



SUGAR LAND DEVELOPMENT CORPORATION

AGENDA

Sugar Land City Hall
2700 Town Center Boulevard North
Sugar Land, Texas 77479

TUESDAY, NOVEMBER 2, 2021

SUGAR LAND DEVELOPMENT CORPORATION

MEETING OF THE SUGAR LAND DEVELOPMENT CORPORATION AND THE GOVERNING BODY OF THE CITY OF SUGAR LAND

CANE ROOM 161

https://youtu.be/c1bJw7_0MX8

4:00 PM

I. ATTENTION

- A. *Members of the City Council, Board and/or Commission may participate in deliberations of posted agenda items through videoconferencing means. A quorum of the City Council, Board and/or Commission will be physically present at the above-stated location, and said location is open to the public. Audio/Video of open deliberations will be available for the public to hear/view, and are recorded as per the Texas Open Meetings Act.*

The meeting will live stream at https://youtu.be/c1bJw7_0MX8.

II. CALL TO ORDER

III. PUBLIC COMMENT

- A. **Option 1:** Members of the public desiring to submit written comments to be read during the Public Comment or Public Hearing portions of the meeting, will be allowed to submit their comments to the Office of the City Secretary (citysec@sugarlandtx.gov). Written/e-mailed comments must be received by 2:00 p.m., Tuesday, November 2, 2021.

Option 2: Members of the public desiring to participate virtually during the set/posted time of the Public Comment or Public Hearing must e-mail (citysec@sugarlandtx.gov) or call ((281) 275-2730) the Office of the City Secretary by 2:00 p.m., Tuesday, November 2, 2021. Once properly registered, the Office of the City Secretary will provide instructions for direct participation during the Public Hearing.

Option 3: Members of the public desiring to address the City Council, Board and/or Commission in person with regard to matters on the agenda must complete a "Request to Speak" form and give it to the City Secretary, or designee, prior to the beginning of the meeting.

Each speaker is limited to three (3) minutes, and speakers requiring a translator will have six minutes, regardless of the number of agenda items to be addressed. Comments or discussion by the City Council, Board, and/or Commission Members, will only be made at the time the subject is scheduled for consideration.

The City of Sugar Land reserves the right to remove any written/mailed comments deemed inappropriate or not adhering to the public comment rules outlined in this notice. The City reserves the right to not read any comments containing -

- Links to for-profit sites
- Advertising
- Promotion of illegal activities
- Sexual oriented/explicit comments and sites

- Information promoting discrimination/harassment
- Political/religious rhetoric, advocacy, or commentary

For questions or assistance, please contact the Office of the City Secretary (281) 275-2730.

IV. MINUTES

- A. Consideration of and action on the minutes of the September 7, 2021 Sugar Land Development Corporation and the October 5, 2021 Joint Sugar Land Development Corporation and Sugar Land 4B meetings.

Thomas Harris III, City Secretary

V. BUDGET

- A. Consideration of and action on **SUGAR LAND DEVELOPMENT CORPORATION RESOLUTION NO. 2021-11-03**: RESOLUTION AUTHORIZING THE ISSUANCE OF SUGAR LAND DEVELOPMENT CORPORATION SALES TAX REVENUE REFUNDING BONDS, SERIES 2021; AUTHORIZING THE REFUNDING OF CERTAIN OUTSTANDING OBLIGATIONS AND THE EXECUTION AND DELIVERY OF AN ESCROW AGREEMENT AND THE SUBSCRIPTION FOR AND PURCHASE OF CERTAIN ESCROWED SECURITIES AND CERTAIN OTHER PROCEDURES AND PROVISIONS RELATING THERETO.

Jennifer Brown, Director of Finance

VI. DIRECTOR'S REPORT

- A.
 - Marketing, Promotions, and Events
 - Strategic and Capital Projects
 - Business Recruitment and Retention Efforts

Elizabeth Huff, Director of Economic Development

THE SUGAR LAND DEVELOPMENT CORPORATION RESERVES THE RIGHT TO ADJOURN INTO EXECUTIVE SESSION AT ANY TIME DURING THE COURSE OF THIS MEETING TO DISCUSS ANY OF THE MATTERS LISTED ABOVE, AS AUTHORIZED BY TEXAS GOVERNMENT CODE, SECTION 551.071 (CONSULTATION WITH ATTORNEY).

IF YOU PLAN TO ATTEND THIS PUBLIC MEETING AND YOU HAVE A DISABILITY THAT REQUIRES SPECIAL ARRANGEMENTS AT THE MEETING, PLEASE CONTACT THE CITY SECRETARY, (281) 275-2730. REQUESTS FOR SPECIAL SERVICES MUST BE RECEIVED FORTY-EIGHT (48) HOURS PRIOR TO THE MEETING TIME. REASONABLE ACCOMMODATIONS WILL BE MADE TO ASSIST YOUR NEEDS.

THE AGENDA AND SUPPORTING DOCUMENTATION IS LOCATED ON THE CITY WEB SITE (WWW.SUGARLANDTX.GOV) UNDER MEETING AGENDAS.

Posted on this 29th day of October, 2021 at 3:39 P.M.



**Sugar Land Development Corporation
NOVEMBER 2, 2021**

AGENDA REQUEST NO:

AGENDA OF: Sugar Land Development Corporation Meeting

INITIATED BY:

PRESENTED BY:

RESPONSIBLE DEPARTMENT: City Secretary

AGENDA CAPTION:

MEETING OF THE SUGAR LAND DEVELOPMENT CORPORATION
AND THE GOVERNING BODY OF THE CITY OF SUGAR LAND

CANE ROOM 161

https://youtu.be/c1bJw7_0MX8

BUDGET

EXPENDITURE REQUIRED:

CURRENT BUDGET:

ADDITIONAL FUNDING:

FUNDING SOURCE:



Sugar Land Development Corporation
NOVEMBER 2, 2021

AGENDA REQUEST NO: IV.A.

AGENDA OF: Sugar Land Development Corporation Meeting

INITIATED BY:

Thomas Harris III, City Secretary

PRESENTED BY: *Thomas Harris III, City Secretary*

RESPONSIBLE DEPARTMENT: Agenda Coordinator

AGENDA CAPTION:

Consideration of and action on the minutes of the September 7, 2021 Sugar Land Development Corporation and the October 5, 2021 Joint Sugar Land Development Corporation and Sugar Land 4B meetings.

RECOMMENDED ACTION:

Consider the minutes of the September 7, 2021 meeting.

EXECUTIVE SUMMARY:

Consider the minutes of the September 7, 2021 meeting.

BUDGET

EXPENDITURE REQUIRED:

CURRENT BUDGET:

ADDITIONAL FUNDING:

FUNDING SOURCE:

ATTACHMENTS:

Description	Type
☐ 090721slde_minutes	Other Supporting Documents
☐ 100521slde_sl4b minutes	Other Supporting Documents



SUGAR LAND DEVELOPMENT CORPORATION

MINUTES

Sugar Land City Hall
2700 Town Center Boulevard North
Sugar Land, Texas 77479

TUESDAY, SEPTEMBER 7, 2021

**SUGAR LAND DEVELOPMENT CORPORATION
MEETING OF THE SUGAR LAND DEVELOPMENT CORPORATION
AND THE GOVERNING BODY OF THE CITY OF SUGAR LAND**

**CANE ROOM 161
<https://youtu.be/fqQilFdLr6w>**

4:00 PM

QUORUM PRESENT

All members were present except for Director Zimmerman.

I. ATTENTION:

- A.** *Members of the City Council, Board and/or Commission may participate in deliberations of posted agenda items through videoconferencing means. A quorum of the City Council, Board and/or Commission will be physically present at the above-stated location, and said location is open to the public. Audio/Video of open deliberations will be available for the public to hear/view, and are recorded as per the Texas Open Meetings Act.*

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II. CALL TO ORDER

III. PUBLIC COMMENT

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No member of the public addressed the Board.

IV. MINUTES

- A.** Consideration of and action on the minutes of the August 3, 2021 meeting.

Thomas Harris III, City Secretary

A motion to **Approve**, Item IV-A, Minutes was made by Stewart Jacobson and seconded by Carol McCutcheon, the motion **Passed**.

Ayes: Ferguson, Jacobson, Kermally, Lane, McCutcheon, Whatley

Absent: Zimmerman

V. BUDGET

- A.** Consideration of and action on amending the Fiscal Year 2021 Budget to Projections; adoption of the proposed Fiscal Year 2022 Budget; and a recommendation of the proposed Fiscal Year 2022 Budget to the Mayor and Members of City Council.

Scott Butler, Director of Budget & Strategy

Scott Butler, Director of Budget & Strategy, gave a presentation, comments, and answered questions from the Board.

A motion to **Approve**, Item V-A, amending the Fiscal Year 2021 Budget to Projections; adoption of the proposed Fiscal Year 2022 Budget; and a recommendation of the proposed Fiscal Year 2022 Budget to the Mayor and Members of City Council was made by Carol McCutcheon and seconded by Suzanne Whatley, the motion **Passed**.

Ayes: Ferguson, Jacobson, Kermally, Lane, McCutcheon, Whatley

Absent: Zimmerman

VI. WORKSHOP

- A.** Review of and discussion on a Proposal from Development Counsellors International for the Office of Economic Development's Fiscal Year 2022 Integrated Marketing Program.

Melissa Raju, Tourism and Visitor Services Manager and Kat Saunders, DCI, Senior Vice President, Client Strategy

Melissa Raju, Tourism and Visitor Services Manager; and Kat Saunders, DCI, Senior Vice President, Client Strategy, gave a presentation, comments, and answered questions from the Board.

Teresa Preza, Assistant Director of Economic Development, gave comments and answered questions from the Board.

Board consensus is to bring forward the proposal as presented to the Sugar Land Development Corporation

and Sugar Land 4B Corporation for consideration.

VII. QUARTERLY REPORT

- A. Review of and discussion on Fiscal Year 2021 Third Quarter Report.

Jon Soriano, Economic Development Coordinator

Jon Soriano, Economic Development Coordinator, gave a presentation, comments, and answered questions from the Board.

VIII. DIRECTOR'S REPORT

- A.
 - Marketing, Promotions, and Events
 - Strategic and Capital Projects
 - Business Recruitment and Retention Efforts

Elizabeth Huff, Director of Economic Development

Elizabeth Huff, Director of Economic Development, gave a presentation.

IX. ADJOURNMENT

A motion to **Approve**, Adjournment at 5:05 p.m., was made by Carol McCutcheon and seconded by Jennifer Lane, the motion **Passed**.

Ayes: Ferguson, Jacobson, Kermally, Lane, McCutcheon, Whatley

Absent: Zimmerman

Jennifer Lane, President





CITY OF SUGAR LAND

TUESDAY, OCTOBER 5, 2021

POSTED PUBLIC MEETING MINUTES

4:00 PM

Joint SLDC/SL4B Meeting - Cane Room 161 / <https://youtu.be/0ckKJ4OUhvA>

QUORUM PRESENT

Sugar Land Development Corporation: All members were present except Director Zimmerman.

Sugar Land 4B Corporation: All members were present.

ATTENTION

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I. CALL TO ORDER

II. PUBLIC COMMENT

A. Option 1: Members of the public desiring to submit written comments to be read during the Public Comment or Public Hearing portions of the meeting, will be allowed to submit their comments to the Office of the City Secretary (citysec@sugarlandtx.gov). Written/e-mailed comments must be received by 2:00 p.m., Tuesday, October 5, 2021.

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(citysec@sugarlandtx.gov) or call ((281) 275-2730) the Office of the City Secretary by 2:00 p.m., Tuesday, October 5, 2021. Once properly registered, the Office of the City Secretary will provide instructions for direct participation during the Public Hearing.

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- Political/religious rhetoric, advocacy, or commentary

For questions or assistance, please contact the Office of the City Secretary (281) 275-2730.

No member of the public addressed the Boards.

III. WORKSHOP

- A.** Review of and discussion on the Workforce and Targeted Industry Analysis Strategic Project with the Sugar Land Development Corporation and the Sugar Land 4B Corporation.

Alba Penate-Johnson, Business Development Manager, Devon Rodriguez, Assistant Director of Economic Development, & Chris Engle, Ernst & Young

Alba Penate-Johnson, Business Development Manager; Chris Engle, Ernst &

Young; and John Rees, Ernst & Young, gave a presentation, comments, and answered questions from the Boards.

Devon Rodriguez, Assistant Director of Economic Development and Elizabeth Huff, Director of Economic Development, gave comments and answered questions from the Boards.

IV. CONTRACTS AND AGREEMENTS

- A. Consideration of and action on authorization of a Marketing Contract between the Sugar Land Development Corporation, the Sugar Land 4B Corporation, and Development Counsellors International, LTD.
Melissa Raju, Tourism and Visitor Services Manager and Kat Saunders, DCI, Senior Vice President Client Strategy

Melissa Raju, Tourism and Visitor Services Manager and Kat Saunders, DCI, Senior Vice President Client Strategy, gave a presentation, comments, and answered questions from the Boards.

Devon Rodriguez, Assistant Director of Economic Development, gave comments and answered questions from the Boards.

Sugar Land Development Corporation: A motion to **Approve**, Item IV-A, a Marketing Contract between the Sugar Land Development Corporation, the Sugar Land 4B Corporation, and Development Counsellors International, LTD., was made by Naushad Kermally and seconded by Suzanne Whatley, the motion **Passed**.

Ayes: Ferguson, Jacobson, Kermally, Lane, McCutcheon, Whatley

Absent: Zimmerman

Sugar Land 4B Corporation: A motion to **Approve**, Item IV-A, a Marketing Contract between the Sugar Land Development Corporation, the Sugar Land 4B Corporation, and Development Counsellors International, LTD., was made by Carol McCutcheon and seconded by Billy Atkinson, the motion **Passed**.

Ayes: Atkinson, Ghesani, Kermally, McCutcheon, Saunders, Suhl, Whatley

V. DIRECTOR'S REPORT

- A. • Marketing, Promotions, and Events
Strategic and Capital Projects

- Business Recruitment and Retention Efforts

Elizabeth Huff, Director of Economic Development

Elizabeth Huff, Director of Economic Development, gave a presentation.

VI. ADJOURNMENT

Sugar Land Development Corporation: A motion to **Approve**, Adjournment at 5:04 p.m., was made by Stewart Jacobson and seconded by Jennifer Lane, the motion **Passed**.

Ayes: Ferguson, Jacobson, Kermally, Lane, McCutcheon

Absent: Zimmerman

Sugar Land 4B Corporation: A motion to **Approve**, Adjournment at 5:04 p.m., was made by Amy Suhl and seconded by Suzanne Whatley, the motion **Passed**.

Ayes: Atkinson, Ghesani, Kermally, McCutcheon, Saunders, Suhl, Whatley

Jennifer Lane, President, SLDC

Amy Suhl, President, SL4B





Sugar Land Development Corporation
NOVEMBER 2, 2021

AGENDA REQUEST NO: V.A.

AGENDA OF: Sugar Land Development Corporation Meeting

INITIATED BY: *Jennifer Brown, Director of Finance*

PRESENTED BY: *Jennifer Brown, Director of Finance*

RESPONSIBLE DEPARTMENT: Finance

AGENDA CAPTION:

Consideration of and action on **SUGAR LAND DEVELOPMENT CORPORATION RESOLUTION NO. 2021-11-03**: RESOLUTION AUTHORIZING THE ISSUANCE OF SUGAR LAND DEVELOPMENT CORPORATION SALES TAX REVENUE REFUNDING BONDS, SERIES 2021; AUTHORIZING THE REFUNDING OF CERTAIN OUTSTANDING OBLIGATIONS AND THE EXECUTION AND DELIVERY OF AN ESCROW AGREEMENT AND THE SUBSCRIPTION FOR AND PURCHASE OF CERTAIN ESCROWED SECURITIES AND CERTAIN OTHER PROCEDURES AND PROVISIONS RELATING THERETO.

RECOMMENDED ACTION:

Consideration and approval of Resolution No. 2021-11-03 authorizing the issuance of Sugar Land Development Corporation Sales Tax Revenue Refunding Bonds Series 2021.

EXECUTIVE SUMMARY:

Background

The Sugar Land Development Corporation has issued bonds to finance construction of capital projects funded by the Corporation over the last 28 years. These bonds are Economic Development Sales Tax Revenue Bonds and are supported by the Corporation's 1/4 cent sales tax approved by voters in 1993. This sales tax is restricted on what it can be utilized for under the Economic Development Act. Property taxes are not pledged or used to support the bonds. Projects funded by the Corporation from proceeds of previous bond

issues include infrastructure for Sugar Land Town Square, and design and construction of Smart Financial Centre at Sugar Land.

Refunding bonds are like refinancing a mortgage; new bonds are issued at a lower interest rate, the old bonds are retired, and the Corporation benefits from debt service savings in future years. The City’s Financial Management Policy Statements set guidelines for the evaluation of refunding opportunities with savings evaluated net of issuance costs and accounted for as a percentage of refunded principal, with a minimum savings of at least 3 percent to be considered before moving forward with a refunding.

There is one bond issue for the Sugar Land Development Corporation that is eligible for a current refunding with tax-exempt bonds. The issue is callable February 15, 2022 and will be redeemed from proceeds of the refunding bonds.

Issue to Refund	Call Date	Maturities	Avg Coupon	Principal
Series 2013 Sales Tax Revenue Bonds	2/15/22	2023-2038	4.49%	\$ 5,350,000

Based on market conditions as of September 27, 2021, the refunding shows net present value savings of \$793,516 or 14.832% of principal, with debt service savings of approximately \$60,608 per year over 16 years. The actual savings received depends on market conditions on the date of the sale.

