2047, inclusive). Assuming no increase or decrease from the 2022 Certified Assessed Valuation, a tax rate of $0.39 per $100 assessed valuation at a 95% collection rate would be necessary to pay the maximum annual debt service requirement of $3,441,550 and a tax rate of $0.36 per $100 assessed valuation at a 95% collection rate would be necessary to pay the average annual debt service requirements of $3,096,198 (see "DISTRICT DEBT – Debt Service Requirements"). The District levied a tax rate of $0.45 per $100 of assessed valuation in 2022, consisting of $0.275 per $100 of assessed valuation for road debt service, $0.10 per $100 of assessed valuation for park debt service, and $0.075 of assessed valuation for maintenance and operations purposes.

Infectious Disease Outbreak – COVID-19

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

Since such time, 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 the State) 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 COVID-19 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.

Potential Impact of Natural Disaster

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

The District is located approximately 80 miles from the Texas Gulf Coast and has been and could again be impacted by a natural disaster such as wide-spread fires, earthquakes, or weather events such as hurricanes, tornados, tropical storms, or other severe weather events that could produce high winds, heavy rains, hail, and flooding. In the event that a natural disaster should damage or destroy improvements and personal property in the District, the assessed value of such taxable properties could be substantially reduced, resulting in a decrease in the taxable assessed value of the District or an increase in the District's tax rates.

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

Hurricane Harvey

The greater Houston area has experienced three (3) storms exceeding a 0.2% probability (i.e. "500-year flood" events) since 2015. The most recent event was Hurricane Harvey ("Harvey"), which made landfall along the Texas Gulf Coast on August 26, 2017, and brought historic levels of rainfall during the successive four (4) days.

During Harvey, land within the District sustained flooding due to historic rainfalls. According to the District's operator, the District's System did not sustain any significant damage and there was no interruption of water and sewer service. Further, according to the District's Engineer, no homes within the District experienced flooding and no homes sustained any significant damage. The District's facilities are designed and constructed above the 100-year flood plain in accordance with all regulatory requirements. However, the District cannot predict if flooding were to occur in the event of another historic rain event that exceeded a 100-year event.

Overlapping Taxes

The portion of the land within the District which has been developed to date (approximately 467 acres) and the remaining land to be developed are or will be provided water distribution, wastewater collection and storm drainage service by MUD 134D and MUD 134E. The debt service on bonds issued by MUD 134D and MUD 134E is paid from ad valorem taxes, which taxes are in addition to taxes levied by the District. To compare the relative tax burden on property within the District as contrasted with the property located in other real estate developments, the tax rate of the District, the MUDs, and other taxing jurisdictions must be added. There can be no assurances that composite tax rates imposed by overlapping jurisdictions on property situated within the District will be competitive with the tax rates of competing projects. To the extent that such composite tax rates are not competitive with competing developments, the growth of property tax values in the District and the investment quality or security of the Bonds could be adversely affected. MUD 134D set a 2021 tax rate of $1.00 per $100 assessed valuation and MUD 134E set a 2021 tax rate of $1.00 per $100 assessed valuation. Such combined rates are higher than tax rates presently being levied in utility districts in the general vicinity of the District. The District can make no representation that taxable property values in the District and the MUDs will maintain value sufficient to support the continued payment of taxes by property owners. See "SELECTED FINANCIAL INFORMATION."

Tax Collections and Foreclosure Remedies

The District's ability to make debt service payments may be adversely affected by difficulties in collecting ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on a parity with the liens of all other state and local taxing authorities on the property against which taxes are levied, and such lien may be enforced by judicial foreclosure. The District's ability to collect ad valorem taxes through such foreclosure may be impaired by (a) cumbersome, time consuming and expensive collection procedures; (b) a bankruptcy court's stay of tax collection proceedings against a taxpayer; or (c) market conditions affecting the marketability of taxable property within the District and limiting the proceeds from a foreclosure sale of such property.

Moreover, the proceeds of any sale of property within the District 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 District pursuant to the Federal Bankruptcy Code could stay any attempt by the District to collect delinquent ad valorem taxes assessed against such taxpayer.

Registered Owners' Remedies

The Bond Order does not provide for the appointment of a trustee to represent the interests of the Bond holders upon any failure of the District to perform in accordance with the terms of the Bond Order, or upon any other condition. Furthermore, the Bond Order does not establish specific events of default with respect to the Bonds and, under Texas law, there is no right to the acceleration of maturity of the Bonds upon the failure of the District to observe any covenant under the Bond Order. Subject to the holdings of several recent Texas Supreme Court cases discussed below, a registered owner of Bonds could seek a judgment against the District if a default occurred in the payment of principal of or interest on any such Bonds; however, such judgment could not be satisfied by execution against any property of the District. A registered owner's only practical remedy, if a default occurs, is a mandamus or mandatory injunction proceeding to compel the District to levy, assess, and collect an annual ad valorem tax sufficient to pay principal of and interest on the Bonds as it becomes due. The enforcement of any such remedy may be difficult and time consuming and a registered owner could be required to enforce such remedy on a periodic basis. In addition, the Texas Supreme Court has ruled that a waiver of sovereign immunity must be provided for by statute in clear and unambiguous language and that certain statutory language previously relied upon by lower courts to support a finding that sovereign immunity had been waived did not constitute a clear and unambiguous waiver of sovereign immunity. Neither the remedy of mandamus nor any other type of injunctive relief was considered in these recent Supreme Court cases; and, in general, Texas courts have held that a writ of mandamus may be issued to require a public official to perform ministerial acts that clearly pertain to their duties, such as a legal duty that leaves nothing to the exercise of discretion or judgment. Texas courts have also held that mandamus may be used to require a public official to perform legally-imposed ministerial duties necessary for the performance of a valid contract to which Texas or a political subdivision of Texas is a party, including the payment of monies due under a contract. The District is also eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or Bond holders of an entity which has sought protection under Chapter 9. Therefore, should the District avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Bond Order and the Bonds are qualified with respect to the customary rights of debtors relative to their creditors, including rights afforded to creditors under the Bankruptcy Code. See "THE BONDS – Registered Owners' Remedies."

Future Debt

Following the issuance of the Bonds, $96,490,000 principal amount of authorized unlimited tax bonds for the Park System will remain unissued and $220,755,000 principal amount of authorized unlimited tax bonds for the Road System, and for the refunding of such bonds, will remain unissued. The District reserves in the Bond Order the right to issue the remaining authorized but unissued bonds plus such additional bonds as may hereafter be authorized by voters in the District. In addition, the District has the right to issue obligations, other than the Bonds, including tax anticipation notes and bond anticipation notes, and to borrow money for any valid public purpose. The issuance of additional obligations may increase the District's tax rate and adversely affect the security for and the investment quality and value of the Bonds. See "DEVELOPMENT WITHIN THE DISTRICT."

After the issuance of the Bonds, the District will owe the Developer approximately $725,000 for existing facilities. If additional bonds are issued in the future and property values have not increased proportionately, such issuance may increase gross debt/property valuation ratios and thereby adversely affect the investment quality or security of the Bonds.

Competitive Nature of Houston Residential Market

The demand for and construction of taxable improvements in the District could be affected by competition from other developments near the District. In addition to competition for new single-family home sales from other developments, there are numerous previously-owned single-family homes in more established commercial centers and neighborhoods closer to Houston that are for sale. Such existing developments could represent additional competition for new development proposed to be constructed within the District. The competitive position of the Developer or the principal landowners in the sale of land, and the sale or leasing of residences is affected by most of the factors discussed in this section. Such a competitive position is directly related to the growth and maintenance of taxable values in the District and tax revenues to be received by the District. The District can give no assurance that building and marketing programs in the District by the Developer will be implemented or, if implemented, will be successful.

Collection of Taxes

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

Marketability of the Bonds

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

Bankruptcy Limitation to Registered Owners' Rights

Subject to the requirements of Texas law, the District may voluntarily proceed under Chapter 9. Under Texas law, the District must obtain the approval of the TCEQ prior to filing bankruptcy. The rights and remedies of the Registered Owners could be adjusted in accordance with the confirmed plan of adjustment of the District's debt.

Continuing Compliance with Certain Covenants

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

Approval of the Bonds

The Attorney General of Texas must approve the legality of the Bonds prior to their delivery. The Attorney General of Texas, 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 income tax purposes. Any proposed legislation, whether or not enacted, may also affect the value and liquidity of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed, pending, or future legislation.

Bond Insurance Risk Factors

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

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

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

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

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

Neither the District nor Initial Purchaser has made independent investigation into the claims paying ability of the bond insurer and no assurance or representation regarding the financial strength or projected financial strength of the bond insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal and interest on the Bonds and the claims paying ability of the bond insurer, particularly over the life of the investment. See "MUNICIPAL BOND INSURANCE" for further information provided by the bond insurer and the Policy, which includes further instructions for obtaining current financial information concerning the bond insurer.

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 District payable from an annual ad valorem tax levied without limit as to rate or amount upon all taxable property within the District. 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 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, and are payable from annual ad valorem taxes, which are not limited by applicable law in rate or amount, levied against all property within the District which is not exempt from taxation by or under applicable law. 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 under "TAX MATTERS." The legal opinion of Bond Counsel may 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 District by Orrick, Herrington & Sutcliffe LLP, Houston, Texas, Disclosure Counsel.

In addition to serving as Bond Counsel, Coats Rose, P.C. also acts as counsel to the 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

Opinion

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, except that such interest is taken into account in determining the annual adjusted financial statement of income of applicable corporations (as defined in section 59(k) of the Internal Revenue Code of 1986 (the "Code")) for the purpose of determining the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022, 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 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 its opinion, Bond Counsel will rely upon (a) certain information and representations of the District, including information and representations contained in the District's federal tax certificate and (b) covenants of the District contained in the Bond documents relating to certain matters, including arbitrage and the use of the proceeds of the Bonds and the property financed or refinanced therewith. Failure by the District to observe the aforementioned representations or covenants could cause the interest on the Bonds to become taxable retroactively to the date of issuance.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The opinion of Bond Counsel is conditioned on compliance by the District with such requirements, and Bond Counsel has not been retained to monitor compliance with these requirements subsequent to the issuance of the Bonds.

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

A ruling was not sought from the Internal Revenue Service by the District with respect to the Bonds or the property financed or refinanced with proceeds of the Bonds. No assurances can be given as to whether the Internal Revenue Service will commence an audit of the Bonds, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an Internal Revenue Service audit is commenced, under current procedures the Internal Revenue Service is likely to treat the District as the taxpayer and the Bondholders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

Federal Income Tax Accounting Treatment of Original Issue Discount

The initial public offering price to be paid for one (1) or more maturities of the Bonds is less than the principal amount thereof or one (1) or more periods for the payment of interest on the Bonds may not be equal to the accrual period or be in excess of one (1) year (the "Original Issue Discount Bonds"). In such event, the difference between (i) the "stated redemption price at maturity" of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond would constitute original issue discount. The "stated redemption price at maturity" means the sum of all payments to be made on the Bonds less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one (1) year.

Under Existing Law, any owner who has purchased such Original Issue Discount Bond in the initial public offering 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 accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

In the event of the redemption, sale, or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Bond was held by such initial owner) is includable in gross income.

Under Existing Law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six (6)-month period ending on the date before the semiannual anniversary dates of the date of the Bonds and ratably within each such six (6)-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale, or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and 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 Original Issue Discount Bond.

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

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 (1) 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 (1) 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 has not designated the Bonds as "qualified tax-exempt obligations" for financial institutions.

CONTINUING DISCLOSURE OF INFORMATION

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

Annual Reports

The District will provide certain updated financial information and operating data to EMMA annually. The information to be updated with respect to the District includes all quantitative financial information and operating data of the general type included in this Official Statement under the headings "DISTRICT DEBT" (except Estimated Overlapping Debt Statement), "TAX DATA," and "APPENDIX A." The District will update and provide this information within six (6) months after the end of each of its fiscal years ending in or after 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 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 District's current fiscal year end is December 31. Accordingly, it must provide updated information by June 30 in each year, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify the MSRB of the change.

Event Notices

The District will provide timely notices of certain events to the MSRB, but in no event will such notices be provided to the MSRB in excess of 10 days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other events affecting the tax-exempt status of the Bonds; (7) modifications to rights of beneficial owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale 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 SEC Rule 15c2-12 (the "Rule"); (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person within the meaning of the Rule or the sale of all or substantially all of the assets of the District or other obligated person within the meaning of the Rule, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District or 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 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 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 nor the Bond Order 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 including meaning a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term "financial obligation" does not include municipal securities for which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule. In addition, the District will provide timely notice of any failure by the District to provide information, data, or financial statements in accordance with its agreement described under "CONTINUING DISCLOSURE OF INFORMATION – Annual Reports."

Availability of Information from MSRB

The District has agreed to provide the foregoing information only to the MSRB. The information will be available to holders of Bonds at www.emma.msrb.org.

Limitations and Amendments

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

The District may amend its continuing disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, if by only (1) the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering made hereby in compliance with the Rule, taking into account any amendments or interpretations of SEC Rule 15c2-12 to the date of such amendment, as well as such changed circumstances, and (2) either (a) the holders of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or (b) any qualified professional unaffiliated with the District (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. If the District so amends the agreement, it has agreed to include with any financial information or operating data next provided in accordance with its agreement described under "CONTINUING DISCLOSURE OF INFORMATION – 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. The District may also amend or repeal its continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the SEC Rule 15c2-12 or a court of final jurisdiction enters judgment that such provisions of such rule are invalid, and the District also may amend its continuing disclosure agreement in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

Compliance with Prior Undertakings

For the fiscal year ended 2019, the District inadvertently posted the incorrect audit to EMMA. The District has since posted the correct audit and filed a notice of failure to file timely disclosure. Otherwise, the District has complied in all material respects with its prior continuing disclosure undertakings in accordance with the Rule.

OFFICIAL STATEMENT

General

The information contained in this Official Statement has been obtained primarily from the District's records, the Engineer, the Developer, the District's tax assessor/collector, the District's auditor, the Appraisal District, 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.

The District's audited financial statements for the year ended December 31, 2021, were audited by McGrath & Co. PLLC and have been included as "APPENDIX A." McGrath & Co. PLLC, Certified Public Accountant, has consented to the publication of such financial statements in this Preliminary Official Statement.

Experts

The information contained in this Official Statement relating to development and the status of development within the District generally and, in particular, the information in the section captioned "DEVELOPER/PRINCIPAL LANDOWNER – The Developer" has been provided by the Developer and has been included herein in reliance upon the authority and knowledge of each such party concerning the matters described therein.

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 "THE DISTRICT" 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 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 Appraisal District and the 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

At the time of payment for and delivery of the Bonds, the District will furnish the Initial Purchaser a certificate, executed by the President and Secretary of the Board of Directors of the District, acting in their official capacities, to the effect that to the best of their knowledge and belief: (a) the descriptions and statements of or pertaining to the District contained in this Official Statement, on the date thereof and on the date of delivery, were and are true and correct in all material respects; (b) insofar as the District and its affairs, including its financial affairs, are concerned, this Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated herein or necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading; and (c) insofar as the descriptions and statements, including financial data, contained in this Official Statement, of or pertaining to entities other than the District, such statements and data have been obtained from sources which the District believes to be reliable, and the District has no reason to believe that they are untrue in any material respect.

Updating the Official Statement

If, subsequent to the date of the Official Statement to and including the date the Initial Purchaser is no longer required to provide and Official Statement to potential customers who request the same pursuant to SEC Rule 15c2-12 (the earlier of (i) 90 days from the "end of the underwriting period" (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from a nationally recognized repository but in no case less than 25 days after the "end of the underwriting period"), the District learns or is notified by the Initial Purchaser of any adverse event which causes any of the key representations in the Official Statement to be materially misleading, the District will promptly prepare and supply to the Initial Purchaser a supplement to the Official Statement which corrects such representation to the reasonable satisfaction of the Initial Purchaser. The obligation of the District to update or change the Official Statement will terminate when the District delivers the Bonds to the Initial Purchaser (the "end of the underwriting period" within the meaning of the Rule), unless the Initial Purchaser provides written notice the District that less than all of the Bonds have been sold to ultimate customers on or before such date, in which case the obligation to update or change the Official Statement will extend for an additional period of time of 25 days after all of the Bonds have been sold to ultimate customers. In the event the Initial Purchaser provides written notice to the District that less than all of the Bonds have been sold to ultimate customers, the Initial Purchaser agrees to notify the District in writing following the occurrence of the "end of the underwriting period" as defined in the Rule.