Ratings calls were held with Moody's Investors Service and Standard & Poor's (S&P) on October 11 & 12 to discuss the refunding bonds. Moody's affirmed their A1 rating for the Corporation. S&P also affirmed their rating of A+ for the Corporation. A due diligence call was held with Underwriter’s Counsel on October 22, 2021. This issue will be insured through the purchase of bond insurance from Assured Guaranty Municipal.

The Preliminary Official Statement provides information about the Corporation, the proposed bonds and the City’s most recent audited financial statements. This information is used by investors and underwriters in making investment decisions relative to the Corporation's bonds. The estimated par amount of the bonds is \$4,575,000. Depending on market conditions on the date of the sale, this amount may change.

The bonds are planned to be sold as a negotiated sale with BOK Financial on November 2, 2021. The recommendation for a negotiated sale is due to uncertainty in the financial markets due to supply issues. With a negotiated sale, the Corporation has a commitment from the underwriter to purchase the bonds and there is less risk from the market. City staff and representatives from Hilltop Securities, the City's financial advisor, will present the results of the sale at the meeting scheduled for November 2, 2021. Under the bylaws of the

Corporation, City Council must approve the Corporation's debt issues; Resolution 21-32 will be placed on the City Council agenda for approval of the refunding bonds after approval by the Corporation.

The proposed refunding and bond issuance plan for FY22 was reviewed with the City Council Finance/Audit Committee at their October 15, 2021 meeting and the committee supports the refunding. Upon approval of the sale, the funds will be delivered on November 30, 2021.

Staff recommends approval of Resolution No. 2021-11-03 authorizing the issuance of Sugar Land Development Corporation Sales Tax Revenue Refunding Bonds Series 2021.

BUDGET

EXPENDITURE REQUIRED:

CURRENT BUDGET:

ADDITIONAL FUNDING:

FUNDING SOURCE:

ATTACHMENTS:

Description	Type
□ Preliminary Official Statement	Preliminary Official Statement (POS)
□ Resolution No. 2021-11-03	Resolutions
□ PowerPoint	Presentation

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT

Dated October 26, 2021

**Ratings: Underlying/Insured
Moody's: "A1"
S&P: "A+/"AA"
(See "BOND INSURANCE"
"OTHER INFORMATION -
RATINGS" herein)**

NEW ISSUE - Book-Entry-Only

In the opinion of Bond Counsel (defined below), under current law and subject to conditions described in the Section herein "Tax Exemption," interest on the Bonds (a) is not included in gross income for federal income tax purposes, and (b) is not an item of tax preference for purposes of the federal alternative minimum income tax. A holder may be subject to other federal tax consequences as described in the Section herein "Tax Exemption."

THE BONDS WILL NOT BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS

\$4,575,000*
SUGAR LAND DEVELOPMENT CORPORATION
(Fort Bend County)
SALES TAX REVENUE REFUNDING BONDS, SERIES 2021

Dated Date: November 1, 2021

Due: February 15, as shown on inside cover

PAYMENT TERMS . . . Interest on the \$4,575,000* Sugar Land Development Corporation Sales Tax Revenue Refunding Bonds, Series 2021 (the "Bonds") will accrue from the "Delivery Date" and will be payable February 15, 2022 and each August 15 and February 15 thereafter until maturity or prior redemption and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC"), pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in principal denominations of \$5,000 or integral multiples thereof. **No physical delivery of the Bonds will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "THE BONDS - BOOK-ENTRY-ONLY SYSTEM" herein. The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (see "THE BONDS - PAYING AGENT/REGISTRAR").

AUTHORITY FOR ISSUANCE . . . The Bonds are being issued by the Sugar Land Development Corporation (the "Corporation") pursuant to Chapters 501 and 504, Texas Local Government Code (the "Act"). The Bonds and their terms are governed by the provisions of a resolution (the "Resolution") adopted by the Corporation (see "THE BONDS - AUTHORITY FOR ISSUANCE").

The Bonds are special obligations of the Corporation, payable from and secured by a lien on and pledge of certain "Pledged Revenues", which include the gross proceeds of a 1/4 of 1% sales and use tax levied within the City of Sugar Land, Texas (the "City") for the benefit of the Corporation (see "SELECTED PROVISIONS OF THE BOND RESOLUTION").

The Bonds are payable solely by a pledge of and lien on the moneys described in the Resolution and not from any other revenues, properties or income of the Corporation. Neither the State of Texas (the "State"), Fort Bend County, the City nor any political corporation, subdivision, or agency of the State shall be obligated to pay the Bonds or the interest thereon, and neither the faith and credit nor the taxing power of the State, Fort Bend County, the City, or any political corporation, subdivision, or agency thereof, except as authorized by the Act, is pledged to the payment of the principal of or interest on the Bonds (see "THE BONDS - SECURITY AND SOURCE OF PAYMENT").

PURPOSE . . . Proceeds from the sale of the Bonds will be used (i) to refund a portion of the Corporation's outstanding debt in order to lower the overall debt service requirements of the Corporation and (ii) to pay the costs of issuance of the Bonds.



BOND INSURANCE . . . The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by ASSURED GUARANTY MUNICIPAL CORP. (See, "BOND INSURANCE")

See Maturity Schedule on the Inside Cover Page

OPTIONAL REDEMPTION . . . The Corporation reserves the right, at its option, to redeem Bonds having stated maturities on and after February 15, 2031, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2030, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see "THE BONDS - OPTIONAL REDEMPTION").

MANDATORY SINKING FUND REDEMPTION . . . In addition to the foregoing optional redemption provision, if principal amounts designated in the serial maturity schedule as shown on the inside cover page are combined to create "Term Bonds", each such Term Bond shall be subject to mandatory sinking fund redemption commencing on February 15 of the first year which has been combined to form such Term Bond and continuing on February 15 in each year thereafter until the stated maturity date of that Term Bond, and the amount required to be redeemed in any year shall be equal to the principal amount for such year set forth in the serial maturity schedule as shown on the inside cover page. Term Bonds to be redeemed in any year by mandatory sinking fund redemption shall be redeemed at par and shall be selected by lot from and among the Term Bonds then subject to redemption. The Corporation, at its option, may credit against any mandatory sinking fund redemption requirement Term Bonds of the maturity then subject to redemption which have been purchased and canceled by the Corporation or have been redeemed and not theretofore applied as a credit against any mandatory sinking fund redemption requirement.

LEGALITY . . . The Bonds are offered for delivery when, as and if issued and received by the underwriter listed below (the "Underwriter") and subject to the approving opinion of the Attorney General of Texas and the opinion of Hunton Andrews Kurth LLP, Bond Counsel, Houston, Texas (see APPENDIX C, "FORM OF BOND COUNSEL'S OPINION"). Certain legal matters will be passed upon for the Underwriter by its counsel Orrick, Herrington & Sutcliffe LLP, Houston, Texas.

DELIVERY . . . It is expected that the Bonds will be available for delivery through DTC on November 30, 2021.

BOK FINANCIAL SECURITIES, INC.

* Preliminary, subject to change.

MATURITY SCHEDULE

Principal*	Maturity Feb 15	Interest Rate	Price or Yield ⁽¹⁾	CUSIP Numbers ⁽²⁾	Principal*	Maturity Feb 15	Interest Rate	Price or Yield ⁽¹⁾	CUSIP Numbers ⁽²⁾
\$ 190,000	2023	%	%		\$ 285,000	2031 ⁽³⁾	%	%	
195,000	2024				300,000	2032 ⁽³⁾			
205,000	2025				320,000	2033 ⁽³⁾			
220,000	2026				335,000	2034 ⁽³⁾			
230,000	2027				355,000	2035 ⁽³⁾			
240,000	2028				370,000	2036 ⁽³⁾			
260,000	2029				390,000	2037 ⁽³⁾			
270,000	2030				410,000	2038 ⁽³⁾			

(Interest Accrued from Delivery Date)

* Preliminary, subject to change.

- (1) The initial reoffering prices or yields on the Bonds are furnished by the Underwriter and represent the initial offering prices or yields to the public, which may be changed by the Underwriter at any time.
- (2) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP services. CUSIP numbers are provided for a convenience of reference only. None of the Corporation, the Financial Advisor or the Underwriter take responsibility for the accuracy of such numbers.
- (3) The Bonds maturing on or after February 15, 2031 are subject to redemption, at the option of the Corporation, on February 15, 2030 or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. See "THE BONDS – OPTIONAL REDEMPTION."

Assured Guaranty Municipal Corp. ("AGM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE" and "APPENDIX D - SPECIMEN MUNICIPAL BOND INSURANCE POLICY".

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), this document constitutes an official statement of the Corporation with respect to the Bonds that has been deemed "final" by the Corporation as of the date except for the omission of no more than the information permitted by Rule 15c2-12

This Official Statement, which includes the cover page, schedule and Appendices A and B hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale.

No dealer, broker, salesperson or other person has been authorized to give information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representation must not be relied upon.

The information set forth herein has been obtained from the Corporation and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the Financial Advisor. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized.

Neither the Corporation, the Financial Advisor (hereinafter defined), the Underwriter nor Bond Counsel make any representation or warranty with respect to the information contained in this Official Statement regarding DTC or its book-entry-only system as described under "THE BONDS - Book-Entry-Only System" as such information has been provided by DTC.

The information and expressions of opinion contained herein 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 Corporation or other matters described herein since the date hereof. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the Corporation's undertaking to provide certain information on a continuing basis.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACT. THE REGISTRATION OR QUALIFICATION OF THE OBLIGATIONS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAW OF THE STATES IN WHICH THE OBLIGATIONS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF.

This Official Statement contains "Forward-Looking" statements within the meaning of Section 21E of the Securities and Exchange Act of 1934, as amended. Such statements may involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements to be different from the future results, performance and achievements expressed or implied by such forward-looking statements. Investors are cautioned that the actual results could differ materially from those set forth in the forward-looking statements.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

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

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

References to website 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 websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for any purposes.

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The cover page hereof, this page, the appendices included herein and any addenda, supplement or amendment hereto, are part of the Official Statement.

OFFICIAL STATEMENT SUMMARY

This summary is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement. The offering of the Bonds to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this summary from this Official Statement or to otherwise use it without the entire Official Statement.

- THE CORPORATION** The Sugar Land Development Corporation (the "Corporation") is a non-profit industrial development corporation of the State of Texas (the "State"), located in Fort Bend County, Texas (see "INTRODUCTION - DESCRIPTION OF THE CORPORATION").
- THE BONDS** The bonds are issued as \$4,575,000* Sales Tax Revenue Refunding Bonds, Series 2021 (the "Bonds"). The Bonds are issued as serial bonds maturing February 15, 2023 through February 15, 2038, unless the underwriter listed on the cover page hereof (the "Underwriter") designates one or more maturities as "Term Bonds" (see "THE BONDS - DESCRIPTION OF THE BONDS").
- PAYMENT OF INTEREST** Interest on the Bonds accrues from date of delivery of the Bonds to the Underwriter, and will be payable February 15, 2022, and each August 15 and February 15 thereafter until maturity or prior redemption (see "THE BONDS - DESCRIPTION OF THE BONDS" and "THE BONDS - OPTIONAL REDEMPTION").
- AUTHORITY FOR ISSUANCE** The Bonds are being issued by the Corporation pursuant to the Chapters 501 and 504, Texas Local Government Code. The Bonds and their terms are governed by the provisions of the Resolution adopted by the Corporation.
- SECURITY FOR THE BONDS** The Bonds are special obligations of the Corporation, payable from and secured by a lien on and pledge of certain "Pledged Revenues", which include the gross proceeds of a 1/4 of 1% sales and use tax levied within the City of Sugar Land, Texas for the benefit of the Corporation (see "THE BONDS - SECURITY AND SOURCE OF PAYMENT").
- REDEMPTION** The Corporation reserves the right, at its option, to redeem Bonds having stated maturities on and after February 15, 2031, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2030, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. Additionally, the Bonds may be subject to mandatory redemption in the event the Underwriter elects to aggregate one or more maturities as a Term Bond (see "THE BONDS - MANDATORY SINKING FUND REDEMPTION").
- TAX EXEMPTION** In the opinion of Bond Counsel, interest on the Bonds is excludable from gross income for federal income tax purposes under existing law, subject to the matters described under "TAX EXEMPTION" herein and is not includable in the alternative minimum taxable income of individuals. See "TAX EXEMPTION" for a discussion of the opinion of Bond Counsel, including the alternative minimum tax consequences for corporations.
- USE OF PROCEEDS** Proceeds from the sale of the Bonds will be used (i) to refund a portion of the Corporation's outstanding debt in order to lower the overall debt service requirements of the Corporation and (ii) to pay the costs of issuance of the Bonds.
- MUNICIPAL BOND INSURANCE AND RATINGS** Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") is expected to assign a municipal bond rating of "A1" (based up on the highest of (i) AGM's financial strength rating; (ii) any published underlying Moody's rating assigned to the Bonds, or (iii) any published enhanced Moody's rating assigned to the Bonds based on a state credit enhancement program) by Moody's and "AA" by S&P to this issue of the Bonds, a municipal bond insurance policy guaranteeing the timely payment of principal of and interest on the Bonds will be issued by Assured Guaranty Municipal Corp. The Bonds and the presently outstanding debt of the District are rated "A1" by Moody's and "A+" by S&P, without regard to credit enhancement. (see BOND INSURANCE and "OTHER INFORMATION – Ratings").
- BOOK-ENTRY-ONLY SYSTEM** The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the beneficial owners thereof. Principal of, premium, if any, and interest on the Bonds will be payable by the The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, the initial paying agent/registrars, to Cede & Co., the nominee of DTC,

*Preliminary, subject to change.

which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds (see "THE BONDS - BOOK-ENTRY-ONLY SYSTEM").

PAYMENT RECORD The Corporation has never defaulted in payment of its bonds.

In the opinion of Bond Counsel (defined below), under current law and subject to conditions described in the Section herein "Tax Exemption," interest on the Bonds (a) is not included in gross income for federal income tax purposes, and (b) is not an item of tax preference for purposes of the federal alternative minimum income tax. A holder may be subject to other federal tax consequences as described in the Section herein "Tax Exemption."

CORPORATION ADMINISTRATION

THE CORPORATIONS' BOARD OF DIRECTORS

<u>Board of Directors</u>	<u>Position</u>	<u>Term Expires</u>
Jennifer Lane	President	May 2022
Stewart Jacobson	Vice President	May 2024
Joe Zimmerman	Director	May 2022
William Ferguson	Director	May 2022
Carol McCutcheon	Director	May 2024
Naushad Kermally	Director	May 2024
Suzanne Whatley	Director	May 2024

CONSULTANTS AND ADVISORS

Auditors Weaver and Tidwell, LLP
Houston, Texas

Bond Counsel Hunton Andrews Kurth LLP
Houston, Texas

Financial Advisor.....Hilltop Securities Inc.
Houston, Texas

PRELIMINARY OFFICIAL STATEMENT

RELATING TO

\$4,575,000*

**SUGAR LAND DEVELOPMENT CORPORATION
SALES TAX REVENUE REFUNDING BONDS, SERIES 2021**

INTRODUCTION

This Official Statement, which includes the cover page, Schedule I and Appendices A and B hereto, provides certain information regarding the issuance of \$4,575,000* Sugar Land Development Corporation Sales Tax Revenue Refunding Bonds, Series 2021 (the "Bonds"). Capitalized terms used in this Official Statement have the same meanings assigned to such terms in the resolution to be adopted on the date of sale of the Bonds (the "Resolution"), which will authorize the issuance of the Bonds, except as otherwise indicated herein (see "SELECTED PROVISIONS OF THE BOND RESOLUTION").

There follows in this Official Statement descriptions of the Bonds and certain information regarding the Sugar Land Development Corporation (the "Corporation") and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from the Corporation's Financial Advisor, Hilltop Securities Inc., Houston, Texas.

DESCRIPTION OF THE CORPORATION

The Corporation is a non-profit corporation duly organized and operating under the laws of the State of Texas (the "State"), particularly the Chapters 501 and 504, Texas Local Government Corporation (the "Act"). The Corporation was created following an election held by the City of Sugar Land, Texas (the "City"), in 1993 (the "Election"), on the question of the levy of a 1/4 of 1% local sales and use tax in the City for the benefit of the Corporation. The purpose of the Corporation, as currently organized, is to promote and provide for the economic development within the City and the State in order to eliminate unemployment and underemployment, and to promote and encourage employment and the public welfare of, for, and on behalf of the City by developing, implementing, providing, and financing projects under the Act. The City Council of the City appoints the members of the Board of Directors of the Corporation and under the provisions of the Act and the Corporation's by-laws, is required to approve certain actions of the Corporation, including the issuance of the Bonds by the Corporation. Other than matters that statutorily require the approval of City Council, the Corporation's Board of Directors routinely meets and operates independently. Their actions cannot otherwise bind the City or the City Council.

PLAN OF FINANCING

PURPOSE

Proceeds from the sale of the Bonds will be used (i) to refund a portion of the Corporation's Sales Tax Revenue Bonds, Series 2013 as described in Schedule I hereto (the "Refunded Bonds"), and (ii) to pay the costs incurred in connection with the issuance of the Bonds. See Schedule I for a detailed listing of the Refunded Bonds and their respective call dates and redemption prices.