CONCLUDING STATEMENT

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

This Official Statement was approved by the Board of Directors of Fort Bend County Municipal Management District No. 1 as of the date specified on the cover hereof.

/s/ Ricky Garza
President, Board of Directors
Fort Bend County Municipal Management District No. 1

ATTEST:

/s/ Michael Madden
Secretary, Board of Directors
Fort Bend County Municipal Management District No. 1

APPENDIX A

FINANCIAL STATEMENTS OF THE DISTRICT

FORT BEND COUNTY MUNICIPAL MANAGEMENT DISTRICT NO. 1

FORT BEND COUNTY, TEXAS

FINANCIAL REPORT

December 31, 2021

Table of Contents

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

Independent Auditor's Report

Board of Directors
Fort Bend County Municipal Management District No. 1
Fort Bend County, Texas

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Fort Bend County Municipal Management District No. 1 (the "District"), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Fort Bend County Municipal Management District No. 1, as of December 31, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Texas Supplementary Information are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Texas Supplementary Information are fairly stated in all material respects in relation to the basic financial statements as a whole.

McGrath & Co, PLLC

Houston, Texas
April 14, 2022

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Management's Discussion and Analysis

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Using this Annual Report

Within this section of the financial report of Fort Bend County Municipal Management District No. 1 (the "District"), the District's Board of Directors provides a narrative discussion and analysis of the financial activities of the District for the fiscal year ended December 31, 2021. This analysis should be read in conjunction with the independent auditor's report and the basic financial statements that follow this section.

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

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

Government-Wide Financial Statements

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

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

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

Fund Financial Statements

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

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

Financial Analysis of the District as a Whole

The District's net position at December 31, 2021, was negative $40,454,204. The District's net position is negative because the District incurs debt to construct road facilities which it conveys to Fort Bend County. A comparative summary of the District's overall financial position, as of December 31, 2021 and 2020, is as follows:

	2021	2020
Current and other assets	$ 4,252,819	$ 4,011,379
Capital assets	7,507,644	226,446
Total assets	11,760,463	4,237,825
Current liabilities	1,481,410	1,342,532
Long-term liabilities	47,696,885	39,905,041
Total liabilities	49,178,295	41,247,573
Total deferred inflows of resources	3,036,372	2,290,365
Net position		
Net investment in capital assets	(1,358,231)	(321,048)
Restricted	349,274	449,477
Unrestricted	(39,445,247)	(39,428,542)
Total net position	$ (40,454,204)	$ (39,300,113)

The total net position of the District decreased during the current fiscal year by $1,154,091. A comparative summary of the District's *Statement of Activities* for the past two years is as follows:

	2021	2020
General Revenues		
Property taxes, penalties and interest	$ 2,292,389	$ 1,683,055
Sales taxes	182,385	146,533
Other	2,806	13,836
Total revenues	2,477,580	1,843,424
Expenses		
Administration	300,715	302,764
Debt interest and fees	1,050,777	914,937
Developer interest	275,163	282,513
Debt issuance costs	481,932	589,572
Depreciation	399,113	15,096
Total Expenses	2,507,700	2,104,882
Change in net position before other item	(30,120)	(261,458)
Other item		
Transfers to other governments	(492,210)	(5,993,681)
Capital contribution	(631,761)	
Change in net position	(1,154,091)	(6,255,139)
Net position, beginning of year	(39,300,113)	(33,044,974)
Net position, end of period	$ (40,454,204)	$ (39,300,113)

Financial Analysis of the District's Funds

The District's combined fund balances, as of December 31, 2021, were $1,183,215, which consists of $483,813 in the General Fund, $698,012 in the Debt Service Fund, and $1,390 in the Capital Projects Fund.

General Fund

A comparative summary of the General Fund's financial position as of December 31, 2021 and 2020 is as follows:

	2021	2020
Total assets	$ 1,044,244	$ 536,122
Total liabilities	$ 20,071	$ 12,773
Total deferred inflows	540,360	305,868
Total fund balance	483,813	217,481
Total liabilities, deferred inflows and fund balance	$ 1,044,244	$ 536,122

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

	2021	2020
Total revenues	$ 486,732	$ 372,322
Total expenditures	(220,400)	(228,508)
Revenues over expenditures	266,332	143,814
Other changes in fund balance		(39,663)
Net change in fund balance	$ 266,332	$ 104,151

The District manages its activities with the objectives of ensuring that expenditures will be adequately covered by revenues each year and that an adequate fund balance is maintained. The District's primary financial resources in the General Fund are from a property tax levy and sales taxes. Financial resources are influenced by a variety of factors each year:

- Property tax revenues are dependent upon assessed values in the District and the maintenance tax rate set by the District. The 2020 levy was recognized as revenues in the 2021 fiscal year, while the 2019 levy was recognized in the 2020 fiscal year (to the extent that these amounts were collected). Property tax revenues increased from prior year because assessed values increased from prior year.
- Sales tax revenues are dependent on consumer spending online and at retail stores located within the District's boundaries and will fluctuate from year to year.

Debt Service Fund

A comparative summary of the Debt Service Fund's financial position as of December 31, 2021 and 2020 is as follows:

	2021	2020
Total assets	$ 3,207,185	$ 2,769,219
Total liabilities	$ 8,957	$ 8,969
Total deferred inflows	2,500,216	1,988,144
Total fund balance	698,012	772,106
Total liabilities, deferred inflows and fund balance	$ 3,207,185	$ 2,769,219

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

	2021	2020
Total revenues	$ 1,990,040	$ 1,466,588
Total expenditures	(2,064,134)	(1,656,328)
Revenues under expenditures	(74,094)	(189,740)
Other changes in fund balance		222,974
Net change in fund balance	$ (74,094)	$ 33,234

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

Capital Projects Fund

A comparative summary of the Capital Projects Fund's financial position as of December 31, 2021 and 2020 is as follows:

	2021	2020
Total assets	$ 1,390	$ 706,038
Total fund balance	$ 1,390	$ 706,038

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

	2021	2020
Total revenues	$ 252	$ 877
Total expenditures	(7,433,139)	(8,566,905)
Revenues under expenditures	(7,432,887)	(8,566,028)
Other changes in fund balance	6,728,239	8,566,689
Net change in fund balance	$ (704,648)	$ 661

The District has had considerable capital asset activity in the last two years, which was financed with proceeds from the issuance of its Series 2021 Unlimited Tax Road Bonds in the current year and the sale of its Series 2020 Unlimited Tax Road Bonds in the prior year.

General Fund Budgetary Highlights

The Board of Directors adopts an annual unappropriated budget for the General Fund prior to the beginning of each fiscal year. The Board did not amend the budget during the fiscal year.

Since the District's budget is primarily a planning tool, actual results varied from the budgeted amounts. Actual net change in fund balance was $171,335 greater than budgeted. The *Budgetary Comparison Schedule* on page 36 of this report provides variance information per financial statement line item.

Capital Assets

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

Capital assets held by the District at December 31, 2021 and 2020 are summarized as follows:

	2021	2020
Capital assets being depreciated		
Landscaping improvements	$ 7,680,311	$ -
Other facilities	301,926	301,926
	7,982,237	301,926
Less accumulated depreciation		
Landscaping improvements	(384,017)	
Other facilities	(90,576)	(75,480)
Depreciable capital assets, net	(474,593)	(75,480)
Capital assets, net	$ 7,507,644	$ 226,446

Capital asset addition during the current year include the following:

- Landscaping improvements to serve Harvest Corner - Phase II;
- Landscaping improvements to serve Harvest Green - Sections 14, 15 Phase I and III, 16, 17 Phase I, 18, 22, 23, 19, 26, 27, 24, 25A, and Phase IV detention.

It should be noted that certain of these additions were constructed by the developer in previous years.

Fort Bend County assumes responsibility for all road facilities constructed within the District. Consequently, these projects are not recorded as capital assets on the District's financial statements but are recorded as transfers to other governments upon completion of construction. For the year ended December 31, 2021, capital assets in the amount of $492,210 have been completed and recorded as transfers to other governments in the government-wide statements. Additional information is presented in Note 9.