REFUNDED BONDS

The principal of and interest due on the Refunded Bonds are to be paid on the scheduled interest payment dates, maturity dates and the redemption dates of such Refunded Bonds, from funds to be deposited pursuant to a certain Escrow Agreement (the "Escrow Agreement") between the Corporation and The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (the "Escrow Agent"). The Resolution provides that from the proceeds of the sale of the Bonds received from the underwriter listed on the cover page hereof (the "Underwriter") and other available moneys of the Corporation, the Corporation will deposit with the Escrow Agent in an escrow fund (the "Escrow Fund") the amount necessary to accomplish the discharge and final payment of the Refunded Bonds on their respective maturity dates and redemption date. Under the Escrow Agreement, the Escrow Fund is irrevocably pledged to the payment of the principal of and interest on the Refunded Bonds.

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*Preliminary, subject to change.

THE BONDS

DESCRIPTION OF THE BONDS

The Bonds are dated November 1, 2021 and mature on February 15 in each of the years and in the amounts shown on the inside cover page hereof. Interest will be computed on the basis of a 360-day year of twelve 30-day months and will be payable on February 15, 2022 and each August 15 and February 15 thereafter until maturity or prior redemption. The definitive Bonds will be issued only in fully registered form in any integral multiple of \$5,000 principal for any one maturity and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC"), pursuant to the Book-Entry-Only System described herein. **No physical delivery of the Bonds will be made to the beneficial owners thereof.** Principal of, premium, if any, and interest on the Bonds will be payable by the The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, the initial paying agent/registrars (the "Paying Agent/Registrar") to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM" herein.

AUTHORITY FOR ISSUANCE

The Bonds are being issued by the Corporation pursuant to the Act. The Bonds and their terms are governed by the provisions of the Resolution adopted by the Board of Directors of the Corporation.

SECURITY AND SOURCE OF PAYMENT

The Bonds are special obligations of the Corporation and are secured by a lien on and pledge of certain "Pledged Revenues, which include the Sales Tax Revenues (as defined in the Resolution) received from the Sales Tax (as defined in the Resolution) levied within the City, the levy of which was approved and authorized at the Election. **The Bonds do not constitute a debt of the City, the State or any agency, political corporation or subdivision thereof. Neither the full faith and credit of the State, Fort Bend County, the City or any agency, political corporation or subdivision thereof, has been pledged for the payment of the Bonds, except as described herein.**

The Act contains provisions which would allow the voters of the City to either reduce or repeal the Sales Tax. On July 8, 1992, the Texas Attorney General issued an Attorney General's Opinion (Opinion No. DM-137), which held that a "reduction in the sales tax rate, or a limitation on the amount of time the tax may be collected, may not be applied to any bonds issued prior to the date of the rollback election." In so ruling, the Attorney General noted any "subsequent legislation which purports to permit the reduction or other limitation of that tax is ineffective to do so, because such alteration would impair the obligation of the contract between the city and such bondholders," and in effect be a violation of Article 1, Section 10 of the United States Constitution and Article 1, Section 16 of the Texas Constitution.

Under current law, the Sales Tax may not be collected after the last day of the first calendar quarter occurring after notification to the State Comptroller of Public Accounts (the "Comptroller") by the Corporation that all bonds or other obligations of the Corporation that are payable in whole or in part from the proceeds of the Sales Tax, including any refunding bonds or other obligations, have been paid in full or the full amount of money necessary to defease such bonds and other obligations has been set aside in a trust account dedicated to their payment.

OPTIONAL REDEMPTION

The Corporation reserves the right, at its option, to redeem Bonds having stated maturities on and after February 15, 2031, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2030, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. If less than all of the Bonds are to be redeemed, the Corporation may select the maturities of Bonds to be redeemed. If a Bond (or any portion of the principal sum thereof) shall have been called for redemption and notice of such redemption shall have been given, such Bond (or the principal amount thereof to be redeemed) shall become due and payable on such redemption date and interest thereon shall cease to accrue from and after the redemption date, provided funds for the payment of the redemption price and accrued interest thereon are held by the Paying Agent/Registrar on the redemption date.

MANDATORY SINKING FUND REDEMPTION

In addition to the foregoing optional redemption provision, if principal amounts designated in the serial maturity schedule as shown on the inside cover page are combined to create "Term Bonds", each such Term Bond shall be subject to mandatory sinking fund redemption commencing on February 15 of the first year which has been combined to form such Term Bond and continuing on February 15 in each year thereafter until the stated maturity date of that Term Bond, and the amount required to be redeemed in any year shall be equal to the principal amount for such year set forth in the serial maturity schedule as shown on the inside cover page. Term Bonds to be redeemed in any year by mandatory sinking fund redemption shall be redeemed at par and shall be selected by lot from and among the Term Bonds then subject to redemption. The Corporation, at its option, may credit against any mandatory sinking fund redemption requirement Term Bonds of the maturity then subject to redemption which have been purchased and canceled by the Corporation or have been redeemed and not theretofore applied as a credit against any mandatory sinking fund redemption requirement.

NOTICE OF REDEMPTION

Not less than thirty (30) days prior to a redemption date for the Bonds, the Corporation shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to the registered owners of the Bonds to be redeemed, in whole or in part, at the address of the registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice. ANY NOTICE SO MAILED SHALL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN, WHETHER OR NOT THE REGISTERED OWNER RECEIVES SUCH NOTICE. NOTICE HAVING BEEN SO GIVEN, THE BONDS CALLED FOR REDEMPTION SHALL BECOME DUE AND PAYABLE ON THE SPECIFIED REDEMPTION DATE, AND NOTWITHSTANDING THAT ANY BOND OR PORTION THEREOF HAS NOT BEEN SURRENDERED FOR PAYMENT, INTEREST ON SUCH BOND OR PORTION THEREOF SHALL CEASE TO ACCRUE.

DEFEASANCE

The Resolution provides for the defeasance of the Bonds in any manner now or hereafter permitted by law.

Upon depositing funds for such defeasance as permitted by law, such Bonds shall no longer be regarded to be outstanding or unpaid; provided, however, the Corporation has reserved the option, to be exercised at the time of the defeasance of the Bonds, to call for redemption, at an earlier date, those Bonds which have been defeased to their maturity date, if the Corporation: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption; (ii) gives notice of the reservation of that right to the owners of the Bonds immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

BOOK-ENTRY-ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and accredited by DTC while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The Corporation and the Underwriter consider the source of such information to be reliable but takes no responsibility for the accuracy or completeness thereof.

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

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered security certificate for each maturity will be issued for the Bonds in the aggregate principal amount thereof 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"). Direct Participants and Indirect Participants are referred to collectively as the "Participants". DTC has a Standard & Poor's rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual underwriter of each Bond ("Beneficial Owner") is in turn to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Participant through which the Beneficial Owners entered into the transaction. Transfers of

ownership interest in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participant to whose account such Bonds are credited, which may or may not be a Beneficial Owner. The 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 a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Corporation 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 the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

All 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 Corporation or the Paying Agent/Registrar on payable dates 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 in 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 Corporation, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest to DTC is the responsibility of the Corporation or the Paying Agent/Registrar, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Participants.

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

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

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-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Resolution will be given only to DTC.

Information concerning DTC and the Book-Entry-Only System has been obtained from DTC and is not guaranteed as to accuracy or completeness by and is not to be construed as a representation by the Corporation, the Financial Advisor or the Underwriter of the Bonds.

EFFECT OF TERMINATION OF BOOK-ENTRY-ONLY SYSTEM In the event that the Book-Entry-Only System is discontinued by DTC or the use of the Book-Entry-Only System is discontinued by the Corporation, printed Bonds will be issued to the holders and the Bonds will be subject to transfer, exchange and registration provisions as set forth in the Resolution and summarized under "THE BONDS - TRANSFER, EXCHANGE AND REGISTRATION" below.

PAYING AGENT/REGISTRAR

The initial Paying Agent/Registrar is The Bank of New York Mellon Trust Company, N.A., Dallas, Texas. In the Resolution, the Corporation retains the right to replace the Paying Agent/Registrar. The Corporation covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are duly paid and any successor Paying Agent/Registrar shall be a commercial bank or trust company organized under the laws of the State or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar for the Bonds. Upon any change in the Paying Agent/Registrar for the Bonds, the Corporation agrees to promptly cause a written notice thereof to be sent to each registered owner of the Bonds by United States mail, first class, postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

TRANSFER, EXCHANGE AND REGISTRATION

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 to the Paying Agent/Registrar and such transfer or exchange shall be without expense 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. Bonds may be assigned by the execution of an assignment form on the respective Bonds or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. New Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bonds being transferred or exchanged, at the designated office of the Paying Agent/Registrar, or sent by United States mail, first class, postage prepaid, to the new registered owner or his designee. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the registered owner or assignee of the registered owner in not more than three (3) business days after the receipt of the Bonds to be canceled, and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in an exchange or transfer shall be in any integral multiple of \$5,000 for any one maturity and for a like aggregate principal amount as the Bonds surrendered for exchange or transfer. See "BOOK-ENTRY-ONLY SYSTEM" herein for a description of the system to be utilized initially in regard to ownership and transferability of the Bonds. Neither the Corporation nor the Paying Agent/Registrar shall be required to transfer or exchange any Bond called for redemption, in whole or in part, within forty-five (45) days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the registered owner of the uncalled balance of a Bond.

RECORD DATE FOR INTEREST PAYMENT

The record date ("Record Date") for the interest payable on the Bonds on any interest payment date means the close of business on the last business day of the preceding month.

The record date ("Record Date") for the interest payable on the Bonds on any interest payment date means the close of business on the last business day of the preceding month. In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Corporation. Notice of the Special Record Date and of the scheduled payment date of the past due interest ("Special Payment Date", which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Holder of a Bond appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing of such notice.

BONDHOLDERS' REMEDIES

The Resolution does not establish specific events of default with respect to the Bonds. Under State law, there is no right to the acceleration of maturity of the Bonds upon the failure of the Corporation to observe any covenant under the Resolution. Although a registered owner of Bonds could presumably obtain a judgment against the Corporation if a default occurred in the payment of the principal of or interest on any such Bonds, such judgment could not be satisfied by execution against any property of the Corporation other than the Pledged Revenues. Such registered owner's only practical remedy, if a default occurs, is a mandamus or mandatory injunction proceeding to compel the Corporation to observe or perform any of its obligations under the Resolution. 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. The Resolution does not provide for the appointment of a trustee to represent the interests of the bondholders upon any failure of the Corporation to perform in accordance with the terms of the Resolution, or upon any other condition. Furthermore, the Corporation is eligible to seek relief from its creditors under the U.S. Bankruptcy Code. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Resolution and the Bonds are qualified with respect to the customary rights of debtors relative to their creditors.

USE OF BOND PROCEEDS

Proceeds from the sale of the Bonds are expected to be expended as follows:

<u>Sources of Funds:</u>	
Par Amount of Bonds	\$ -
[Net] Original Premium	-
Total:	<u>\$ -</u>
 <u>Uses of Funds:</u>	
Deposit to Escrow Fund	\$ -
Underwriter's Discount	-
Costs of Issuance	-
Total Uses	<u>\$ -</u>

BOND INSURANCE

BOND INSURANCE POLICY

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

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

Assured Guaranty Municipal Corp.

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

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

Current Financial Strength Ratings

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

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

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

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

Capitalization of AGM

At June 30, 2021:

- The policyholders' surplus of AGM was approximately \$2,943 million.
- The contingency reserve of AGM was approximately \$947 million.

- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately \$2,137 million. Such amount includes (i) 100% of the net unearned premium reserve and deferred ceding commission income of AGM, and (ii) the net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiaries Assured Guaranty UK Limited ("AGUK") and Assured Guaranty (Europe) SA ("AGE").

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

Merger of Municipal Assurance Corp. ("MAC") into AGM

On April 1, 2021, MAC was merged into AGM, with AGM as the surviving company. Prior to that merger transaction, MAC was an indirect subsidiary of AGM (which indirectly owned 60.7% of MAC) and AGM's affiliate, Assured Guaranty Corp., a Maryland-domiciled insurance company ("AGC") (which indirectly owned 39.3% of MAC). In connection with the merger transaction, AGM and AGC each reassumed the remaining outstanding par they ceded to MAC in 2013, and AGC sold its indirect share of MAC to AGM. All of MAC's direct insured par exposures have become insured obligations of AGM.

Incorporation of Certain Documents by Reference

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

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2020 (filed by AGL with the SEC on February 26, 2021);
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2021 (filed by AGL with the SEC on May 7, 2021); and
- (iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2021 (filed by AGL with the SEC on August 6, 2021).

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

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

Miscellaneous Matters

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

DEBT INFORMATION

TABLE 1 – PRO FORMA DEBT SERVICE REQUIREMENTS

Year End 9/30	Outstanding Debt Service ⁽¹⁾		The Bonds ⁽²⁾			Grand Total Debt Service	% of Principal Retired
	Principal	Interest	Principal	Interest	Total		
	2022	\$ 2,140,000	\$ 1,660,650	\$ -	\$ 151,229		
2023	1,985,000	1,550,181	190,000	208,750	398,750	3,933,931	
2024	2,070,000	1,435,631	195,000	199,125	394,125	3,899,756	
2025	2,165,000	1,313,328	205,000	189,125	394,125	3,872,453	
2026	1,340,000	1,214,219	220,000	178,500	398,500	2,952,719	26.07%
2027	1,395,000	1,133,878	230,000	167,250	397,250	2,926,128	
2028	1,450,000	1,050,306	240,000	155,500	395,500	2,895,806	
2029	1,510,000	968,075	260,000	143,000	403,000	2,881,075	
2030	1,570,000	887,225	270,000	129,750	399,750	2,856,975	
2031	1,635,000	805,138	285,000	115,875	400,875	2,841,013	48.02%
2032	1,700,000	721,763	300,000	101,250	401,250	2,823,013	
2033	1,770,000	635,013	320,000	85,750	405,750	2,810,763	
2034	1,845,000	556,169	335,000	69,375	404,375	2,805,544	
2035	1,930,000	485,388	355,000	53,900	408,900	2,824,288	
2036	2,030,000	408,600	370,000	39,400	409,400	2,848,000	75.19%
2037	2,130,000	325,400	390,000	24,200	414,200	2,869,600	
2038	2,240,000	238,000	410,000	8,200	418,200	2,896,200	
2039	2,355,000	146,100	-	-	-	2,501,100	
2040	2,475,000	49,500	-	-	-	2,524,500	100.00%
	<u>\$ 35,735,000</u>	<u>\$15,584,563</u>	<u>\$ 4,575,000</u>	<u>\$ 2,020,179</u>	<u>\$ 6,595,179</u>	<u>\$ 57,914,742</u>	

(1) Excludes the Refunded Bonds.

(2) Interest on the Bonds has been estimated for the purpose of illustration. Preliminary, subject to change.

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THE SALES TAX

SOURCE AND AUTHORIZATION

In 1989, the Act was amended to add Section 4A to allow certain eligible cities, subject to the approval of a majority of the voters voting at an election held for such purpose, to levy an optional additional sales and use tax to be used for the economic development purposes stated in the Act. At an election held in the City in 1993, a majority of the voters of the City approved the levy of the sales tax authorized by Section 4A. Under Section 4A of the Act and the Election, a tax is authorized to be levied and collected against the receipts from the sale of retail or taxable items within the City at a rate of 1/4 of one percent. The Act also authorizes the imposition of a 1/2 percent excise tax on the use, storage or other consumption of taxable tangible personal property purchased, leased or rented from a retailer within the City. In addition to the Section 4A 1/4 percent sales tax, the City levies a sales and use tax in the amount of 1 and 1/2 percent for general City financial purposes, and a 1/4 percent tax for an economic development corporation created by the City in accordance with Section 4B of the Act (the "4B Corporation") for economic development and certain public improvement projects, which taxes in the aggregate total 2 percent. In accordance with State law, the City and related economic development corporations are restricted from increasing total sales and use taxes above 2 percent. The imposition, computation, administration, governance, abolition and use of the Sales Tax is governed by Chapter 151, Texas Tax Code, as amended (the "Texas Limited Sales, Excise, and Use Tax Act") except to the extent that such Chapter is in conflict with Section 4A of the Act, and by Chapter 321 Texas Tax Code, as amended (the "Municipal Sales and Use Tax Act"), and reference is made thereto for a more complete description of the Sales Tax.

In general, as applied to the Sales Tax, a taxable item includes any tangible personal property and certain taxable services. "Taxable services" include certain amusement services, cable television services, motor vehicle parking and storage services, the repair, maintenance and restoration of most tangible personal property, certain telecommunication services, credit reporting services, debt collection services, insurance services, information services, real property services, data processing services, real property repair and remodeling and security services. Certain items are exempted by State law from sales and use taxes, including items purchased for resale, food products (except food products which are sold for immediate consumption, e.g. by restaurants, lunch counters, etc.), health care supplies (including medicines, corrective lens and various therapeutic appliances and devices), agricultural items (if the item is to be used exclusively on a farm or ranch or in the production of agricultural products), gas and electricity purchased for residential use (unless a city has taken steps to repeal the exemption), certain telecommunications services, newspapers and magazines. In addition, items which are taxed under other State laws are generally exempted from sales taxes. These items include certain natural resources, cement, motor vehicles and insurance premiums. Alcohol and tobacco products are taxed under both State alcohol and tobacco taxes as well as through the sales taxes. In addition, purchases made by various exempt organizations are not subject to the sales and use taxes. Such organizations include the federal and state governments, political subdivisions, Indian tribes, religious institutions and certain charitable organizations and non-profit corporations. Also, State law provides an exemption from sales taxes on items purchased under a contract in effect when the legislation authorizing such tax (or the increase in the rate thereof) is enacted, up to a maximum of three (3) years.

In general, a sale of a taxable item is deemed to occur within the municipality, county or special district in which the sale is consummated. The tax levied on the use, storage or consumption of tangible personal property is considered to be consummated at the location where the item is first stored, used or consumed. Thus, the use is considered to be consummated in a municipality, and the tax is levied there if the item is shipped from outside the state to a point within the municipality.

In addition to the local sales and use taxes levied, as described above, the State levies and collects a 6 1/4% sales and use tax against essentially the same taxable items and transactions as the Sales Tax is levied. Under current State law, the maximum aggregate sales and use tax which may be levied within a given area by an authorized political subdivision within such area, including the State, is 8 1/4%. The current aggregate sales and use tax levied in the City is 8 1/4% of which 6 1/4% is levied by the State, 1 1/2% is levied by the City, 1/4 of 1% is levied for the benefit of the 4B Corporation and 1/4 of 1% is levied for the benefit of the Corporation as the Sales Tax.

The Comptroller administers and enforces all sales tax laws and collects all sales and use taxes levied by the State, and levying counties, municipalities and other special districts having sales tax powers. Certain limited items are taxed for the benefit of the State under non-sales tax statutes, such as certain natural resources and other items described above and are not subject to the sales tax base available to municipalities and counties, including the tax base against which the Sales Tax is levied. Municipalities may by local option determine to tax certain telecommunication services on the same basis as the State taxes such services (some aspects of telecommunication services, such as interstate telephone calls and broadcasts regulated by the FCC are not subject to either State or local taxation). The City has opted to repeal the local telecommunication services exemption. With respect to the taxation of the residential use of gas and electricity, the State is not authorized to collect a sales tax, while municipalities, on a local option basis, may tax such use. The City has opted to tax the residential use of gas and electricity.

With certain exceptions, sales and use taxes in the State are collected at the point of sale and are remitted to the Comptroller by the "taxpayer" who is, generally speaking, the business that collects the tax resulting from a taxable transaction. Taxpayers owing \$500 or more sales and use tax dollars in a calendar month submit their tax collections to the Comptroller on a monthly basis; taxpayers owing less than \$500 sales and use tax dollars in a calendar month, but \$1,500 or more in a calendar quarter, submit their tax collections quarterly; and taxpayers owing less than \$1,500 in a calendar quarter submit their tax collections annually. Taxpayers are required to report and remit to the Comptroller by the 20th day of the month following the end of the reporting period. The reporting period for yearly filers ends each December 31; for quarterly filers, the reporting period ends at the end of each calendar quarter; and monthly filers report and remit by the 20th of each month for the previous month. The Comptroller is required by law to distribute funds to the receiving political subdivisions periodically and as promptly as feasible,

but not less frequently than twice during each fiscal year of the State. Historically, and at the present time, the Comptroller distributes the funds monthly, with the largest payments being made quarterly in February, May, August and November. In 1989, the Comptroller initiated a direct deposit program using electronic funds transfers to expedite the distribution of monthly allocation checks. If a political subdivision desires to participate in the electronic funds transfers, it may make application to the Comptroller. The City participates in this program. Otherwise, the Comptroller mails the monthly allocation check, which is typically received by the middle of the month following the month in which the taxpayer reports and remits payment on the tax.

The Comptroller is responsible for enforcing the collection of sales and use taxes in the State. Under State law, the Comptroller utilizes sales tax permits, sales tax bonds and audits to encourage timely payment of sales and use taxes. Each entity selling, renting, leasing or otherwise providing taxable goods or services is required to have a sales tax permit. Permits are required for each individual location of a taxpayer and are valid for only one year, requiring an annual renewal. As a general rule, every person who applies for a sales tax permit for the first time, or who becomes delinquent in paying the sales or use tax, is required to post a bond in an amount sufficient to protect against the failure to pay taxes. The Comptroller's audit procedures include auditing the largest 2% of the sales and use tax taxpayers (who report about 65% of all sales and use taxes in the State annually), each every three or four years. Other taxpayers are selected at random or upon some other basis for audits. The Comptroller also engages in taxpayer education programs and mails a report to each taxpayer before the last day of the month, quarter or year that it covers.

Once a taxpayer becomes delinquent in the payment of a sales or use tax, the Comptroller may collect the delinquent tax by using one or more of the following methods; (i) collection by an automated collection center or local field office, (ii) estimating the taxpayers' liability based on the highest amount due in the previous 12 months and billing them for it, (iii) filing liens and requiring a new or increased payment bond, (iv) utilizing forced collection procedures such as seizing assets of the taxpayer (e.g., a checking account) or freezing assets of the taxpayer that are in the custody of third parties, (v) removing a taxpayer's sales and use tax permit, and (vi) certifying the account to the Attorney General's office to file suit for collection. A municipality may not sue for delinquent taxes unless it joins the Attorney General as a plaintiff or unless it first receives the permission of the Attorney General and the Comptroller.

The Comptroller retains 2% of the tax receipts for collection of the tax; additionally, under State law, a taxpayer may deduct and withhold 1/2% of the amount of taxes due on a timely return as reimbursement for the cost of collecting the sales and use taxes. In addition, a taxpayer who prepays its tax liability on the basis of a reasonable estimate of the tax liability for a month or quarter in which a prepayment is made, may deduct and withhold 1 1/4% of the amount of the prepayment in addition to the 1/2% allowed for the cost of collecting the sales and use tax.

INVESTOR CONSIDERATIONS

The primary source of security for the Bonds will be certain receipts of the Sales Tax received by the City for the benefit of the Corporation. The amount of revenues from the Sales Tax is closely related to the amount of economic activity in the City. Sales and use tax receipts, unlike other taxes levied by municipalities, immediately reflect changes in the economic conditions of a municipality.

Historically, the Comptroller has remitted sales and use tax allocation checks to municipalities on a monthly basis, but State law currently requires that such allocation be made at least twice annually, and such procedures could change in the future. Additionally, the taxable items and services subject to State and local sales and use taxes are subject to legislative action and have been changed in recent years by the State Legislature. State law provides that the Sales Tax cannot be levied against any taxable item or service unless such item or service is also subject to the State sales and use tax.

In recent years the State Legislature has enacted laws permitting the State, together with its political subdivisions, to levy sales and use taxes of up to 8 1/4%, which is among the highest sales tax rates in the nation (although the State has no personal or corporate income tax), and the current total sales and use tax rate within the City's boundaries is 8 1/4% (including State and City taxes as well as the Sales Tax). The rate of the sales and use taxes authorized in the State could be further increased by the State Legislature and the Corporation has no way of predicting any such increase or the effect that would have on the Sales Tax which secures the Bonds. State leaders have appointed committees to study methods of achieving greater tax equity within the State's tax system. Any changes which may be enacted by the State Legislature could effect the tax base against which the Sales Tax is levied; and the City (and hence the Corporation as the beneficiary of the City's action), except in certain limited instances described below, has no control over the components of the tax base. Neither the City nor the Corporation currently has statutory authority to increase or decrease the maximum authorized rate of the Sales Tax.

Tax receipts received by the Corporation are expected to be subject to seasonal variations and to variations caused by the State laws and administrative practices governing the remittance of sales and use tax receipts which authorize different taxpayers to remit the tax receipts at different times throughout the year.

The Sales Tax is collected by the Comptroller and remitted to the City along with other City sales and use tax receipts. The City allocates a portion of the receipts to the Corporation, which represents the 1/2 of 1% tax rate of the Sales Tax. Generally, sales and use taxes in the State are collected at the point of a taxable transaction and remitted by the taxpayer to the Comptroller. The Comptroller has the primary responsibility for enforcing sales and use tax laws and collecting delinquent taxes (see "THE SALES TAX"). The collection efforts of the Comptroller are subject to applicable federal bankruptcy code provisions with respect to the protection of debtors.

Changes in the economic activity in the City that generates sales tax revenues make projections of future tax revenue collections very difficult. No independent projections have been made with respect to the sales tax revenues available to pay debt service on the Bonds in the future.

TABLE 2 - HISTORICAL RECEIPTS OF 1/4% 4A SALES TAX

The following listing of the Corporation's receipts of the 1/4% limited sales and use tax since Fiscal Year 2021 are for informational purposes only.

Month of Receipt	Fiscal Year Ending September 30				
	2021 ⁽¹⁾	2020	2019	2018	2017
October	\$ 464,023	\$ 524,433	\$ 524,828	\$ 450,895	\$ 529,344
November	550,739	595,718	621,110	542,164	536,895
December	522,036	629,259	533,741	546,979	433,684
January	492,819	552,871	534,712	503,864	415,106
February	740,288	733,797	763,486	720,511	741,020
March	473,839	521,372	510,365	490,022	441,496
April	446,347	469,294	514,587	501,717	438,095
May	647,139	530,168	582,489	609,505	554,063
June	587,152	388,305	498,119	512,199	458,266
July	606,398	458,069	546,373	544,811	482,514
August	689,424	554,775	630,369	595,626	544,016
September	590,319	487,319	531,689	668,486	401,216
Annual Totals	<u>\$ 6,810,522</u>	<u>\$ 6,445,380</u>	<u>\$ 6,791,868</u>	<u>\$ 6,686,779</u>	<u>\$ 5,975,715</u>

(1) Cash Basis through September 2021.
Source: City of Sugar Land audited financial statements.

TABLE 3 - CALCULATION OF COVERAGE FOR THE ISSUANCE OF ADDITIONAL BONDS

Sales Tax Collection for Fiscal Year Ending September 30, 2021.....	\$ 6,810,522 ⁽¹⁾
Maximum Annual Debt Service (2022).....	\$ 3,951,879
Coverage of Maximum Requirements by Fiscal Year Ending September 30, 2021 Sales Tax Collection.....	1.72x
Average Annual Debt Service (2022-2040).....	\$ 3,048,144
Coverage of Average Requirements by Fiscal Year Ending September 30, 2021 Sales Tax Collection.....	2.23x

(1) Cash Basis through September 2021.
Source: City of Sugar Land audited financial statements.

SELECTED PROVISIONS OF THE BOND RESOLUTION

The following are certain provisions of the Resolution. These provisions are not to be considered a full statement of the terms of the Resolution. Accordingly, these selected provisions are qualified in their entirety by reference to the Resolution and are subject to the full text thereof.

Definitions: Unless otherwise expressly provided or unless the context clearly requires otherwise, under this caption "Selected Provisions of the Bond Resolution," the following terms have the meanings specified below:

"Additional Bonds" means the additional sales tax revenue bonds the Corporation reserves the right to issue on a parity with the Bonds authorized by the Resolution.

"Board" means the Board of Directors of the Corporation.

"Code" means the Internal Revenue Code of 1986, as amended, including applicable regulations, published rulings and court decisions relating thereto.

"Fiscal Year" means October 1 through September 30.

"Owner" means any person who is the registered owner of a Parity Bond or Bonds.

"Parity Bonds" means the Bonds and Additional Bonds.

"Outstanding Bonds" means \$35,505,000 Sugar Land Development Corporation Sales Tax Revenue Refunding Bonds, Series 2014 and Sales Tax Revenue Bonds, Series 2014.

"Pledged Revenues" means (a) the Sales Tax Revenues and (b) interest and earnings from investment of funds on deposit in the Revenue Fund, the Debt Service Fund and the Reserve Fund.

"Projects" means the planning, site preparation, design, engineering and geotechnical investigation associated with the Sugar Land Performing Arts Center.

"Reserve Fund Requirement" means an amount equal to the lesser of (i) the maximum annual Debt Service (calculated on a fiscal year basis) for all Parity Obligations then Outstanding (after giving effect to the issuance of any Additional Obligations), as determined on the date each series of Additional Obligations are delivered or incurred, as the case may be or (ii) the maximum amount in a reasonably required reserve fund that can be invested without restriction as to yield pursuant to Subsection (d) of Section 148 of the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder.

"Sales Tax" means the local sales and use tax authorized by the Act, approved by the voters of the City on January 21, 1993, at a rate of one-fourth of one percent (1/4%) and levied by the City on behalf of the Corporation.

"Sales Tax Revenues" means all of the revenues collected or received by the City on behalf of the Corporation, from or by reason of the levy of the Sales Tax.

- Pledge:**
- (a) In the Resolution, the Corporation irrevocably pledges the Pledged Revenues (i) to the payment of the principal of, and the interest and any premiums on, the Parity Bonds and (ii) to the establishment and maintenance of the Reserve Fund.
 - (b) The provisions, covenants, pledge and lien on and against the Pledged Revenues, are established by the Resolution for the equal benefit, protection and security of the Owners of the Parity Bonds without distinction as to priority and rights.
 - (c) The Parity Bonds, including interest payable thereon, shall constitute special obligations of the Corporation, payable solely from and secured by a first lien on and pledge of the Pledged Revenues, and not from any other revenues, properties or income of the Corporation. Parity Bonds shall not constitute debts or obligations of the State or of the City, and the Owners of the Parity Bonds shall never have the right to demand payment out of any funds raised or to be raised by ad valorem taxes.

Security and Source of Payment of all Parity Bonds: The Corporation hereby covenants and agrees that all Pledged Revenues shall be deposited and paid into the special funds established for Parity Bonds to provide for the payment of principal, interest and any redemption premium of the Parity Bonds and all expenses of paying, securing and insuring same. The Parity Bonds shall constitute special obligations of the Corporation that shall be payable solely from, and shall be equally and ratably secured by a first lien on the Pledged Revenues, as collected and received by the Corporation, which Pledged Revenues shall, in the manner therein provided, be set aside for and pledged to the payment of the Parity Bonds in the Debt Service Fund and the Reserve Fund, and the Parity Bonds shall be in all respects on a parity with and of equal dignity with one another.

- (a) In the Resolution, the Corporation established the following funds:
 - (i) Sugar Land Development Corporation Sales Tax Revenue Fund (the "Revenue Fund");
 - (ii) Sugar Land Development Corporation Sales Tax Revenue Bonds Debt Service Fund (the "Debt Service Fund"); and
 - (iii) Sugar Land Development Corporation Sales Tax Revenue Bonds Reserve Fund (the "Reserve Fund").
- (b) The Revenue Fund is established as a special fund comprised of the Sales Tax Revenues, together with all other revenues as from time to time may be determined for deposit therein by the Corporation and shall be maintained as a separate account on the books of the Corporation.
- (c) The Debt Service Fund is established and shall be maintained at the Corporation's depository bank for the benefit of the Owners of the Parity Bonds. Money deposited in the Debt Service Fund shall be used to pay the principal of and interest on the Parity Bonds when and as the same shall become due and payable.
- (d) The Reserve Fund is established and shall be maintained at the Corporation's depository bank for the benefit of the Owners of the Parity Bonds. Money deposited in the Reserve Fund shall be used to pay principal of and/or interest on Parity Bonds becoming due and payable when there is not sufficient money available in the Debt Service Fund for such purpose. Moneys on deposit in the Reserve Fund may also be applied to the acquisition of the Reserve Fund Surety Policy.

Deposit of Bond Proceeds: Proceeds from the sale of the Bonds shall be applied as follows: (i) accrued interest shall be deposited in the Debt Service Fund, (ii) all other proceeds shall be used for the purposes described in the Resolution and for paying costs of issuance, including municipal bond insurance and a Reserve Fund Surety Policy and (iii) any remaining proceeds shall be transferred to the Debt Service Fund.

Sales Tax Revenue Fund:

- (a) All Pledged Revenues shall be deposited upon receipt into the Revenue Fund.
- (b) Moneys deposited in the Revenue Fund shall be applied as follows in the following order of priority:
 - (i) First, to make all deposits into the Debt Service Fund.
 - (ii) Second, to make all deposits into the Reserve Fund.
 - (iii) Third, to pay any amounts due to any bond insurer of Parity Bonds not paid pursuant to subsections (i) or (ii) above.
 - (iv) Fourth, to pay any amounts due to any issuer of a Reserve Fund Surety Policy not paid pursuant to subsections (i) or (ii) above.
 - (v) Fifth, to pay administrative expenses of the Corporation.
 - (vi) Sixth, to pay any amounts due the City for economic development costs incurred on behalf of or pursuant to contracts with the Corporation.
 - (vii) Seventh, for any lawful purpose.

Debt Service Fund: On or before the last Business Day of each month so long as any Parity Bonds remain outstanding, there shall be transferred into the Debt Service Fund from the Revenue Fund:

- (a) such amounts, in approximately equal monthly installments, as will be sufficient to accumulate the amount required to pay the interest scheduled to become due on the Parity Bonds on the next interest payment date; and
- (b) such amounts, in approximately equal monthly installments, as will be sufficient to accumulate the amount required to pay the next maturing principal of the Parity Bonds, including the principal amounts of, and any redemption premium on, any Parity Bonds payable as a result of the exercise or operation of any optional or mandatory redemption provision contained in any resolution authorizing the issuance of Parity Bonds.

Reserve Fund:

- (a) Unless the Reserve Fund is funded from bond proceeds, on or before the last Business Day of each month so long as any Parity Bonds remain outstanding, and after making the transfers into the Debt Service Fund, there shall be transferred into the Reserve Fund from the Revenue Fund, in approximately equal monthly installments, amounts sufficient to accumulate within 36 months the Reserve Fund Requirement. Each increase in the Reserve Fund Requirement resulting from the issuance of Additional Bonds shall be accumulated within 36 months of the issuance of such bonds by making transfers from the Revenue Fund into the Reserve Fund in approximately equal monthly installments of amounts sufficient for such purpose. After the Reserve Fund Requirement has accumulated in the Reserve Fund and so long thereafter as such Fund contains the Reserve Fund Requirement, no further deposits shall be required to be made into the Reserve Fund, and any excess amounts may be transferred to the Revenue Fund. If and whenever the balance in the Reserve Fund is reduced below the Reserve Fund Requirement, either due to a draw on the funds or reduction or cancellation of a Reserve Fund Surety Policy, the Corporation shall make deposits into the Reserve Fund from the first funds available for such purpose until the Reserve Fund again equals the Reserve Fund Requirement. The Reserve Fund shall be used to pay the principal of and interest on the Parity Bonds at any time when there is not sufficient money available in the Debt Service Fund for such purpose and to pay and retire the last Parity Bonds to mature or be redeemed.