Long-Term Debt and Related Liabilities

As of December 31, 2021, the District owes approximately $7,944,385 to developer for completed projects and operating advances. The initial cost of the completed project and related liability is estimated based on actual construction costs plus 10-15% for engineering and other fees and is recorded on the District's financial statements upon completion of construction. The District intends to reimburse the developer from proceeds of future bond issues or other lawfully available funds. The estimated cost of amounts owed to the developer is trued up when the developer is reimbursed.

At December 31, 2021 and 2020, the District had total bonded debt outstanding as shown below:

Series	2021	2020
2016 Road	$ 4,040,000	$ 4,180,000
2017 Road	6,465,000	6,660,000
2018 Road	8,310,000	8,535,000
2019 Road	6,350,000	6,570,000
2020 Road	8,535,000	8,750,000
2021 Road	7,360,000	
	$ 33,700,000	$ 34,695,000

During the current year, the District issued $7,360,000 in unlimited tax road bonds. At December 31, 2021, the District had $110,240,000 unlimited tax bonds authorized, but unissued for the purposes of acquiring, constructing and improving parks and recreational facilities and the refunding of such bonds and $220,755,000 for road improvements and the refunding of such bonds.

Next Year's Budget

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

	2021 Actual	2022 Budget
Total revenues	$ 486,732	$ 719,990
Total expenditures	(220,400)	(278,028)
Revenues over expenditures	266,332	441,962
Beginning fund balance	217,481	483,813
Ending fund balance	$ 483,813	$ 925,775

Property Taxes

The District's property tax base increased approximately $166,990,000 for the 2021 tax year from $507,759,590 to $674,749,353. This increase was primarily due to new construction and increased property values in the District. For the 2021 tax year, the District has levied a maintenance and operations tax rate of $0.08 per $100 of assessed value and a debt service tax rate of $0.37 per $100 of assessed value, for a total combined tax rate of $0.45 per $100. Tax rates for the 2020 tax year were $0.06 per $100 for maintenance and operations and $0.39 per $100 for debt service for a combined total of $0.45 per $100 of assessed value.

Basic Financial Statements

Fort Bend County Municipal Management District No. 1
Statement of Net Position - Governmental Activities
December 31, 2021

Assets		
Cash	$	865,523
Investments		660,000
Taxes receivable		2,698,699
Sales taxes receivable		28,501
Other receivable		96
Capital assets, net		7,507,644
Total Assets		11,760,463
Liabilities		
Accounts payable		15,071
Other payables		8,132
Accrued interest payable		358,207
Due to developer		7,944,385
Long-term debt		
Due within one year		1,100,000
Due after one year		39,752,500
Total Liabilities		49,178,295
Deferred Inflows of Resources		
Deferred property taxes		3,036,372
Net Position		
Net investment in capital assets		(1,358,231)
Restricted for debt service		349,274
Unrestricted		(39,445,247)
Total Net Position	$	(40,454,204)

See notes to basic financial statements.

Fort Bend County Municipal Management District No. 1
Statement of Activities - Governmental Activities
For the Year Ended December 31, 2021

Expenses	
Administrative	
Professional fees	$ 96,120
Contracted services	63,665
Repairs and maintenance	3,864
Utilities	122,860
Administrative	14,206
Debt Service	
Interest and fees	1,050,777
Developer interest	275,163
Debt issuance costs	481,932
Depreciation	399,113
Total Expenses	2,507,700
General Revenues	
Property taxes	2,282,840
Penalties and interest	9,549
Sales taxes	182,385
Miscellaneous	90
Investment earnings	2,716
Total General Revenues	2,477,580
Deficiency of revenues under expenses	(30,120)
Other Item	
Transfers to other governments	(492,210)
Capital contribution	(631,761)
Change in net position	(1,154,091)
Net Position	
Beginning of the year	(39,300,113)
End of the period	$ (40,454,204)

See notes to basic financial statements.

Fort Bend County Municipal Management District No. 1
Balance Sheet - Governmental Funds
December 31, 2021

	General Fund	Debt Service Fund	Capital Projects Fund	Total
Assets				
Cash	$ 476,149	$ 387,984	$ 1,390	$ 865,523
Investments		660,000		660,000
Taxes receivable	479,582	2,219,117		2,698,699
Sales taxes receivable	28,501			28,501
Internal balances	60,012	(60,012)		
Other receivables		96		96
Total Assets	$ 1,044,244	$ 3,207,185	$ 1,390	$ 4,252,819
Liabilities				
Accounts payable	$ 15,071	$ -	$ -	$ 15,071
Other payables	5,000	3,132		8,132
Accrued interest payable		5,825		5,825
Total Liabilities	20,071	8,957		29,028
Deferred Inflows of Resources				
Deferred property taxes	540,360	2,500,216		3,040,576
Fund Balances				
Restricted		698,012	1,390	699,402
Unassigned	483,813			483,813
Total Fund Balances	483,813	698,012	1,390	1,183,215
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 1,044,244	$ 3,207,185	$ 1,390	$ 4,252,819

See notes to basic financial statements.

Fort Bend County Municipal Management District No. 1
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2021

Total fund balance, governmental funds		$ 1,183,215
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
Historical cost	$ 7,982,237	
Less accumulated depreciation	(474,593)	
		7,507,644
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. The difference consists of:		
Bonds payable, net	(40,852,500)	
Interest payable on bonds	(352,382)	
		(41,204,882)
Amounts due to the District's developer for operating advances and prefunded construction are recorded as a liability in the *Statement of Net Position.*		(7,944,385)
The unavailable portion of property taxes receivable and collections of the 2021 property tax levy are reported as deferred inflows in the fund financial statements. In the government wide statements, however, deferred inflows consist of the entire 2021 property tax levy.		
Fund level deferred property taxes	3,040,576	
Government wide level deferred property taxes	(3,036,372)	
		4,204
Total net position - governmental activities		$ (40,454,204)

See notes to basic financial statements.

Fort Bend County Municipal Management District No. 1
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 2021

	General Fund	Debt Service Fund	Capital Projects Fund	Total
Revenues				
Property taxes	$ 304,310	$ 1,977,973	$ -	$ 2,282,283
Penalties and interest		9,549		9,549
Sales taxes	182,385			182,385
Miscellaneous		90		90
Investment earnings	37	2,428	252	2,717
Total Revenues	486,732	1,990,040	252	2,477,024
Expenditures				
Current				
Professional fees	70,005	1,116	24,999	96,120
Contracted services	14,320	49,345		63,665
Repairs and maintenance	3,577		287	3,864
Utilities	122,860			122,860
Administrative	9,638	4,568		14,206
Capital outlay			6,650,758	6,650,758
Debt service				
Principal		995,000		995,000
Interest and fees		1,014,105		1,014,105
Developer interest			275,163	275,163
Debt issuance costs			481,932	481,932
Total Expenditures	220,400	2,064,134	7,433,139	9,717,673
Revenues Over/(Under) Expenditures	266,332	(74,094)	(7,432,887)	(7,240,649)
Other Financing Sources				
Proceeds from sale of bonds			7,360,000	7,360,000
Other Items				
Capital contribution			(631,761)	(631,761)
Net Change in Fund Balances	266,332	(74,094)	(704,648)	(512,410)
Fund Balances				
Beginning of the year	217,481	772,106	706,038	1,695,625
End of the year	$ 483,813	$ 698,012	$ 1,390	$ 1,183,215

See notes to basic financial statements.

Fort Bend County Municipal Management District No. 1
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2021

Net change in fund balances - total governmental funds		$ (512,410)
Governmental funds do not report revenues that are not available to pay current obligations. In contrast, such revenues are reported in the *Statement of Activities* when earned. The difference is for property taxes and related penalties and interest.		557
In the *Statement of Activities,* the cost of capital assets is charged to depreciation expense over the estimated useful life of the asset.		(399,113)
Capital outlays for developer reimbursements are recorded as expenditures in the fund, but reduce the liability for due to developer in the *Statement of Net Position.*		6,650,758
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal uses current financial resources. However, neither transaction has any effect on net assets. Other elements of debt financing are reported differently between the fund and government wide statements.		
Issuance of long term debt	$ (7,360,000)	
Principal payments	995,000	
Interest expense accrual	(36,673)	
		(6,401,673)
The District conveys certain road facilities to Fort Bend County upon completion of construction. Since these improvements are funded by the developer, financial resources are not expended in the fund financial statements; however, in the *Statement of Activities*, these amounts are reported as transfers to other governments.		(492,210)
Change in net position of governmental activities		$ (1,154,091)

See notes to basic financial statements.