Deficiencies in Funds: If in any month there shall not be deposited into any fund maintained pursuant to the Resolution the full amounts required herein, amounts equivalent to such deficiency shall be set apart and paid into such Fund or Funds from the first available and unallocated money in the Revenue Fund, and such payment shall be in addition to the amounts otherwise required to be paid into such Funds during the succeeding month or months.

Security of Funds: All moneys on deposit in the funds referred to in the Resolution shall be secured in the manner and to the fullest extent required by the laws of the State for the security of funds of the City, and moneys on deposit in such funds shall be used only for the purposes permitted by the Resolution.

Investments:

- (a) Money in the Revenue Fund, the Debt Service Fund and the Reserve Fund may, at the option of the Corporation, be invested as permitted by law.
- (b) Interest and income derived from investments of any fund created by the Resolution shall be credited to such fund.

Issuance of Superior Lien Obligations Prohibited: The Corporation covenants that so long as any principal or interest pertaining to any Parity Bonds remain outstanding and unpaid, it will not authorize or issue obligations secured by a lien on or pledge of the Pledged Revenues superior to the lien securing the Parity Bonds.

Issuance of Additional Bonds Authorized: In addition to the right to issue obligations of inferior lien, the Corporation reserves the right to issue Additional Bonds which, when duly authorized and issued in compliance with law and the terms and conditions hereinafter appearing, shall be on a parity with the Bonds herein authorized, payable from and equally and ratably secured by a lien on and pledge of the Pledged Revenues; and the Bonds and Additional Bonds shall in all respects be of equal dignity. The Additional Bonds may be issued in one or more installments, provided, however, that none shall be issued unless and until the following conditions have been met:

- (a) The Corporation is not then in default as to any covenant, condition or obligation prescribed in the Resolution or the resolution authorizing the issuance of any previously issued Additional Bonds.
- (b) Each of the funds created for the payment, security and benefit of the Parity Bonds contains the amount of money then required to be on deposit therein.
- (c) The Corporation has secured from a Certified Public Accountant ("CPA"), a certificate or report reflecting that for the Fiscal Year next preceding the date of the proposed Additional Bonds, or a consecutive 12- month period out of the 15-month period next preceding the month in which the resolution authorizing the proposed Additional Bonds is adopted, the Sales Tax Revenues were equal to at least 125% of the maximum annual principal and interest requirements on all Parity Bonds to be outstanding after the issuance of the proposed Additional Bonds, provided that, in the event of an increase in the rate of the Sales Tax that becomes effective prior to the date of the resolution authorizing the issuance of the Additional Bonds, such CPA certificate or report shall calculate the Sales Tax Revenues for the calculation period as if such increased rate were in effect during such period.
- (d) The Additional Bonds mature on, and interest is payable on, the same days of the year as the Bonds.
- (e) Parity Bonds may be refunded upon such terms and conditions as the Board may deem to be in the best interest of the Corporation; and if less than all outstanding Parity Bonds are refunded, the proposed refunding obligations shall be considered as "Additional Bonds," and the report or certificate required by paragraph (c) shall give effect to the issuance of the proposed refunding obligations and shall not give effect to the obligations being refunded.

Pledged Revenues:

- (a) The Corporation represents and warrants in the Resolution that it is authorized by applicable law and by its articles of incorporation and bylaws to authorize and issue the Bonds, to adopt the Resolution and to pledge the Pledged Revenues in the manner and to the extent provided in the Resolution, and that the Pledged Revenues are and will remain free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created in or authorized by the Resolution except as expressly provided therein for Parity Bonds.
- (b) The Bonds and the provisions of the Resolution are and will be the valid and legally enforceable obligations of the Corporation in accordance with the terms of the Resolution, subject only to any applicable bankruptcy or insolvency laws or to any applicable law affecting creditors rights generally.
- (c) The Corporation shall at all times, to the extent permitted by applicable law, defend, preserve and protect the pledge of the Pledged Revenues and all the rights of the Owners under the Resolution against all claims and demands of all persons whomsoever.
- (d) The Corporation will take, and use its best efforts to cause the City to take, all steps reasonably necessary and appropriate to collect the Sales Tax to the fullest extent permitted by the Act and other applicable law.

AGREEMENT WITH TAX INCREMENT REINVESTMENT ZONE # 1

Pursuant to an agreement between the City, the Corporation, Tax Increment Reinvestment Zone #1 ("TIRZ #1") and other parties, TIRZ #1 has agreed to transfer tax increments to the Corporation, as available, to apply towards the payment of debt service on the Refunded Bonds or the Bonds. Proceeds of the taxes collected within TIRZ #1 representing increment tax revenue will be available for the Corporation to pay debt service on the Refunded Bonds or the Bonds but are not pledged to the payment of the Refunded Bonds or the Bonds. Payments of tax increment collections are to be made to the Corporation each year through the life of the TIRZ, which expires December 31, 2025. The payments for fiscal years 2017, 2018, 2019, 2020 and 2021 were \$900,000, \$1,050,000, \$1,150,000, \$1,250,000 and \$1,375,000 respectively.

INVESTMENTS

The Sugar Land Development Corporation is a nonprofit corporation acting on behalf of the City and is subject to the provisions of the Public Funds Investment Act, Chapter 2256, Texas Government Code, with respect to the investment of its funds. The Corporation invests its investable funds in investments authorized by Texas law in accordance with investment policies approved by the Board of Directors of the Corporation. Both state law and the Corporation's investment policies are subject to change.

LEGAL INVESTMENTS

Under Texas law, the Corporation is authorized to invest in (1) obligations of the United States or its agencies and instrumentalities, including letters of credit; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which are unconditionally guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which is guaranteed or insured by or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed or guaranteed by the State of Israel; (7) certificates of deposit that are issued by a state or national bank domiciled in the State, a savings bank domiciled in the State, or a state or federal credit union domiciled in the State and are guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund, or are secured as to principal by obligations described in clauses (1) through (6) or in any other manner and amount provided by law for Corporation deposits, (8) fully collateralized repurchase agreements that have a defined termination date, are fully secured by obligations described in clause (1), and are placed through a primary government securities dealer or a financial institution doing business in the State, (9) certain bankers' acceptances with the remaining term of 270 days or less, if the short-term obligations of the accepting bank or its parent are rated at least A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency, (10) commercial paper with a stated maturity of 270 days or less that is rated at least A-1 or P-1 or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a U.S. or state bank, (11) no-load money market mutual funds registered with and regulated by the SEC that have a dollar weighted average stated maturity of 90 days or less and include in their investment objectives the maintenance of a stable net asset value of \$1 for each share, and (12) no-load mutual funds registered with the SEC that have an average weighted maturity of less than two years, invest exclusively in obligations described in the this paragraph, and are continuously rated as to investment quality by at least one nationally recognized investment rating firm of not less than AAA or its equivalent. In addition, bond proceeds may be invested in guaranteed investment contracts that have a defined termination date and are secured by obligations, including letters of credit, of the United States or its agencies and instrumentalities in an amount at least equal to the amount of bond proceeds invested under such contract, other than the prohibited obligations described in the next succeeding paragraph.

A political subdivision such as the Corporation may enter into securities lending programs if (i) the securities loaned under the program are 100% collateralized, a loan made under the program allows for termination at any time and a loan made under the program is either secured by (a) obligations that are described in clauses (1) through (6) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent or (c) cash invested in obligations described in clauses (1) through (6) above, clauses (10) through (12) above, or an authorized investment pool; (ii) securities held as collateral under a loan are pledged to the Corporation, held in the Corporation's name and deposited at the time the investment is made with the Corporation or a third party designated by the Corporation; (iii) a loan made under the program through either a primary government securities dealer or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less.

The Corporation may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than AAA or AAAm or an equivalent by at least one nationally recognized rating service. The Corporation may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the Corporation retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the Corporation must do so by order, ordinance, or resolution.

The Corporation is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

INVESTMENT POLICIES

Under Texas law, the Corporation is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that include a list of authorized investments for Corporation funds, the maximum allowable stated maturity of any individual investment and the maximum average dollar-weighted maturity allowed for pooled fund groups. All Corporation funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under Texas law, the Corporation's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment considering the probable safety of capital and probable income to be derived." At least quarterly the Corporation's investment officers must submit an investment report to the Board of Directors detailing: (1) the investment position of the Corporation, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, and any additions and changes to market value and the ending value of each pooled fund group, (4) the book value and market value of each separately listed asset at the beginning and end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategies and (b) Texas law. No person may invest Corporation funds without express written authority from the Board of Directors.

ADDITIONAL PROVISIONS

Under Texas law the Corporation is additionally required to: (1) annually review its adopted policies and strategies; (2) require any investment officers' with personal business relationships or relatives with firms seeking to sell securities to the entity to disclose the relationship and file a statement with the Texas Ethics Commission and the Board of Directors; (3) require the registered principal of firms seeking to sell securities to the Corporation to: (a) receive and review the Corporation's investment policy (b) acknowledge that reasonable controls and procedures have been implemented to preclude imprudent investment activities, and (c) deliver a written statement attesting to these requirements; (4) perform an annual audit of the management controls on investments and adherence to the Corporation's investment policy; (5) provide specific investment training for the Treasurer, Chief Financial Officer and investment officers; (6) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse repurchase agreement; (7) restrict its investment in mutual funds in the aggregate to no more than 15 percent of its monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service, and to invest no portion of bond proceeds, reserves and funds held for debt service, in mutual funds; and (8) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements.

TABLE 4 - CURRENT INVESTMENTS

As of August 31, 2021, the Corporation's investable funds were invested in the following categories:

Description	Percent	Book Value	Market Value
Cash	38.03%	\$ 4,847,372	\$ 4,847,372
Texas CLASS	11.44%	1,457,690	1,457,690
Texpool	24.83%	3,164,797	3,164,797
TexStar	4.13%	526,215	526,215
CDs	1.95%	249,000	247,362
Agencies	19.62%	2,500,000	2,500,840
	100.00%	\$ 12,745,074	\$ 12,744,276

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TAX EXEMPTION

OPINION OF BOND COUNSEL

In the opinion of Bond Counsel, under current law, interest on the Bonds (a) is not included in gross income for federal income tax purposes, and (b) is not an item of tax preference for purposes of the federal alternative minimum income tax. No other opinion is expressed by Bond Counsel regarding the tax consequences of the ownership of or the receipt or accrual of interest on the Bonds.

Bond Counsel's opinion is given in reliance upon certifications by representatives of the Corporation as to certain facts relevant to both the opinion and requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and is subject to the condition that there is compliance subsequent to the issuance of the Bonds with all requirements of the Code that must be satisfied in order for interest thereon to remain excludable from gross income for federal income tax purposes. The Corporation has covenanted to comply with the current provisions of the Code regarding, among other matters, the use, expenditure and investment of the proceeds of the Bonds and the timely payment to the United States of any arbitrage rebate amounts with respect to the Bonds. Failure by the Corporation to comply with such covenants, among other things, could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to their date of issue.

Customary practice in the giving of legal opinions includes not detailing in the opinion all the assumptions, limitations and exclusions that are a part of the conclusions therein. See "*Statement on the Role of Customary Practice in the Preparation and Understanding of Third-Party Legal Opinions*", 63 Bus. Law. 1277 (2008) and "*Legal Opinion Principles*", 53 Bus. Law. 831 (May 1998). Purchasers of the Bonds should seek advice or counsel concerning such matters as they deem prudent in connection with their purchase of Bonds.

Bond Counsel's opinion represents its legal judgment based in part upon the representations and covenants referenced therein and its review of current law, but is not a guarantee of result or binding on the Internal Revenue Service (the "Service") or the courts. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may come to Bond Counsel's attention after the date of its opinion or to reflect any changes in law or the interpretation thereof that may occur or become effective after such date.

OTHER TAX MATTERS

In addition to the matters addressed above, prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including without limitation financial institutions, property and casualty insurance companies, S corporations, foreign corporations subject to the branch profits tax, recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to the applicability and impact of such consequences.

Prospective purchasers of the Bonds should consult their own tax advisors as to the status of interest on the Bonds under the tax laws of any state, local, or foreign jurisdiction.

The Service has a program to audit state and local government obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the Service does audit the Bonds, under current Service procedures, the Service will treat the Corporation as the taxpayer and the owners of the Bonds will have only limited rights, if any, to participate. There are many events that could affect the value and liquidity or marketability of the Bonds after their issuance, including but not limited to public knowledge of an audit of the Bonds by the Service, a general change in interest rates for comparable securities, a change in federal or state income tax rates, federal or state legislative or regulatory proposals affecting state and local government securities and changes in judicial interpretation of existing law. In addition, certain tax considerations relevant to owners of Bonds who purchase Bonds after their issuance may be different from those relevant to purchasers upon issuance. Neither the opinion of Bond Counsel nor this Official Statement purports to address the likelihood or effect of any such potential events or such other tax considerations and purchasers of the Bonds should seek advice concerning such matters as they deem prudent in connection with their purchase of Bonds.

ORIGINAL ISSUE DISCOUNT

Some of the Bonds may be sold at initial sale prices that are less than their respective stated redemption prices payable at maturity (collectively, the "Discount Bonds"). The excess of (i) the stated redemption price at maturity of each maturity of the Discount Bonds, over (ii) the initial offering price to the public (excluding bond houses and brokers) at which a substantial amount of each maturity of the Discount Bonds is sold will constitute original issue discount. Original issue discount will accrue for federal income tax purposes on a constant-yield-to-maturity method based on regular compounding; and a holder's basis in such a Bond will be increased by the amount of original issue discount treated for federal income tax purposes as having accrued on the Bond while the holder holds the Bond.

Under the Code, for purposes of determining a holder's adjusted basis in a Discount Bond, original issue discount treated as having accrued while the holder holds the Bond will be added to the holder's basis. Original issue discount will accrue on a constant-yield-to-maturity method based on semiannual compounding. The adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of a Discount Bond.

Prospective purchasers of Discount Bonds should consult their own tax advisors as to the calculation of accrued original issue discount and the state and local tax consequences of owning or disposing of such Bonds.

BOND PREMIUM

Bonds purchased, whether upon issuance or otherwise, for an amount (excluding any amount attributable to accrued interest) in excess of their principal amount will be treated for federal income tax purposes as having amortizable bond premium. A holder's basis in such a Bond must be reduced by the amount of premium which accrues while such Bond is held by the holder. No deduction for such amount will be allowed, but it generally will offset interest on the Bonds while so held. Purchasers of such Bonds should consult their own tax advisors as to the calculation, accrual and treatment of amortizable bond premium and the state and local tax consequences of holding such Bonds.

TAX TREATMENT OF ORIGINAL ISSUE DISCOUNT AND PREMIUM BONDS

DISCOUNT BONDS

Some of the Bonds may be offered at an initial offering price which is less than the stated redemption price payable at maturity of such Bonds. If a substantial amount of any maturity of the Bonds is sold to members of the public (which for this purpose excludes bond houses, brokers and similar persons or entities acting in the capacity of wholesalers or Underwriters) at such initial offering price, each of the Bonds of that maturity (the "Discount Bond") will be considered to have "original issue discount" for federal income tax purposes equal to the difference between (a) the stated redemption price payable at the maturity of such Discount Bond and (b) the initial offering price to the public of such Discount Bond. Under existing law, such original issue discount will be treated for federal income tax purposes as additional interest on a Bond and such initial owner will be entitled to exclude from gross income for federal income tax purposes that portion of such original issue discount deemed to be earned (as discussed below) during the period while such Discount Bond continues to be owned by such initial owner. Except as otherwise provided herein, the discussion regarding interest on the Bonds under the caption "Tax Exemption" generally applies to original issue discount deemed to be earned on a Discount Bond while held by an owner who has purchased such Bond at the initial offering price in the initial public offering of the Bonds and that discussion should be considered in connection with this portion of the Official Statement.

In the event of a redemption, sale, or other taxable disposition of a Discount Bond prior to its stated maturity, however, any amount realized by such initial owner in excess of the basis of such Discount Bond in the hands of such owner (increased to reflect the portion of the original issue discount deemed to have been earned while such Discount Bond continues to be held by such initial owner) will be includable in gross income for federal income tax purposes.

Because original issue discount on a Discount Bond will be treated for federal income tax purposes as interest on a Bond, such original issue discount must be taken into account for certain federal income tax purposes as it is deemed to be earned even though there will not be a corresponding cash payment. Corporations that purchase Discount Bonds must take into account original issue discount as it is deemed to be earned for purposes of determining alternative minimum tax. Other owners of a Discount Bond may be required to take into account such original issue discount as it is deemed to be earned for purposes of determining certain collateral federal tax consequences of owning a Bond. See "Tax Exemption" for a discussion regarding the alternative minimum taxable income consequences for corporations and for a reference to collateral federal tax consequences for certain other owners.

The characterization of original issue discount as interest is for federal income tax purposes only and does not otherwise affect the rights or obligations of the owner of a Discount Bond or of the Corporation. The portion of the principal of a Discount Bond representing original issue discount is payable upon the maturity or earlier redemption of such Bond to the registered owner of the Discount Bond at that time.

Under special tax accounting rules prescribed by existing law, a portion of the original issue discount on each Discount Bond is deemed to be earned each day. The portion of the original issue discount deemed to be earned each day is determined under an actuarial method of accrual, using the yield to maturity as the constant interest rate and semi-annual compounding.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Discount Bonds by an owner that did not purchase such Bonds in the initial public offering and at the initial offering price may be determined according to rules which differ from those described above. All prospective purchasers of Discount Bonds should consult their tax advisors with respect to the determination for federal, state and local income tax purposes of interest and original issue discount accrued upon redemption, sale or other disposition of such 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 Discount Bonds.