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Note 1 – Summary of Significant Accounting Policies

The accounting policies of Fort Bend County Municipal Management District No. 1 (the "District") conform with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board ("GASB"). The following is a summary of the most significant policies:

Creation

The District was organized, created and established pursuant to Senate Bill No. 1906, Act of the 83rd Texas Legislature, Regular Session 2013, effective June 14, 2013, as amended by House Bill No. 4292, Act of the 85th Legislature, Regular Session 2017, effective September 1, 2017, and operates in accordance with Article, III, Sections 52 and 52a and Article XVI, Section 59 of the Constitution of Texas, and Chapter 375 of the Local Government Code. The Board of Directors held its first meeting on February 20, 2015 and the first bonds were issued on September 27, 2016.

The District was established to facilitate the economic development of land within its boundaries through the construction, maintenance and operation of parks and recreational facilities and roads and road improvements. The District has contracted with various consultants to provide services to operate and administer the affairs of the District. The District has no employees, related payroll or pension costs.

Reporting Entity

The District is a political subdivision of the State of Texas governed by an elected five-member board. The GASB has established the criteria for determining the reporting entity for financial statement reporting purposes. To qualify as a primary government, a government must have a separately elected governing body, be legally separate, and be fiscally independent of other state and local governments, while a component unit is a legally separate government for which the elected officials of a primary government are financially accountable. Fiscal independence implies that the government has the authority to adopt a budget, levy taxes, set rates, and/or issue bonds without approval from other governments. Under these criteria, the District is considered a primary government and is not a component unit of any other government. Additionally, no other entities meet the criteria for inclusion in the District's financial statements as component units.

Government-Wide and Fund Financial Statements

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

Note 1 – Summary of Significant Accounting Policies (continued)

Government-Wide and Fund Financial Statements (continued)

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

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

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

Measurement Focus and Basis of Accounting

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

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

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

Note 1 – Summary of Significant Accounting Policies (continued)

Use of Restricted Resources

When both restricted and unrestricted resources are available for use, the District generally uses restricted resources first, then unrestricted resources as they are needed. During the current year, the District used unrestricted General Fund resources to finance the cost of levying and collecting property taxes.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Receivables from and payables to external parties are reported separately and are not offset, unless a legal right of offset exists. At December 31, 2021, an allowance for uncollectible accounts was not considered necessary.

Interfund Activity

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

Capital Assets

Capital assets do not provide financial resources at the fund level, and, therefore, are reported only in the government-wide statements. The District defines capital assets as assets with an initial cost of $50,000 or more and an estimated useful life in excess of one year. Capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at acquisition value, which is the price that would be paid to acquire the asset on the acquisition date. The District has not capitalized interest incurred during the construction of its capital assets. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Depreciable capital assets, which primarily consist of landscaping improvements, are depreciated using the straight-line method as follows:

Assets	Useful Life
Landscaping improvements	20 years
Other facilities	20 years

Note 1 – Summary of Significant Accounting Policies (continued)

Deferred Inflows and Outflows of Financial Resources

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

At the fund level, property taxes receivable not collected within 60 days of fiscal year end do not meet the availability criteria required for revenue recognition and are recorded as deferred inflows of financial resources. Additionally, collections of the 2021 property tax levy are not considered current year revenues and, consequently, are also reported as deferred property taxes.

Deferred outflows of financial resources at the government-wide level consist of the 2021 property tax levy, which was levied to finance the 2022 fiscal year.

Net Position – Governmental Activities

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

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

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

Unrestricted – resources not included in the other components.

Fund Balances – Governmental Funds

Governmental accounting standards establish the following fund balance classifications:

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

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

Note 1 – Summary of Significant Accounting Policies (continued)

Fund Balances – Governmental Funds (continued)

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

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

Unassigned - all other spendable amounts in the General Fund.

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

Use of Estimates

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

Note 2 – Deposits and Investments

Deposit Custodial Credit Risk

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

Note 2 – Deposits and Investments (continued)

Investments

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

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

As of December 31, 2021, the District's investments consist entirely of certificates of deposit in the amount of $660,000 in the Debt Service Fund. These investments are reported at cost.

Note 3 – Interfund Balances and Transactions

Amounts due to/from other funds at December 31, 2021, consist of the following:

Receivable Fund	Payable Fund	Amounts	Purpose
General Fund	Debt Service Fund	$ 60,012	Maintenance tax collections not remitted as of year end.

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

Note 4 – Capital Assets

A summary of changes in capital assets, for the year ended December 31, 2021, is as follows:

	Beginning Balances	Additions/ Adjustments	Ending Balances
Capital assets being depreciated			
Landscaping improvements	$ -	$ 7,680,311	$ 7,680,311
Other facilities	301,926		301,926
	301,926	7,680,311	7,982,237
Less accumulated depreciation			
Landscaping improvements		(384,017)	(384,017)
Other facilities	(75,480)	(15,096)	(90,576)
	(75,480)	(399,113)	(474,593)
Capital assets, net	$ 226,446	$ 7,281,198	$ 7,507,644

Depreciation expense for the current year was $399,113.

Note 5 – Due to Developer

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

The District's developer has also advanced funds to the District for operating expenses.

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

Due to developer, beginning of period	$ 6,422,622
Developer reimbursements	(6,650,758)
Developer funded construction and adjustments	8,172,521
Due to developer, end of period	$ 7,944,385

Note 6 – Long-Term Debt

Long-term debt is comprised of the following:

Bonds payable	$ 41,060,000
Unamortized discounts	(207,500)
	$ 40,852,500
Due within one year	$ 1,100,000

The District's bonds payable at December 31, 2021, consists of unlimited tax bonds as follows:

Series	Amounts Outstanding	Original Issue	Interest Rates	Maturity Date, Serially, Beginning/ Ending	Interest Payment Dates	Call Dates
2016 Road	$ 4,040,000	$ 4,570,000	1.25% - 3.375%	September 1, 2018/2041	March 1, September 1	September 1, 2024
2017 Road	6,465,000	7,025,000	2.00% - 3.875%	September 1, 2019/2042	March 1, September 1	September 1, 2025
2018 Road	8,310,000	8,750,000	3.00% - 4.25%	September 1, 2020/2043	March 1, September 1	September 1, 2023
2019 Road	6,350,000	6,790,000	2.00% - 3.00%	September 1, 2020/2044	March 1, September 1	September 1, 2024
2020 Road	8,535,000	8,750,000	2.00% - 2.25%	September 1, 2021/2045	March 1, September 1	September 1, 2025
2021 Road	7,360,000	7,360,000	2.00% - 2.375%	September 1, 2022/2046	March 1, September 1	September 1, 2026
	$ 41,060,000					

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

At December 31, 2021, the District had authorized but unissued bonds in the amount of $110,240,000 for park and recreational facilities; and the refunding of such bonds and $220,755,000 for road improvements and the refunding of such bonds.

On October 14, 2021, the District issued its $7,360,000 Series 2021 Unlimited Tax Road Bonds at a net effective interest rate of 2.3564340%. Proceeds of the bonds were used to reimburse developer for the cost of capital assets constructed within the District plus interest expense at the net effective interest rate of the bonds.