PREMIUM BONDS

Some of the Bonds may be offered at an initial offering price which exceeds the stated redemption price payable at the maturity of such Bonds. If a substantial amount of any maturity of the Bonds is sold to members of the public (which for this purpose excludes bond houses, brokers and similar persons or entities acting in the capacity of wholesalers or underwriters) at such initial offering price, each of the Bonds of such maturity ("Premium Bond") will be considered for federal income tax purposes to have "bond premium" equal to the amount of such excess. The basis for federal income tax purposes of a Premium Bond in the hands of an underwriter who purchases such Bond in the initial offering must be reduced each year and upon the sale or other taxable disposition of the Bond by the amount of amortizable bond premium. This reduction in basis will increase the amount of any

gain (or decrease the amount of any loss) recognized for federal income tax purposes upon the sale or other taxable disposition of a Premium Bond by the underwriter. Generally, no corresponding deduction is allowed for federal income tax purposes, for the reduction in basis resulting from amortizable bond premium with respect to the Premium Bonds. The amount of bond premium on a Premium Bond which is amortizable each year (or shorter period in the event of a sale or disposition of a Premium Bond) is determined under special tax accounting rules which use a constant yield throughout the term of the Premium Bond based on the underwriter's original basis in such Bond.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition by an owner of Premium Bonds that are not purchased in the initial offering or which are purchased at an amount representing a price other than the initial offering price for the Premium Bonds of the same maturity may be determined according to rules which differ from those described above. Moreover, all prospective purchasers of Bonds should consult their tax advisors with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of Premium Bonds

CONTINUING DISCLOSURE OF INFORMATION

In the Resolution, the Corporation has made the following agreement for the benefit of the holders and beneficial owners of the Bonds. The Corporation is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the Corporation will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified material events, to the Municipal Securities Rulemaking Board (the "MSRB"). This information will be available free of charge from the MSRB via the Electronic Municipal Market Access ("EMMA") system at www.emma.msrb.org.

ANNUAL REPORTS

The Corporation will provide certain updated financial information and operating data to the MSRB. The information to be updated includes all quantitative financial information and operating data with respect to the Corporation of the general type included in this Official Statement under tables 1 through 4 and in APPENDIX B. The Corporation will update and provide this information within six (6) months after the end of each fiscal year of the Corporation. If audited financial statements are not available by the required time, the Corporation will provide unaudited financial statements by the required time and audited financial statements when and if such audited financial statements become available. Financial statements will be prepared in accordance with the accounting principles described in Appendix B or such other accounting principles as the Corporation may be required to employ from time to time pursuant to state law or regulation. The Corporation may provide updated information in full text or may incorporate by reference documents available on EMMA or filed with the United States Securities and Exchange Commission (the "SEC").

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

NOTICES OF CERTAIN EVENTS

The Corporation will also provide timely notices of certain events to the MSRB. The Corporation will provide notice in a timely manner not in excess of ten (10) business days after the occurrence of the event of any of the following events with respect to the Obligations, (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Obligations, or other material events affecting the tax status of the Obligations; (7) modifications to rights of holders of the Obligations, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Obligations, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the Corporation; (13) the consummation of a merger, consolidation, or acquisition involving the Corporation or the sale of all or substantially all of the assets of the Corporation, 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 Trustee or change in the name of the Trustee, if material; (15) incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties.

As used above, the phrase "bankruptcy, insolvency, receivership or similar event" means the appointment of a receiver, fiscal agent or similar officer for the Corporation in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court of governmental authority has assumed jurisdiction over substantially all of the assets or business of the Corporation, or if jurisdiction has been assumed by leaving the Board and officials or officers of the Corporation in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Corporation. (Neither the Obligations nor the Resolutions make any provision for liquidity enhancement or credit enhancement, merger, consolidation, or acquisition). As used in this section, the term "financial obligation" means 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) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities as to which a final official statement (as defined in 15c2-12 Rule) has been provided to the MSRB consistent with the Rule. The City intends the words used in the above clauses (15) and (16) and in the definition of financial obligation above to have the meanings ascribed to them in SEC Release No. 34-83885 dated August 20, 2018. The compliance date for the amendments is 180 days after they are published in the Federal Register. In addition, the Corporation will provide timely notice of any failure by the Corporation to provide information, data, or financial statements in accordance with its agreement described above under "Annual Reports."

AVAILABILITY OF INFORMATION

The Corporation has agreed to provide the foregoing information only as described above. Investors will be able to access continuing disclosure information filed with the MSRB free of charge at www.emma.msrb.org.

LIMITATIONS AND AMENDMENTS

The Corporation has agreed to provide information and notices of certain events only as described above. The Corporation 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 Corporation 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 Corporation 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. Nothing in this paragraph is intended or shall act to disclaim, waive or limit the Corporation's duties under federal or state securities laws.

The Corporation 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 Corporation, if (i) the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (a) the holders of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or (b) any person unaffiliated with the Corporation (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The Corporation may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but 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. If the Corporation so amends the agreement, it has agreed to include with the next financial information and operating data provided in accordance with its agreement described above under "ANNUAL REPORTS" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

COMPLIANCE WITH PRIOR UNDERTAKINGS

For the past five (5) years, the Corporation has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

INFECTIOUS DISEASE OUTBREAK – COVID-19

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

Pursuant to Chapter 418 of the Texas Government Code, the Governor has broad authority to respond to disasters, including suspending any regulatory statute prescribing the procedures for conducting state business or any order or rule of a state agency that would in any way prevent, hinder, or delay necessary action in coping with the disaster, and issuing executive orders that have the force and effect of law. The Governor has issued a number of executive orders relating to COVID-19 preparedness and mitigation, which among other things, imposed limitations on social gatherings and in-person contact, closed or limited operations of certain business, and closed schools to in-person classroom attendance for the 2019-2020 school year. Beginning in mid-April 2020, the Governor issued several executive orders to implement the State's plan to safely and strategically open the State in phases while minimizing the spread of COVID-19. The Governor has issued a number of executive orders relating to COVID-19 preparedness and mitigation. However, on July 29, 2021, the Governor issued Executive Order GA-38, which supersedes all pre-existing executive orders related to COVID-19 and rescinds them in their entirety, except for Executive Order GA-13 (relating to detention in county and municipal jails) and Executive Order GA-37 (related to migrant transport). Executive Order GA-38 combines several previous executive orders into one order and continues the prohibition against governmental entities in Texas, including counties, cities, school districts, public health authorities, and government officials from requiring or mandating any person to wear a face covering and subjects a governmental entity or official to a fine of up to \$1,000 for noncompliance. It also prohibits governmental entities from: (i) compelling an individual to receive a COVID-19 vaccine administered under emergency use authorization, and (ii) enforcing any requirements to show proof of vaccination before

receiving a service or entering any place (other than nursing homes, hospitals and similar facilities) if the public or private entity that has adopted such requirement receives public funds through any means. Executive Order GA-38 remains in effect until amended, rescinded or superseded by the Governor.

Additional information regarding executive orders issued by the Governor is accessible on the website of the Governor at <https://gov.texas.gov/>. Neither the information on (nor accessed through) such website of the Governor is incorporated by reference, either expressly or by implication, into this Official Statement.

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

The Corporation continues to monitor the spread of COVID-19 and is working with local, state, and national agencies to address the potential impact of the Pandemic upon the Corporation. While the potential impact of the Pandemic on the Corporation cannot be quantified at this time, the continued outbreak of COVID-19 could have an adverse effect on the Corporation's operations and financial condition.

OTHER INFORMATION

RATINGS

Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings, a business unit of Standard & Poor's Financial Services MLLC ("S&P") is expected to assign a municipal bond rating of "A1" (based up on the highest of (i) AGM's financial strength rating; (ii) any published underlying Moody's rating assigned to the Bonds, or (iii) any published enhanced Moody's rating assigned to the Bonds based on a state credit enhancement program) by Moody's and "AA" by S&P to this issue of the Bonds, a municipal bond insurance policy guaranteeing the timely payment of principal of and interest on the Bonds will be issued by Assured Guaranty Municipal Corp. The Bonds and the presently outstanding debt of the District are rated "A1" by Moody's and "A+" by S&P, without regard to credit enhancement. (see BOND INSURANCE and "OTHER INFORMATION – Ratings").

LITIGATION

It is the opinion of the Corporation staff that there is no pending litigation against the Corporation that, if decided adversely to the Corporation, would have a material adverse financial impact upon the Corporation or its operations.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

The sale of the Bonds has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any jurisdiction. The Corporation assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code) provides that the Obligations are negotiable instruments governed by Chapter 8, Texas Business and Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State of Texas. With respect to investment in the Obligations by municipalities or other political subdivisions or public agencies of the State of Texas, the Public Funds Investment Act, Chapter 2256, Texas Government Code, requires that the Obligations be assigned a rating of "A" or its equivalent as to investment quality by a national rating agency. See "OTHER INFORMATION - RATINGS" herein. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Obligations are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Obligations are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value. No review by the Corporation has been made of the laws in other states to determine whether the Obligations are legal investments for various institutions in those states.

LEGAL MATTERS

The delivery of the Bonds is subject to the approval of the Attorney General of Texas and the approving legal opinion of Bond Counsel to the effect that the Bonds are valid and legally binding obligations of the Corporation payable from the Pledged Revenues. The form of Bond Counsel's opinion is attached hereto as Appendix C. The legal fee to be paid Bond Counsel for services rendered in connection with the issuance of the Bonds is contingent upon the sale and delivery of the Bonds. The legal opinion of Bond Counsel will accompany the Bonds deposited with DTC or will be printed on the definitive Bonds in the event

of the discontinuance of the Book-Entry-Only System. Certain legal matters will be passed upon for the Underwriter by Orrick, Herrington & Sutcliffe LLP, Houston, Texas, counsel for the Underwriter. The legal fee of such firm is contingent upon the sale and delivery of the Bonds.

Bond Counsel was engaged by, and only represents, the Corporation. Except as noted below, Bond Counsel did not take part in the preparation of the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained herein except that in its capacity as Bond Counsel, such firm has reviewed the information appearing under captions "THE BONDS" (except under the subcaptions "Book-Entry-Only System" and "Bondholders' Remedies"), "SELECTED PROVISIONS OF THE BOND RESOLUTION", "TAX EXEMPTION" "CONTINUING DISCLOSURE OF INFORMATION" (except under the subcaption "Compliance With Prior Undertakings"), and the subcaptions "Registration and Qualification of Bonds for Sale", "Legal Investments and Eligibility to Secure Public Funds in Texas," and "Legal Matters" (except for the last two sentences of the first paragraph thereof), under the caption "OTHER INFORMATION", and such firm is of the opinion that the information relating to the Bonds and legal matters contained under such captions and subcaptions is an accurate description of the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Resolution.

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

FINANCIAL ADVISOR

Hilltop Securities Inc. is employed as Financial Advisor to the Corporation in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. Hilltop Securities Inc. has agreed, in its Financial Advisory contract, not to bid for the Bonds, either independently or as a member of a syndicate organized to submit a bid for the Bonds. Hilltop Securities Inc., in its capacity as Financial Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Financial Advisor to the Corporation has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Corporation 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.

UNDERWRITER

The Underwriter has agreed, subject to certain conditions, to purchase the Bonds from the Corporation at a price of \$ _____, (representing the principal amount of the Bonds, plus an original issue premium of \$ _____, less an underwriting discount of \$ _____). The Underwriter will be obligated to purchase all of the Bonds if any Bonds are purchased. The Bonds to be offered to the public may be offered and sold to certain dealers (including the Underwriter and other dealers depositing Bonds into investment trusts) at prices lower than the public offering prices of such Bonds, and such public offering prices may be changed, from time to time, by the Underwriter.

The Underwriter has reviewed the information in the Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

The Underwriter of the Bonds is BOK Financial Securities, Inc., which is not a bank, and the Bonds are not deposits of any bank and are not insured by the Federal Deposit Insurance Corporation.

FORWARD-LOOKING STATEMENTS DISCLAIMER

The statements contained in this Official Statement, and in any other information provided by the Corporation, that are not purely historical, are forward-looking statements, including statements regarding the Corporation's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Corporation on the date hereof, and the Corporation assumes no obligation to update any such forward-looking statements. The Corporation's actual results could differ materially from those discussed in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgements with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the

control of the Corporation. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

CERTIFICATION OF THE OFFICIAL STATEMENT

At the time of payment for and delivery of the Bonds, the Corporation will furnish a certificate, executed by proper officers, acting in their official capacity, to the effect that to the best of their knowledge and belief: (a) the descriptions and statements of or pertaining to the Corporation and the City contained in its Official Statement, and any addenda, supplement or amendment thereto, on the date of such Official Statement, on the date of sale of said Bonds, and on the date of delivery of the Bonds, were and are true and correct in all material respects; (b) insofar as the Corporation and the City and its affairs, including its financial affairs, are concerned, such 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 therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (c) insofar as the descriptions and statements, including financial data, of or pertaining to entities, other than the Corporation and the City, and their activities contained in the Official Statement are concerned, such statements and data have been obtained from sources which the Corporation and the City believe to be reliable and the Corporation and the City have no reason to believe that they are untrue in any material respect; and (d) there has been no material adverse change in the financial condition of the Corporation or the City since the date of the last audited financial statements of the City.

SCHEDULE I

SCHEDULE OF REFUNDED BONDS*

Sales Tax Revenue Bonds, Series 2013

<u>Maturity</u> <u>February 15</u>	<u>Interest</u> <u>Rate</u>	<u>Par Amount</u>	<u>Call Date</u>	<u>Call</u> <u>Price</u>
2023	4.000 %	\$240,000	2/15/2022	100.00 %
2024	4.000	245,000	2/15/2022	100.00
2025	4.000	255,000	2/15/2022	100.00
2026	4.000	270,000	2/15/2022	100.00
2027	4.000	280,000	2/15/2022	100.00
2028	4.000	290,000	2/15/2022	100.00
2029	4.000	305,000	2/15/2022	100.00
2030	4.100	315,000	2/15/2022	100.00
2031	4.125	330,000	2/15/2022	100.00
2032	4.250	345,000	2/15/2022	100.00
2033	4.250	365,000	2/15/2022	100.00
2034	4.250	380,000	2/15/2022	100.00
2035	4.250	400,000	2/15/2022	100.00
2036	4.375	420,000	2/15/2022	100.00
2037	4.375	445,000	2/15/2022	100.00
2038	4.375	465,000	2/15/2022	100.00
		<u>\$5,350,000</u>		

*Preliminary, subject to change.

APPENDIX A

GENERAL INFORMATION REGARDING THE CITY OF SUGAR LAND

THE CITY

The following information with respect to the City of Sugar Land, Texas, has been included in the Appendix solely to provide a general description of the community. The Bonds are special obligations of the Corporation payable solely from the receipts of a 1/4 of 1% local sales and use tax and does not constitute an indebtedness to which the taxing power of the City will be pledged.

GOVERNMENTAL STRUCTURE

The City of Sugar Land was incorporated in 1959 and adopted a Home Rule Charter in November 1980. The City operates under a Council-Manager form of government. The City Council consists of a Mayor and six council members, all of whom are elected for three-year terms. The Mayor and two Council members are elected at large, and the remaining four Council members are elected by District.

The Mayor presides at City Council meetings and is entitled to vote on all matters considered by City Council. Powers of the City are vested in the City Council and include appointment of the City Manager, Boards and Commissions, adoption of the budget, authorization of bond issues, and adoption of ordinances and resolutions as deemed necessary, desirable and beneficial to the City. The City Manager is responsible for administrative and day to day operations of the City.

SERVICES PROVIDED BY THE CITY

The City provides water, airport and park services, wastewater utilities; planning; community development and code enforcement; public improvements; repair and maintenance of infrastructure; residential solid waste and recycling; animal services; recreational and community activities; and general administrative and support services. Additionally, it provides local law enforcement, fire protection, solid waste disposal, and building inspection; maintains its storm drainage facilities, bridges and streets; and operates community recreation facilities. The City does not operate hospitals, a school system, transit services or a higher education system and does not spend City funds in providing welfare. Public schools within the boundaries of the City are administered by a district with independent taxing authority.

CITY OFFICIALS AND STAFF

Elected Officials

City Council	Occupation	Position
Joe R. Zimmerman	Engineer	Mayor
William Ferguson	Law Enforcement	Councilmember At Large Position 1
Jennifer J. Lane	Substitute Teacher	Councilmember At Large Position 2
Suzanne Whatley	Small Business Owner	Councilmember Single Member District 1
Naushad Kermally	Mobile Technology	Councilmember Single Member District 2
Stewart Jacobson	Financial Planning	Councilmember Single Member District 3
Carol K. McCutcheon	Retired (Engineer)	Councilmember Single Member District 4

Key Administrative Staff

Name	Position	Year Employed
Mike Goodrum	City Manager	2020
Jennifer May	Deputy City Manager	2006
Doug Brinkley	Assistant City Manager	2005
Chris Steubing	Assistant City Manager	2006
Jennifer Brown	Director of Finance	2000
Meredith Riede	City Attorney	2013
Thomas Harris III	City Secretary	2016
Robert Valenzuela	Executive Director	2009
Scott Butler	Director of Budget and Strategy	2021

POPULATION ESTIMATES

<u>Fiscal Year</u>	<u>Population</u>	<u>Annual % Growth</u>
2012	82,999	1.42%
2013	84,134	1.37%
2014	86,495	2.81%
2015	86,972	0.55%
2016	87,504	0.61%
2017	87,730	0.26%
2018	117,869 ⁽¹⁾	34.35%
2019	118,023	0.13%
2020	118,118	0.08%
2021	118,755	0.54%

Source: City of Sugar Land.

(1) Increase due to annexations.

TOP EMPLOYERS

<u>Employer</u>	<u>Number of Employees</u>
Houston Methodist Sugar Land Hospital	2,400
Fluor Enterprises, Inc.	1,980
Schlumberger	1,900
Nalco Champion, an Ecolab Company	1,216
Memorial Hermann Sugar Land	800
St. Luke's Hospital Sugar Land	473
Accredo Packaging, Inc	425
Baker Hughes	422
Applied Optoelectronics, Inc.	396
AmericourceBergen Drug Company	380

Source: www.sugarlandecodev.com.

EDUCATION

Students within the Sugar Land city limits are in the jurisdiction of Fort Bend ISD. Fort Bend ISD actively involves parents and the community it serves in the education of its students. In addition to the more traditional role of volunteer or business partner, parents and community members serve on a variety of leadership committees and take an active role in the development of district decisions that impact the education process. Fort Bend ISD is one of the fastest growing districts in the nation. A reputation for providing quality educational opportunities for all students is evidenced by the district's 73 semifinalists in the 2022 National Merit Scholarship Program; the millions of dollars in scholarships awarded each year to students; elementary and secondary test scores well above the state and national averages; state and nationally recognized fine arts programs and a growing number of campuses rated exemplary or recognized by the Texas Education Agency's Successful schools program.

Houston Community College-Southwest Stafford Campus provides a valuable resource to the Fort Bend community in workforce training. Houston Community College-Southwest's Missouri City Center offers a complete range of continuing education opportunities.

University of Houston Sugar Land (UHSL) brings the resources of the four UH System universities close to home. Through the collaborative efforts of the University of Houston and Wharton County Junior College, all the course work for accredited bachelor's and master's degree programs can be done in Sugar Land. More than 2,900 students now attend classes at the Sugar Land campus and can choose from more than 38 degree programs through the master's level at this multi-institutional teaching center. The community college offers freshman and sophomore courses, while the University of Houston Sugar Land offers junior, senior and master's courses.

NEW BUILDING CONSTRUCTION

Fiscal Year	New Commercial Construction Value	New Residential Construction Value
2012	24,673,274	116,979,515
2013	126,070,763	56,672,750
2014	144,089,602	63,705,608
2015	233,942,795	73,569,722
2016	93,021,183	67,562,184
2017	103,410,115	72,736,817
2018	163,554,817	70,378,761
2019	87,387,700	- (2)
2020	137,352,757	- (2)
2021	55,027,638 (1)	- (2)

Source: City of Sugar Land

(1) As of August 31, 2021.

(2) Residential construction value is no longer tracked through the building permit process.

LABOR FORCE AND UNEMPLOYMENT RATE

City of Sugar Land

Year	Civilian	Total		Rate
	Labor Force	Employment	Unemployment	
2017	44,874	42,925	1,949	4.3%
2018	59,817	57,884	1,933	3.2%
2019	60,342	58,410	1,932	3.2%
2020	59,032	55,129	3,903	6.6%
2021 ⁽¹⁾	60,260	57,056	3,204	5.3%

Fort Bend County

Year	Civilian	Total		Rate
	Labor Force	Employment	Unemployment	
2017	375,587	358,014	17,573	4.7%
2018	386,448	371,033	15,415	4.0%
2019	399,949	386,098	13,851	3.5%
2020	394,948	364,410	30,538	7.7%
2021 ⁽¹⁾	400,107	377,148	22,959	5.7%

Source: Texas Workforce Commission.

(1) Average through August 2021.

APPENDIX B

EXCERPTS FROM THE
CITY OF SUGAR LAND, TEXAS
ANNUAL FINANCIAL REPORT
For the Year Ended September 30, 2020

The information contained in this Appendix consists of excerpts from the City of Sugar Land, Texas Annual Financial Report for the Year Ended September 30, 2020, and is not intended to be a complete statement of the Corporation's financial condition. Reference is made to the complete Report for further information.

APPENDIX C

FORM OF BOND COUNSEL'S OPINION

APPENDIX D

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

RESOLUTION NO. 2021-11-03

RESOLUTION AUTHORIZING THE ISSUANCE OF SUGAR LAND DEVELOPMENT CORPORATION SALES TAX REVENUE REFUNDING BONDS, SERIES 2021; AUTHORIZING THE REFUNDING OF CERTAIN OUTSTANDING OBLIGATIONS AND THE EXECUTION AND DELIVERY OF AN ESCROW AGREEMENT AND THE SUBSCRIPTION FOR AND PURCHASE OF CERTAIN ESCROWED SECURITIES AND CERTAIN OTHER PROCEDURES AND PROVISIONS RELATING THERETO

WHEREAS, the Sugar Land Economic Development Corporation (the “Corporation”) is a non-profit economic development corporation created, existing and governed by Chapters 501, 502 and 504 of the Texas Local Government Code (the “Development Corporation Act”); and

WHEREAS, pursuant to the authority granted in the Development Corporation Act, the City of Sugar Land, Texas (the “City”) has levied a Sales Tax (as defined herein) for the benefit of the Corporation, to be used exclusively for the purposes set forth in the Development Corporation Act; and

WHEREAS, the City subsequently held an election on November 4, 2008 where the voters authorized the Corporation to use its Sales Tax for land, buildings, equipment, facilities and improvements required or suitable for use for entertainment and tourist purposes and events, specifically a concert and live entertainment venue and festival site, and related facilities, including but not limited to store, restaurant, concession, and automobile parking facilities, area transportation facilities, roads, streets, and water and sewer facilities, and other improvements that relate to and enhance the concert and live entertainment venue and festival site; and

WHEREAS, the Corporation is authorized by the Development Corporation Act to issue its revenue bonds, to be secured by and payable from the Sales Tax, in the manner and for the purposes hereinafter provided; and

WHEREAS, the Corporation has heretofore issued its Sales Tax Revenue Bonds, Series 2013; and

WHEREAS, the Corporation desires to refund a portion of such bonds in advance of their maturities (the “Refunded Bonds”); and

WHEREAS, the Development Corporation Act authorizes the Corporation to issue refunding bonds payable from revenues, for the purpose of refunding the Refunded Bonds in advance of their maturities, and to accomplish such refunding by depositing directly with any paying agent for the Refunded Bonds (or other qualified escrow agent) the proceeds of such refunding bonds, together with other available funds, in an amount sufficient to provide for the payment or redemption of the Refunded Bonds, and provides that such deposit shall constitute the making of firm banking and financial arrangements for the discharge and final payment or redemption of the Refunded Bonds; and

WHEREAS, upon the issuance of the refunding bonds herein authorized and the deposit of funds referred to above, the Refunded Bonds shall no longer be regarded as being outstanding,

except for the purpose of being paid pursuant to such deposit, and the pledges, liens, trusts and all other covenants, provisions, terms and conditions of the resolution authorizing the issuance of the Refunded Bonds shall be, with respect to the Refunded Bonds, discharged, terminated and defeased; and

WHEREAS, it is officially found, determined, and declared that the meeting at which this Resolution has been adopted was open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Resolution, was given, all as required by the applicable provisions of Chapter 551, Texas Government Code; Now, Therefore

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SUGAR LAND DEVELOPMENT CORPORATION:

**ARTICLE I
DEFINITIONS AND OTHER PRELIMINARY MATTERS**

Section 1.01. Definitions.

Unless otherwise expressly provided or unless the context clearly requires otherwise, in this Resolution the following terms shall have the meanings specified below:

“Additional Bonds” means the additional sales tax revenue bonds the Corporation reserves the right to issue on a parity with the Bonds, in accordance with the terms and conditions prescribed in Section 9.02 hereof.

“Blanket Issuer Letter of Representations” means the Blanket Issuer Letter of Representations between the Corporation and DTC.

“Board” means the Board of Directors of the Corporation.

“Bond Purchase Agreement” means the agreement between the City and the Underwriter described in Section 7.01 of this Resolution.

“Bonds” means the Corporation’s bonds entitled “Sugar Land Development Corporation Sales Tax Revenue Refunding Bonds, Series 2021” authorized to be issued by this Resolution.

“Closing Date” means the date of the initial delivery of and payment for the Bonds.

“Code” means the Internal Revenue Code of 1986, as amended, including applicable regulations, published rulings and court decisions relating thereto.

“Comptroller” means the Comptroller of Public Accounts of the State of Texas and any successor officer, and any other official that may be charged by law with the duty of collecting Sales Tax Revenues for the account of, and remitting the same to, the City for the account of the Corporation.

“Costs of the Project” means all items of costs of or attributable to the Project and defined as “Costs” in the Act.

“Dated Date” means November 2, 2021.

“Debt Service” means the amount necessary to pay the principal of, premium, if any, and interest due and owing on the Bonds, and any Parity Bonds, during each Fiscal Year of the Corporation.

“Debt Service Fund” means the debt service fund established by Section 8.02 of this Resolution.

“DTC” means The Depository Trust Company of New York, New York, or any successor securities depository.

“DTC Participant” means any broker, dealer, bank, trust company, clearing corporation or certain other organizations with Bonds credited to an account maintained on its behalf by DTC.

“Escrow Agent” means The Bank of New York Mellon Trust Company, N.A.

“Escrow Agreement” means the agreement between the City and the Escrow Agent relating to the escrow of funds to pay the Refunded Bonds.

“Event of Default” means any Event of Default as defined in Section 11.01 of this Resolution.

“Fiscal Year” means the fiscal year of the Corporation, which is currently the twelve-month period beginning on October 1 of each year and ending on September 30 of the following year.

“Initial Bond” means the Bond described in Sections 3.04(d).

“Interest Payment Date” means the date or dates upon which interest on the Bonds is scheduled to be paid until the maturity or prior redemption of the Bonds, such dates being August 15 and February 15 of each year commencing February 15, 2022.

“Outstanding,” when used with reference to the Bonds shall mean, as of a particular date, the principal amount of all such Bonds theretofore delivered by the Corporation as provided in or contemplated by this Resolution, except: (a) any such Bond canceled by or on behalf of the Corporation at or before such date; (b) any such Bond paid or with respect to which provision for payment has been made pursuant to the provisions of this Resolution or otherwise defeased as permitted by applicable law; or (c) any such Bond in lieu of or in substitution for which another Bond shall have been delivered pursuant to this Resolution.

“Outstanding Bonds” means the Corporation’s Sales Tax Revenue Refunding Bonds, Series 2014 and Sales Tax Revenue Bonds, Series 2014.

“Owner” means any person who is the registered owner of a Parity Bond or Bonds.

“Parity Bonds” mean the Bonds, the Outstanding Bonds and each series of Additional Bonds from time to time hereafter issued, but only to the extent such Parity Bonds remain Outstanding within the meaning of this Resolution.

“Paying Agent/Registrar” means The Bank of New York Mellon Trust Company, N.A., any successor thereto or an entity which is appointed as and assumes the duties of Paying Agent/Registrar as provided in this Resolution.

“Pledged Revenues” means (a) the Sales Tax Revenues and (b) interest and earnings from investment of funds on deposit in the Revenue Fund, the Debt Service Fund and the Reserve Fund.

“Project” means the planning, site preparation, design, engineering and geotechnical investigation associated with the Sugar Land Performing Arts Center.

“Record Date” means, for any Interest Payment Date, the close of business on the last Business Day of the month next preceding an Interest Payment Date.

“Refunded Bonds” means the Corporation’s Sales Tax Revenue Bonds, Series 2013, dated October 1, 2013, in the original principal amount of \$5,350,000, maturing on February 15 in each of the years 2023 through 2038, both inclusive.

“Register” means the Register specified in Section 3.06(a) of this Resolution.

“Reserve Fund” means the reserve fund established by Section 8.02 of this Resolution.

“Reserve Fund Requirement” means an amount equal to the lesser of (i) the maximum annual Debt Service (calculated on a Fiscal Year basis) for all Parity Bonds then Outstanding (after giving effect to the issuance of any Additional Bonds), as determined on the date each series of Additional Bonds are delivered or incurred, as the case may be or (ii) the maximum amount in a reasonably required reserve fund that can be invested without restriction as to yield pursuant to Subsection (d) of Section 148 of the Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder.

“Reserve Fund Surety Policy” means an insurance policy or credit agreement with the characteristics described in Section 8.05(b) of this Resolution.

“Resolution” means this Resolution.

“Revenue Fund” means the special fund so designated in Section 8.02 hereof.

“Sales Tax” means the local sales and use tax authorized by the Act, approved by the voters of the City on January 21, 1993, at a rate of one-fourth of one percent (1/4%), and levied by the City on behalf of the Corporation.

“Sales Tax Revenues” means all of the revenues collected or received by the City on behalf of the Corporation, from or by reason of the levy of the Sales Tax.

“Special Payment Date” means the Special Payment Date prescribed by Section 3.03(b) of this Resolution.

“Special Record Date” means the Special Record Date prescribed by Section 3.03(b) of this Resolution.

“Underwriter” means Raymond James & Associates, Inc.

Section 1.02. Other Definitions. The terms “Act,” “Corporation” and “City” shall have the respective meanings assigned in the preamble to this Resolution.

Section 1.03. Findings. It is hereby found and determined that the matters and facts set out in the preamble to this Resolution are true and correct.

It is hereby found and determined that the refunding contemplated in this Resolution will benefit the Corporation by providing a total savings of \$[_____.] and a present value savings of \$[_____.] in the debt service payable by the Corporation, that such benefit is sufficient consideration for the refunding of the Refunded Bonds, and that the issuance of the refunding bonds is the most advantageous reasonably available to and in the best interests of the Corporation.

Section 1.04. Titles and Headings. The titles and headings of the Articles and Sections of this Resolution have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Resolution or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.05. Interpretation. (a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) This Resolution and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Resolution.

ARTICLE II SECURITY FOR THE PARITY BONDS

Section 2.01. Confirmation and Law of Sales Tax. (a) The Corporation hereby confirms the earlier levy by the City of the Sales Tax, and the Corporation hereby warrants and represents that the City has duly and lawfully ordered the imposition and collection of the Sales Tax upon all sales, uses and transactions as are permitted by and described in the Act throughout the boundaries of the City as such boundaries existed on the date of said election and as they may be expanded from time to time pursuant to applicable law.

(b) If the City shall be authorized hereafter by applicable law to apply, impose and levy the Sales Tax on any taxable items or transactions that are not subject to the Sales Tax on the date of the adoption hereof, the Corporation, to the extent it legally may do so, hereby

covenants and agrees to use its best efforts to cause the City to take such action as may be required by applicable law to subject such taxable items or transactions to the Sales Tax.

(c) The Corporation agrees to take and pursue all action permissible under applicable law to cause the Sales Tax to be collected and remitted and deposited as herein required and as required by the Act, at the earliest and most frequent times permitted by applicable law.

Section 2.02. Pledge. The Corporation hereby irrevocably pledges the Pledged Revenues, to the payment of the principal of, and the interest and any premiums on, the Parity Bonds and to the establishment and maintenance of the Reserve Fund.

(a) The provisions, covenants, pledge and lien on and against the Pledged Revenues, as herein set forth, are established and shall be for the equal benefit, protection and security of the Owners of the Parity Bonds without distinction as to priority and rights.

(b) The Parity Bonds, including interest payable thereon, shall constitute special obligations of the Corporation, payable solely from and secured by a first lien on and pledge of the Pledged Revenues, and not from any other revenues, properties or income of the Corporation. The Parity Bonds shall not constitute debts or obligations of the State of Texas or of the City, and the Owners of the Parity Bonds shall never have the right to demand payment out of any funds raised or to be raised by ad valorem taxes.

Section 2.03. Resolution as Security Agreement. (a) An executed copy of this Resolution shall constitute a security agreement pursuant to applicable law, with the Owners as the secured parties. The lien, pledge, and security interest of the Owners created in this Resolution shall become effective immediately upon the Closing Date of the Bonds, and the same shall be continuously effective for so long as any Parity Bonds are Outstanding.

(b) A fully executed copy of this Resolution and the proceedings authorizing it shall be filed as a security agreement among the permanent records of the Corporation. Such records shall be open for inspection to any member of the general public and to any person proposing to do or doing business with, or asserting claims against, the Corporation, at all times during regular business hours.

(c) The provisions of this section are prescribed pursuant to the Act, the Texas Public Securities Procedures Act (Chapter 1201, Texas Government Code), and other applicable laws of the State. If any other applicable law, in the opinion of counsel to the Corporation, requires any filing or other action additional to the filing pursuant to this section in order to preserve the priority of the lien, pledge, and security interest of the Owners created by this Resolution, the Corporation shall diligently make such filing or take such other action to the extent required by law to accomplish such result.

ARTICLE III AUTHORIZATION; TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.01. Authorization. The Bonds shall be issued in fully registered form in the principal amount of \$[4,575,000] for the purpose of refunding the Refunded Bonds, under and in

strict conformity with the Constitution and laws of the State of Texas, particularly Chapters 501, 502 and 504, Texas Local Government Code.

Section 3.02. Designation, Date, Denomination, Maturities, Numbers and Interest. (a) The Bonds shall be designated as “SUGAR LAND DEVELOPMENT CORPORATION SALES TAX REVENUE REFUNDING BONDS, SERIES 2021,” shall be dated the Dated Date, shall be in fully registered form, without coupons, in the denomination of \$5,000 or any integral multiple thereof. The Initial Bond shall be numbered I-1 and all other Bonds shall be numbered in sequence beginning with R-1.