Note 6 – Long-Term Debt (continued)

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

Bonds payable, beginning of year	$ 34,695,000
Bonds issued	7,360,000
Bonds retired	(995,000)
Bonds payable, end of year	$ 41,060,000

As of December 31, 2021, annual debt service requirements on bonds outstanding are as follows:

Year	Principal	Interest	Totals
2022	$ 1,100,000	$ 1,155,289	$ 2,255,289
2023	1,320,000	1,139,431	2,459,431
2024	1,355,000	1,104,896	2,459,896
2025	1,395,000	1,071,339	2,466,339
2026	1,430,000	1,036,109	2,466,109
2027	1,470,000	1,000,369	2,470,369
2028	1,510,000	963,106	2,473,106
2029	1,550,000	922,769	2,472,769
2030	1,595,000	880,754	2,475,754
2031	1,645,000	836,467	2,481,467
2032	1,690,000	789,751	2,479,751
2033	1,745,000	740,726	2,485,726
2034	1,795,000	689,901	2,484,901
2035	1,850,000	637,388	2,487,388
2036	1,910,000	582,545	2,492,545
2037	1,970,000	525,414	2,495,414
2038	2,030,000	465,476	2,495,476
2039	2,095,000	403,089	2,498,089
2040	2,160,000	337,707	2,497,707
2041	2,230,000	269,270	2,499,270
2042	2,305,000	198,513	2,503,513
2043	1,920,000	127,376	2,047,376
2044	1,400,000	70,807	1,470,807
2045	1,030,000	37,150	1,067,150
2046	560,000	13,300	573,300
	$ 41,060,000	$ 15,998,942	$ 57,058,942

Note 7 – Property Taxes

On May 9, 2015, the voters of the District authorized the District's Board of Directors to levy taxes annually for use in financing general operations limited to $1.50 per $100 of assessed value. In addition, the voters of the District authorized the District's Board of Directors to levy a road maintenance tax limited to $1.50 per $100 of assessed value and to levy a park maintenance tax limited to $0.10 of assessed value. The District's bond resolutions require that property taxes be levied for use in paying interest and principal on long-term debt and for use in paying the cost of assessing and collecting taxes. Taxes levied to finance debt service requirements on long-term debt are without limitation as to rate or amount.

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

Property taxes are collected based on rates adopted in the year of the levy. The District's 2021 fiscal year was financed through the 2020 tax levy, pursuant to which the District levied property taxes of $0.45 per $100 of assessed value, of which $0.06 was allocated to maintenance and operations and $0.39 was allocated to debt service. The resulting tax levy was $2,284,918 on the adjusted taxable value of $507,759,590.

Property taxes levied each October are intended to finance the next fiscal year and are, therefore, not considered available for the District's use during the current fiscal year. Consequently, 2021 levy collections in the amount of $341,877 have been included with deferred property taxes and are recorded as deferred inflows of resources on the *Governmental Funds Balance Sheet*. On the government-wide *Statement of Net Position*, the full 2021 tax levy of $3,036,372 is reported as deferred inflows. These amounts will be recognized as revenue in 2022.

Total property taxes receivables, at December 31, 2021, consisted of the following:

Current year taxes receivable	$ 2,694,495
Prior years taxes receivable	4,204
Total property taxes receivable	$ 2,698,699

Note 8 – Sales Taxes

On November 7, 2017, the voters of the District authorized the District's Board of Directors to assess, levy, and collect a one percent (1%) sales and use tax within the boundaries of the District. On November 13, 2017, the Board approved an Order Imposing Sales and Use Tax, which went into effect on April 1, 2018. During the current year, the District recognized revenues of $182,385 for sales and use taxes collected.

Note 9 – Transfers to Other Governments

Fort Bend County assumes responsibility for the maintenance of public roads constructed within the boundaries of the District. Accordingly, these facilities are considered to be capital assets of Fort Bend County, not the District. The estimated cost of each project is trued-up when the developer is subsequently reimbursed. For the year ended December 31, 2021, the District reported transfers to other governments in the amount of $492,210 for road facilities constructed by a developer within the District.

Note 10 – Joint Project Agreement with Fort Bend Grand Parkway Toll Road Authority

On November 16, 2016, subsequently amended on March 21, 2018, the District entered into a Joint Project Agreement (the "Agreement") with the Fort Bend Grand Parkway Toll Road Authority (the "Authority") for the design, construction and maintenance of the southbound exit ramp from the Grand Parkway to the interchange at Airport Boulevard. The District is responsible for 100% of the cost to design and construct the exit ramp. Upon completion of construction, the Authority will own and maintain the exit ramp and related improvements within the dedicated road right-of-way. During the current year, the District paid $631,761 to the Authority for its estimated share of construction costs.

Note 11 – Risk Management

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

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Required Supplementary Information

Fort Bend County Municipal Management District No. 1
Required Supplementary Information - Budgetary Comparison Schedule - General Fund
For the Year Ended December 31, 2021

	Original and Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property taxes	$ 298,925	$ 304,310	$ 5,385
Sales taxes	137,000	182,385	45,385
Investment earnings	100	37	(63)
Total Revenues	436,025	486,732	50,707
Expenditures			
Current			
Professional fees	70,000	70,005	(5)
Contracted services	13,800	14,320	(520)
Repairs and maintenance	2,500	3,577	(1,077)
Utilities	230,000	122,860	107,140
Administrative	24,728	9,638	15,090
Total Expenditures	341,028	220,400	120,628
Revenues Over Expenditures	94,997	266,332	171,335
Fund Balance			
Beginning of the year	217,481	217,481	
End of the period	$ 312,478	$ 483,813	$ 171,335

Budgets and Budgetary Accounting

An annual unappropriated budget is adopted for the General Fund by the District's Board of Directors. The budget is prepared using the same method of accounting as for financial reporting. There were no amendments to the budget during the year.

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Texas Supplementary Information

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

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

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

[ ] Other (Specify): ______

2. Retail Service Providers

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

	Minimum Charge	Minimum Usage	Flat Rate (Y / N)	Rate per 1,000 Gallons Over Minimum Usage	Usage Levels
Water:					to
Wastewater:					to
Surcharge:					to

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

Total charges per 10,000 gallons usage: Water ______ Wastewater ______

b. Water and Wastewater Retail Connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC'S
Unmetered			x 1.0	
less than 3/4"			x 1.0	
1"			x 2.5	
1.5"			x 5.0	
2"			x 8.0	
3"			x 15.0	
4"			x 25.0	
6"			x 50.0	
8"			x 80.0	
10"			x 115.0	
Total Water				
Total Wastewater			x 1.0	

See accompanying auditor's report.

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

Gallons pumped into system: N/A

Water Accountability Ratio:
(Gallons billed / Gallons pumped)

Gallons billed to customers: N/A

N/A

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

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

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

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

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

5. Location of District:

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

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

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

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

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

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

ETJs in which the District is located: City of Houston and City of Richmond

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

If Yes, by whom? ______

See accompanying auditor's report.

Fort Bend County Municipal Management District No. 1
TSI-2 General Fund Expenditures
For the Year Ended December 31, 2021

Professional fees	
Legal	$ 50,437
Audit	13,000
Engineering	6,568
	70,005
Contracted services	
Bookkeeping	12,520
Sales tax collection	1,800
	14,320
Repairs and maintenance	3,577
Utilities	122,860
Administrative	
Directors fees	6,900
Insurance	1,795
Other	943
	9,638
Total expenditures	$ 220,400

See accompanying auditor's report.

Fort Bend County Municipal Management District No. 1
TSI-3. Investments
December 31, 2021

Fund	Interest Rate	Maturity Date	Balance at End of Year	Interest Receivable
Debt Service				
Certificates of deposit	0.04%	02/22/22	$ 660,000	$ 96

See accompanying auditor's report.

Fort Bend County Municipal Management District No. 1
TSI-4. Taxes Levied and Receivable
December 31, 2021

	Maintenance Taxes	Road Debt Service Taxes	Totals
Taxes Receivable, Beginning of Year	$ 271,622	$ 1,765,543	$ 2,037,165
Adjustments to Prior Year Tax Levy	(1,003)	(6,521)	(7,524)
Adjusted Receivable	270,619	1,759,022	2,029,641
2021 Original Tax Levy	532,560	2,463,089	2,995,649
Adjustments	7,239	33,484	40,723
Adjusted Tax Levy	539,799	2,496,573	3,036,372
Total to be accounted for	810,418	4,255,595	5,066,013
Tax collections:			
Current year	60,778	281,099	341,877
Prior years	270,059	1,755,378	2,025,437
Total Collections	330,837	2,036,477	2,367,314
Taxes Receivable, End of Year	$ 479,581	$ 2,219,118	$ 2,698,699
Taxes Receivable, By Years			
2021	$ 479,021	$ 2,215,474	$ 2,694,495
2020	324	2,107	2,431
2019	236	1,537	1,773
Taxes Receivable, End of Year	$ 479,581	$ 2,219,118	$ 2,698,699

	2021	2020	2019	2018
Property Valuations:				
Land	$ 156,653,690	$ 134,250,810	$ 113,266,830	$ 77,540,590
Improvements	557,654,953	412,137,811	285,517,086	191,852,139
Personal Property	3,584,400	2,488,510	1,579,650	448,070
Exemptions	(43,143,690)	(41,117,541)	(30,499,580)	(29,034,607)
Total Property Valuations	$ 674,749,353	$ 507,759,590	$ 369,863,986	$ 240,806,192
Tax Rates per $100 Valuation:				
Maintenance tax rates	$ 0.08	$ 0.06	$ 0.06	$ 0.10
Debt service tax rates	0.37	0.39	0.39	0.35
Total Tax Rates per $100 Valuation	$ 0.45	$ 0.45	$ 0.45	$ 0.45
Adjusted Tax Levy:	$ 3,036,372	$ 2,284,918	$ 1,664,388	$ 1,083,628
Percentage of Taxes Collected to Taxes Levied **	11.26%	99.89%	99.89%	100.00%

* Maximum General Maintenance Tax Rate Approved by Voters: $1.50 on May 14, 2015
* Maximum Road Maintenance Tax Rate Approved by Voters: $1.50 on May 14, 2015
* Maximum Park Maintenance Tax Rate Approved by Voters: $0.10 on May 14, 2015

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

See accompanying auditor's report.

Fort Bend County Municipal Management District No. 1
TSI-5. Long-Term Debt Service Requirements
Series 2016 Road--by Years
December 31, 2021

Due During Fiscal Years Ending	Principal Due September 1	Interest Due March 1, September 1	Total
2022	$ 145,000	$ 122,956	$ 267,956
2023	145,000	120,056	265,056
2024	155,000	117,011	272,011
2025	160,000	113,524	273,524
2026	165,000	109,684	274,684
2027	170,000	105,559	275,559
2028	175,000	101,096	276,096
2029	180,000	96,109	276,109
2030	190,000	90,709	280,709
2031	195,000	85,009	280,009
2032	200,000	78,769	278,769
2033	210,000	72,369	282,369
2034	215,000	65,544	280,544
2035	225,000	58,556	283,556
2036	230,000	50,963	280,963
2037	240,000	43,200	283,200
2038	245,000	35,100	280,100
2039	255,000	26,831	281,831
2040	265,000	18,225	283,225
2041	275,000	9,281	284,281
	$ 4,040,000	$ 1,520,551	$ 5,560,551

See accompanying auditor's report.

Fort Bend County Municipal Management District No. 1
TSI-5. Long-Term Debt Service Requirements
Series 2017 Road--by Years
December 31, 2021

Due During Fiscal Years Ending	Principal Due September 1	Interest Due March 1, September 1	Total
2022	$ 200,000	$ 219,249	$ 419,249
2023	210,000	214,849	424,849
2024	220,000	209,809	429,809
2025	230,000	204,089	434,089
2026	235,000	197,649	432,649
2027	245,000	190,834	435,834
2028	255,000	183,484	438,484
2029	265,000	175,834	440,834
2030	275,000	167,619	442,619
2031	290,000	158,819	448,819
2032	300,000	149,031	449,031
2033	310,000	138,531	448,531
2034	325,000	127,681	452,681
2035	335,000	116,306	451,306
2036	350,000	104,581	454,581
2037	365,000	91,894	456,894
2038	380,000	78,663	458,663
2039	395,000	64,413	459,413
2040	410,000	49,600	459,600
2041	425,000	33,713	458,713
2042	445,000	17,244	462,244
	$ 6,465,000	$ 2,893,892	$ 9,358,892

See accompanying auditor's report.

Fort Bend County Municipal Management District No. 1
TSI-5. Long-Term Debt Service Requirements
Series 2018 Road --by Years
December 31, 2021

Due During Fiscal Years Ending	Principal Due September 1	Interest Due March 1, September 1	Total
2022	$ 235,000	$ 325,763	$ 560,763
2023	245,000	316,363	561,363
2024	255,000	306,563	561,563
2025	265,000	298,913	563,913
2026	280,000	290,963	570,963
2027	290,000	281,163	571,163
2028	305,000	271,013	576,013
2029	315,000	258,813	573,813
2030	330,000	246,213	576,213
2031	345,000	233,013	578,013
2032	355,000	219,213	574,213
2033	370,000	205,013	575,013
2034	390,000	190,213	580,213
2035	405,000	174,613	579,613
2036	420,000	158,413	578,413
2037	440,000	141,613	581,613
2038	460,000	124,013	584,013
2039	480,000	105,613	585,613
2040	500,000	86,413	586,413
2041	520,000	66,413	586,413
2042	540,000	45,613	585,613
2043	565,000	24,001	589,001
	$ 8,310,000	$ 4,369,925	$ 12,679,924

See accompanying auditor's report.

Fort Bend County Municipal Management District No. 1
TSI-5. Long-Term Debt Service Requirements
Series 2019 Road--by Years
December 31, 2021

Due During Fiscal Years Ending	Principal Due September 1	Interest Due March 1, September 1	Total
2022	$ 220,000	$ 159,950	$ 379,950
2023	225,000	153,350	378,350
2024	220,000	146,600	366,600
2025	220,000	140,000	360,000
2026	220,000	133,400	353,400
2027	225,000	129,000	354,000
2028	225,000	124,500	349,500
2029	235,000	120,000	355,000
2030	235,000	115,300	350,300
2031	235,000	110,013	345,013
2032	245,000	104,725	349,725
2033	250,000	98,600	348,600
2034	250,000	92,350	342,350
2035	260,000	86,100	346,100
2036	270,000	79,600	349,600
2037	270,000	72,850	342,850
2038	280,000	66,100	346,100
2039	285,000	59,100	344,100
2040	295,000	51,975	346,975
2041	305,000	44,231	349,231
2042	595,000	36,225	631,225
2043	385,000	20,606	405,606
2044	400,000	10,500	410,500
	$ 6,350,000	$ 2,155,075	$ 8,505,075

See accompanying auditor's report.

Fort Bend County Municipal Management District No. 1
TSI-5. Long-Term Debt Service Requirements
Series 2020 Road--by Years
December 31, 2021

Due During Fiscal Years Ending	Principal Due September 1	Interest Due March 1, September 1	Total
2022	$ 250,000	$ 179,513	$ 429,513
2023	255,000	174,513	429,513
2024	265,000	169,413	434,413
2025	270,000	164,113	434,113
2026	280,000	158,713	438,713
2027	285,000	153,113	438,113
2028	295,000	147,413	442,413
2029	305,000	141,513	446,513
2030	315,000	135,413	450,413
2031	325,000	129,113	454,113
2032	335,000	122,613	457,613
2033	345,000	115,913	460,913
2034	355,000	109,013	464,013
2035	365,000	101,913	466,913
2036	375,000	94,613	469,613
2037	385,000	87,113	472,113
2038	395,000	78,931	473,931
2039	410,000	70,538	480,538
2040	420,000	61,313	481,313
2041	435,000	51,863	486,863
2042	445,000	42,075	487,075
2043	460,000	32,063	492,063
2044	475,000	21,713	496,713
2045	490,000	11,025	501,025
	$ 8,535,000	$ 2,553,529	$ 11,088,529

See accompanying auditor's report.

Fort Bend County Municipal Management District No. 1
TSI-5. Long-Term Debt Service Requirements
Series 2021 Road--by Years
December 31, 2021

Due During Fiscal Years Ending	Principal Due September 1	Interest Due March 1, September 1	Total
2022	$ 50,000	$ 147,858	$ 197,858
2023	240,000	160,300	400,300
2024	240,000	155,500	395,500
2025	250,000	150,700	400,700
2026	250,000	145,700	395,700
2027	255,000	140,700	395,700
2028	255,000	135,600	390,600
2029	250,000	130,500	380,500
2030	250,000	125,500	375,500
2031	255,000	120,500	375,500
2032	255,000	115,400	370,400
2033	260,000	110,300	370,300
2034	260,000	105,100	365,100
2035	260,000	99,900	359,900
2036	265,000	94,375	359,375
2037	270,000	88,744	358,744
2038	270,000	82,669	352,669
2039	270,000	76,594	346,594
2040	270,000	70,181	340,181
2041	270,000	63,769	333,769
2042	280,000	57,356	337,356
2043	510,000	50,706	560,706
2044	525,000	38,594	563,594
2045	540,000	26,125	566,125
2046	560,000	13,300	573,300
	$ 7,360,000	$ 2,505,971	$ 9,865,971

See accompanying auditor's report.

Fort Bend County Municipal Management District No. 1
TSI-5. Long-Term Debt Service Requirements
All Bonded Debt Series--by Years
December 31, 2021

Due During Fiscal Years Ending	Principal Due September 1	Interest Due March 1, September 1	Total
2022	$ 1,100,000	$ 1,155,289	$ 2,255,289
2023	1,320,000	1,139,431	2,459,431
2024	1,355,000	1,104,896	2,459,896
2025	1,395,000	1,071,339	2,466,339
2026	1,430,000	1,036,109	2,466,109
2027	1,470,000	1,000,369	2,470,369
2028	1,510,000	963,106	2,473,106
2029	1,550,000	922,769	2,472,769
2030	1,595,000	880,754	2,475,754
2031	1,645,000	836,467	2,481,467
2032	1,690,000	789,751	2,479,751
2033	1,745,000	740,726	2,485,726
2034	1,795,000	689,901	2,484,901
2035	1,850,000	637,388	2,487,388
2036	1,910,000	582,545	2,492,545
2037	1,970,000	525,414	2,495,414
2038	2,030,000	465,476	2,495,476
2039	2,095,000	403,089	2,498,089
2040	2,160,000	337,707	2,497,707
2041	2,230,000	269,270	2,499,270
2042	2,305,000	198,513	2,503,513
2043	1,920,000	127,376	2,047,376
2044	1,400,000	70,807	1,470,807
2045	1,030,000	37,150	1,067,150
2046	560,000	13,300	573,300
	$ 41,060,000	$ 15,998,942	$ 57,058,942

See accompanying auditor's report.

Fort Bend County Municipal Management District No. 1
TSI-6. Change in Long-Term Bonded Debt
December 31, 2021

	Bond Issue			
	Series 2016 Road	Series 2017 Road	Series 2018 Road	Series 2019 Road
Interest rate	1.25% - 3.375%	2.00% - 3.875%	3.00% - 4.25%	2.00% - 3.00%
Dates interest payable	3/1; 9/1	3/1; 9/1	3/1; 9/1	3/1; 9/1
Maturity dates	9/1/18 - 9/1/41	9/1/19 - 9/1/42	9/1/20 - 9/1/43	9/1/20 - 9/1/44
Beginning bonds outstanding	$ 4,180,000	$ 6,660,000	$ 8,535,000	$ 6,570,000
Bonds issued				
Bonds retired	(140,000)	(195,000)	(225,000)	(220,000)
Ending bonds outstanding	$ 4,040,000	$ 6,465,000	$ 8,310,000	$ 6,350,000
Interest paid during fiscal year	$ 125,616	$ 223,149	$ 334,763	$ 166,550
Paying agent's name and city All series	Amegy Bank, N.A., Houston, TX			

Bond Authority:	Parks and Recreational Facilities	Roads
Amount Authorized by Voters	$ 110,240,000	$ 264,000,000
Amount Issued		(43,245,000)
Remaining To Be Issued	$ 110,240,000	$ 220,755,000

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

Debt Service Fund cash and investment balances as of December 31, 2021: $ 1,047,984

Average annual debt service payment (principal and interest) for remaining term of all debt: $ 2,282,358

See accompanying auditor's report.

Bond Issue		
Series 2020 Road	Series 2021 Road	Totals
2.00% - 2.25%	2.00% - 2.375%	
3/1; 9/1	3/1; 9/1	
9/1/21 - 9/1/45	9/1/22 - 9/1/46	
$ 8,750,000	$ -	$ 34,695,000
	7,360,000	7,360,000
(215,000)		(995,000)
$ 8,535,000	$ 7,360,000	$ 41,060,000
$ 168,495	$ -	$ 1,018,573

Fort Bend County Municipal Management District No. 1
TSI-7a. Comparative Schedule of Revenues and Expenditures - General Fund
For the Last Five Fiscal Years

	Amounts				
	2021	2020	2019	2018	2017
Revenues					
Property taxes	$ 304,310	$ 225,516	$ 139,326	$ 132,597	$ 105,791
Sales taxes	182,385	146,533	98,409	14,328	
Miscellaneous			3500		63
Investment earnings	37	273	127		91
Total Revenues	486,732	372,322	241,362	146,925	105,945
Expenditures					
Current					
Professional fees	70,005	53,502	56,697	72,247	91,833
Contracted services	14,320	12,211	13,645	23,276	10,650
Repairs and maintenance	3,577	33,686	2,418		
Utilities	122,860	119,890			
Administrative	9,638	9,219	12,985	11,155	6,901
Total Expenditures	220,400	228,508	85,745	106,678	109,384
Revenues Over/(Under) Expenditures	$ 266,332	$ 143,814	$ 155,617	$ 40,247	$ (3,439)

*Percentage is negligible

See accompanying auditor's report.

Percent of Fund Total Revenues				
2021	2020	2019	2018	2017
63%	61%	58%	90%	100%
37%	39%	41%	10%	
		1%		*
*	*	*		*
100%	100%	100%	100%	100%
14%	14%	23%	49%	87%
3%	3%	6%	16%	10%
1%	9%	1%		
25%	32%			
2%	2%	5%	8%	7%
45%	60%	35%	73%	104%
55%	40%	65%	27%	(4%)

Fort Bend County Municipal Management District No. 1
TSI-7b. Comparative Schedule of Revenues and Expenditures - Debt Service Fund
For the Last Five Fiscal Years

	Amounts				
	2021	2020	2019	2018	2017
Revenues					
Property taxes	$ 1,977,973	$ 1,446,635	$ 980,249	$ 463,963	$ 128,769
Penalties and interest	9,549	7267	5031		
Miscellaneous	90	40			
Investment earnings	2,428	12,646	2,118	4,632	1,822
Total Revenues	1,990,040	1,466,588	987,398	468,595	130,591
Expenditures					
Tax collection services	55,029	40,480	35,767	23,438	13,939
Debt service					
Principal	995,000	755,000	310,000	125,000	
Interest and fees	1,014,105	860,848	607,587	351,163	122,347
Total Expenditures	2,064,134	1,656,328	953,354	499,601	136,286
Revenues Over/(Under) Expenditures	$ (74,094)	$ (189,740)	$ 34,044	$ (31,006)	$ (5,695)

*Percentage is negligible

See accompanying auditor's report.

Percent of Fund Total Revenues				
2021	2020	2019	2018	2017
100%	99%	99%	99%	99%
*	*	1%		
*	*			
*	1%	*	1%	1%
100%	100%	100%	100%	100%
3%	3%	4%	5%	11%
50%	51%	31%	27%	
51%	59%	62%	75%	94%
104%	113%	97%	107%	105%
(4%)	(13%)	3%	(7%)	(5%)

Fort Bend County Municipal Management District No. 1
TSI-8. Board Members, Key Personnel and Consultants
December 31, 2021

Complete District Mailing Address:	9 Greenway Plaza, Suite 1000, Houston, Texas, 77046-0900
District Business Telephone Number:	(713) 651-0111
Submission Date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):	September 23, 2021
Limit on Fees of Office that a Director may receive during a fiscal year: (Set by Board Resolution -- TWC Section 49.0600)	$ 7,200

Names:	Term of Office (Elected or Appointed) or Date Hired	Fees of Office Paid *	Expense Reimburse-ments	Title at Year End
Board Members				
Ricky R. Garza	05/20 - 05/24	$ 1,200	$ 39	President
John G. Hermann	05/18 - 05/22	1,500		Vice President
Michael Madden	09/21 - 05/24	300	7	Secretary
Sergio Espinosa	05/18 - 5/22	1,500	94	Assistant Secretary
Doug Adolph	05/18 - 5/22	1,500	12	Assistant Secretary
J. Randy Bowles	08/17 - 05/20	900		Former Director
Consultants		Amounts Paid		
Coats, Rose, P.C.	02/15	$ 234,728		Attorney
L&S District Service, LLC	07/18	14,420		Bookkeeper
Tax Tech	02/15	32,360		Tax Collector
Fort Bend Central Appraisal District	02/15	19,485		Property Valuation
Jones & Carter	02/15	32,808		Engineer
McGrath & Co., PLLC	04/16	31,000		Auditor
Robert W. Baird & Co.	02/15	149,175		Financial Advisor

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

See accompanying auditor's report.

APPENDIX B

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER] Policy No: _____

MEMBER: [NAME OF MEMBER]

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

Effective Date: _________

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

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

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

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

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

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

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

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

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: ____

Authorized Officer

Notices (Unless Otherwise Specified by BAM)

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