(b) The Bonds shall mature on February 15 in the years and in the principal amounts set forth below, with interest on each Bond accruing from the Dated Date, or the most recent Interest Payment Date to which interest has been paid or provided for at the per annum rates of interest specified in the table below:

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2023	\$ _____	_____ %
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		

Section 3.03. Medium, Method and Place of Payment. (a) The principal of, premium, if any, and interest on the Bonds shall be paid in lawful money of the United States of America as provided in this Section.

(b) Interest on the Bonds shall be payable on each Interest Payment Date to the Owners whose names appear in the Register at the close of business on the Record Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Paying Agent/Registrar if and when funds for the payment of such interest have been received from the Corporation. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the “Special Payment Date,” which shall be at least 15 days after the Special Record Date) shall be sent at least five business days prior to the

Special Record Date by United States mail, first class postage prepaid, to the address of each Owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

(c) Interest on the Bonds shall be paid by check (dated as of the Interest Payment Date) and sent by the Paying Agent/Registrar to the person entitled to such payment, United States mail, first class postage prepaid, to the address of such person as it appears in the Register or by such other customary banking arrangements acceptable to the Paying Agent/Registrar and the person to whom interest is to be paid; provided, however, that such person shall bear all risk and expenses of such other customary banking arrangements.

(d) The principal of each Bond shall be paid to the person in whose name such Bond is registered on the due date thereof (whether at the maturity date or the date of prior redemption thereof) upon presentation and surrender of such Bond at the principal payment office of the Paying Agent/Registrar in Dallas, Texas.

(e) If a date for the payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the principal payment office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday, or day on which such banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

Section 3.04. Execution and Initial Registration. (a) The Bonds shall be executed on behalf of the Corporation by the President or Vice President and Secretary of the Corporation, by their manual or facsimile signatures, and the official seal of the Corporation shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the Corporation had been manually impressed upon each of the Bonds.

(b) In the event that any officer of the Corporation whose manual or facsimile signature appears on the Bonds ceases to be such officer before the authentication of such Bonds or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Resolution unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided in this Resolution, duly authenticated by manual execution of the Paying Agent/Registrar. It shall not be required that the same authorized representative of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on all of the Bonds. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Bond delivered on the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided in this Resolution, manually executed by the Comptroller or by her duly authorized agent, which certificate shall be evidence that the Initial Bond has been duly approved by the Attorney

General of the State of Texas and that it is a valid and binding obligation of the Corporation, and has been registered by the Comptroller.

(d) On the Closing Date, one Initial Bond representing the entire principal amount of the Bonds, payable in stated installments to the Purchaser or its designee, executed by manual or facsimile signature of the President or Vice President and Secretary of the Corporation, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller, will be delivered to the Purchaser or its designee. Upon payment for the Initial Bond, the Paying Agent/Registrar shall cancel the Initial Bond and deliver registered definitive Bonds to DTC.

Section 3.05. Ownership. (a) The Corporation, the Paying Agent/Registrar and any other person may treat the person in whose name any Bond is registered as the absolute owner of such Bond for the purpose of making and receiving payment of the principal thereof and premium, if any, thereon, for the further purpose of making and receiving payment of the interest thereon (subject to the provisions herein that interest is to be paid to the person in whose name the Bond is registered on the Record Date), and for all other purposes, whether or not such Bond is overdue, and neither the Corporation nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the person deemed to be the Owner of any Bond in accordance with this Section shall be valid and effectual and shall discharge the liability of the Corporation and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Section 3.06. Registration, Transfer and Exchange. (a) So long as any Bonds remain Outstanding, the Corporation shall cause the Paying Agent/Registrar to keep at its principal payment office, a register (the "Register") in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with this Resolution.

(b) Registration of any Bond may be transferred in the Register only upon the presentation and surrender thereof at the principal payment office of the Paying Agent/Registrar in Dallas, Texas for transfer of registration and cancellation, together with proper written instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of the Bonds, or any portion thereof in any integral multiple of \$5,000, to the assignee or assignees thereof, and the right of such assignee or assignees thereof to have the Bond or any portion thereof registered in the name of such assignee or assignees. No transfer of any Bond shall be effective until entered in the Register. Upon assignment and transfer of any Bond or portion thereof, a new Bond or Bonds will be issued by the Paying Agent/Registrar in conversion and exchange for such transferred and assigned Bond. To the extent possible the Paying Agent/Registrar will issue such new Bond or Bonds in not more than three business days after receipt of the Bond to be transferred in proper form and with proper instructions directing such transfer.

(c) Any Bond may be converted and exchanged only upon the presentation and surrender thereof at the principal payment office of the Paying Agent/Registrar in Dallas, Texas, together with a written request therefor duly executed by the registered owner or assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantees of

signatures satisfactory to the Paying Agent/Registrar, for a Bond or Bonds of the same maturity and interest rate and in any authorized denomination and in an aggregate principal amount equal to the unpaid principal amount of the Bond presented for exchange. If a portion of any Bond is redeemed prior to its scheduled maturity as provided herein, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in the denomination or denominations of any integral multiple of \$5,000 at the request of the registered owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon surrender thereof for cancellation. To the extent possible, a new Bond or Bonds shall be delivered by the Paying Agent/Registrar to the registered owner of the Bond or Bonds in not more than three business days after receipt of the Bond to be exchanged in proper form and with proper instructions directing such exchange.

(d) Each Bond issued in exchange for any Bond or portion thereof assigned, transferred or converted shall have the same principal maturity date and bear interest at the same rate as the Bond for which it is being exchanged. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond. The Paying Agent/Registrar shall convert and exchange the Bonds as provided herein, and each substitute Bond delivered in accordance with this Section shall constitute an original contractual obligation of the Corporation and shall be entitled to the benefits and security of this Resolution to the same extent as the Bond or Bonds in lieu of which such substitute Bond is delivered.

(e) The Corporation will pay the Paying Agent/Registrar's reasonable and customary charge for the initial registration or any subsequent transfer, exchange or conversion of Bonds, but the Paying Agent/Registrar will require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer, exchange or conversion of a Bond. In addition, the Corporation hereby covenants with the Owners of the Bonds that it will (i) pay the reasonable and standard or customary fees and charges of the Paying Agent/Registrar for its services with respect to the payment of the principal of and interest on the Bonds, when due, and (ii) pay the fees and charges of the Paying Agent/Registrar for services with respect to the transfer, registration, conversion and exchange of Bonds as provided herein.

Section 3.07. Cancellation and Authentication. (a) All Bonds paid or redeemed before scheduled maturity in accordance with this Resolution, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this Resolution, shall be canceled and destroyed upon the making of proper records regarding such payment, redemption, exchange or replacement. The Paying Agent/Registrar shall periodically furnish the Corporation with certificates of destruction of such Bonds.

(b) Each substitute or replacement Bond issued pursuant to the provisions of Sections 3.06 and 3.08 of this Resolution, in conversion of and exchange for or replacement of any Bond or Bonds issued under this Resolution, shall have printed thereon a Paying Agent/Registrar's Authentication Certificate, in the form hereinafter set forth. An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, manually sign and date such Certificate, and no such Bond shall be deemed to be issued or Outstanding unless such Certificate is so executed. No additional ordinances, orders, or resolutions need be passed or adopted by the Corporation, the governing body of the City, or any other body or person so as to

accomplish the foregoing conversion and exchange or replacement of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds in the manner prescribed herein, and said Bonds shall be of customary type and composition and be printed on paper with lithographed or steel engraved borders of customary weight and strength. Pursuant to the Texas Public Securities Procedures Act (Texas Government Code, Chapter 1201), and particularly Subchapter D thereof, the duty of conversion and exchange or replacement of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the above Paying Agent/Registrar's Authentication Certificate, the converted and exchanged or replaced Bonds shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Initial Bond which was originally delivered pursuant to this Resolution, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(c) Bonds issued in conversion and exchange or replacement of any other Bond or portion thereof, (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the registered owners thereof, (ii) may be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Bonds, (v) shall have the characteristics, (vi) shall be signed and sealed, and (vii) the principal of and interest on the Bonds shall be payable, all as provided, and in the manner required or indicated, in the Form of Bonds set forth in this Resolution.

Section 3.08. Replacement Bonds. (a) Upon the presentation and surrender to the Paying Agent/Registrar, at its principal payment office in Dallas, Texas, of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding. The Corporation or the Paying Agent/ Registrar may require the Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected herewith.

(b) In the event that any Bond is lost, apparently destroyed or wrongfully taken, the Paying Agent/Registrar, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner first:

(1) furnishes to the Paying Agent/Registrar satisfactory evidence of his ownership of and the circumstances of the loss, destruction or theft of such Bond;

(2) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and the Corporation to save them harmless;

(3) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and

(4) satisfies any other reasonable requirements imposed by the Corporation and the Paying Agent/Registrar.

(c) If, after the delivery of such replacement Bond, a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the Corporation and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the Corporation or the Paying Agent/Registrar in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Bond, may pay such Bond.

(e) Each replacement Bond delivered in accordance with this Section shall constitute an original contractual obligation of the Corporation and shall be entitled to the benefits and security of this Resolution to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

Section 3.09. Book-Entry Only System. (a) The Initial Bond shall be registered in the name of the Purchaser. Except as provided in Section 3.10 hereof, all other Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

(b) With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Corporation and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds, except as provided in this Resolution. Without limiting the immediately preceding sentence, the Corporation and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than an Owner, as shown in the Register of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Resolution to the contrary, the Corporation and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Register as the absolute Owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners, as shown in the Register as provided in this Resolution, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Corporation's obligations with respect to principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Register, shall receive a Bond certificate evidencing the

obligation of the Corporation to make payments of amounts due pursuant to this Resolution. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Resolution with respect to interest checks or drafts being mailed to the registered Owner at the close of business on the Record Date, the word “Cede & Co.” in this Resolution shall refer to such new nominee of DTC.

Section 3.10. Successor Securities Depository. Transfer Outside Book-Entry Only System. In the event that the Corporation or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, and that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, or in the event DTC discontinues the services described herein, the Corporation or the Paying Agent/Registrar shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants, as identified by DTC, of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants, as identified by DTC, of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts, as identified by DTC. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but maybe registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Resolution.

Section 3.11. Payments to Cede & Co. Notwithstanding any other provision of this Resolution to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in the manner provided in the Blanket Issuer Letter of Representations.

ARTICLE IV REDEMPTION PRIOR TO MATURITY

Section 4.01. Optional Redemption. The Corporation reserves the right, at its option, to redeem Bonds maturing on or after February 15, 2031, in whole, or from time to time in part, on February 15, 2030, or on any date thereafter, at par plus accrued interest on the amounts called for redemption to the date fixed for redemption. If less than all of the Bonds are to be redeemed, the Corporation shall determine the particular Bonds or portions thereof to be redeemed.

Section 4.02. Method of Redemption. Principal amounts maybe redeemed only in integral multiples of \$5,000. If a Bond subject to redemption is in a denomination larger than \$5,000, a portion of such Bond may be redeemed, but only in integral multiples of \$5,000. Upon surrender of any Bond for redemption in part, the Registrar, in accordance with Section 3.06 hereof, shall authenticate and deliver in exchange therefor a Bond or Bonds of like maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

Notice of any redemption identifying the Bonds to be redeemed in whole or in part shall be given by the Registrar at least thirty days prior to the date fixed for redemption by sending written notice by first class mail to the Owner of each Bond to be redeemed in whole or in part at the address shown on the Register. Such notices shall state the redemption date, the redemption price, the place at which Bonds are to be surrendered for payment and, if less than all Bonds Outstanding of a particular maturity are to be redeemed, the numbers of the Bonds or portions thereof of such maturity to be redeemed. Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice. By the date fixed for redemption, due provision shall be made with the Registrar for payment of the redemption price of the Bonds or portions thereof to be redeemed, plus accrued interest to the date fixed for redemption. When Bonds have been called for redemption in whole or in part and due provision has been made to redeem same as herein provided, the Bonds or portions thereof so redeemed shall no longer be regarded as Outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Owners to collect interest which would otherwise accrue after the redemption date on any Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

ARTICLE V PAYING AGENT/REGISTRAR

Section 5.01. Appointment of Initial Paying Agent/Registrar. (a) The Corporation hereby appoints The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, as its registrar and paying agent to keep such books or records and make such transfers and registrations under such reasonable regulations as the Corporation may prescribe. The Paying Agent/Registrar shall make such transfer and registrations as herein provided. It shall be the duty of the Paying Agent/Registrar to obtain from the Owners and record in the Register the address of such Owner of each Bond to which payments with respect to the Bonds shall be mailed, as provided herein. The Corporation or its designee shall have the right to inspect the Register during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Register Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity.

(b) The Corporation hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds. The Paying Agent/Registrar shall keep proper records of all payments made by the Corporation and the Paying Agent/Registrar with respect to the Bonds, and of all conversions, exchanges and replacements of such Bonds, as provided in the Resolution.

(c) The Paying Agent/Registrar Agreement is hereby approved, and the President or Vice President are hereby authorized and directed to execute and deliver such Paying Agent/Registrar Agreement on behalf of the Corporation, in multiple counterparts and the Secretary is hereby authorized to attest thereto, together with such changes, additions, deletions and amendments thereto as such officers shall deem necessary or appropriate.

Section 5.02. Qualifications. Each Paying Agent/Registrar shall be a commercial bank, trust company, or other entity duly qualified and legally authorized under the laws of the United States or any state to serve as paying agent and registrar for the Bonds.

Section 5.03. Maintaining Paying Agent/Registrar. At all times while any Bonds are Outstanding, the Corporation will maintain a Paying Agent/Registrar that is qualified under Section 5.02 of this Resolution. If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the Corporation will promptly appoint a replacement.

Section 5.04. Termination. The Corporation reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated a certified copy of a resolution of the Corporation (i) giving notice of the termination of the appointment and of the Paying Agent/Registrar Agreement, stating the effective date of such termination, and (ii) appointing a successor Paying Agent/Registrar.

Section 5.05. Notice of Change to Owners. Promptly upon each change in the entity serving as Paying Agent/Registrar, the Corporation will cause notice of the change to be sent to each Owner by United States mail, first class postage prepaid, at the address in the Register, stating the effective date of the change and the name of the replacement Paying Agent/Registrar and the mailing address of its principal payment office.

Section 5.06. Agreement to Perform Duties and Functions. By accepting the appointment as Paying Agent/Registrar, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Resolution and that it will perform the duties and functions of Paying Agent/Registrar prescribed hereby.

Section 5.07. Delivery of Records to Successor. If a Paying Agent/Registrar is replaced, such Paying Agent/Registrar, promptly upon the appointment of the successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Bonds to the successor Paying Agent/Registrar.

ARTICLE VI FORM OF BOND

Section 6.01. Form Generally. (a) The Bonds, including the registration certificate of the Comptroller, the certificate of the Paying Agent/Registrar, and the assignment form to appear on each of the Bonds, (i) shall be substantially in the form set forth in Exhibit A hereto, with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Resolution, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, maybe determined by the Corporation or by the officers executing such Bonds, as evidenced by their execution thereof.

(b) The Bonds shall be typed, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Bonds, as evidenced by their execution thereof, except that the Initial Bond submitted to the Attorney General of Texas, the definitive Bonds delivered to DTC (or any successor securities depository) and any temporary Bonds may be typewritten or photocopied or otherwise produced.

ARTICLE VII
SALE OF THE BONDS; USE OF PROCEEDS

Section 7.01. Sale of Bonds; Bond Purchase Agreement; Official Statement. (a) The Bonds shall be sold and delivered to the Underwriter at a price of \$[_____.] (representing the principal amount of the Bonds, plus a net premium of \$[_____.] less an underwriter's discount of \$[_____.], plus accrued interest to the date of delivery, in accordance with the terms of a Bond Purchase Agreement, the form of which is hereby approved by the Corporation. The President of the Board of Directors is hereby authorized and directed to execute the Bond Purchase Agreement on behalf of the Corporation, and the President, Vice President and all other officers, agents and representatives of the Corporation are hereby authorized to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Bonds..

(b) The Board of Directors of the Corporation hereby ratifies, authorizes and approves, in connection with the sale of the Bonds, the preparation and distribution of the Official Notice of Sale and Preliminary Official Statement.

(c) The Preliminary Official Statement is hereby deemed final as of its date (except for the omission of pricing and related information) within the meaning and for the purposes of paragraph (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended.

(d) All officers of the Corporation are authorized to take such actions, to execute such documents, certificates and receipts and to make such elections pertaining to the tax-exempt status of the Bonds as they may deem necessary and appropriate in order to consummate the delivery of the Bonds.

Section 7.02. Official Statement. The Corporation hereby authorizes the preparation of a final Official Statement, in substantially the form of the Preliminary Official Statement except for the additional information necessary to conform the final Official Statement to the terms of this Resolution and reflecting the terms of the Bond Purchase Agreement and other relevant matters. The use of such Official Statement in the reoffering of the Bonds by the Underwriter is hereby approved and authorized.

Section 7.03. Control and Delivery of Bonds. (a) The President is hereby authorized to have control of the Initial Bond and all necessary records and proceedings pertaining thereto pending investigation, examination and approval of the Attorney General of the State of Texas, registration by the Comptroller of Public Accounts of the State of Texas.

(b) After registration by the Comptroller of Public Accounts, delivery of the Bonds shall be made to the Underwriter subject to receipt by the Corporation of all amounts due to the Corporation under the terms of sale.

Section 7.04. Use of Proceeds. Proceeds from the sale of the Bonds shall, promptly upon receipt by the Corporation, be applied as follows:

- (a) Accrued interest in the amount of \$[_____.__]and, if necessary, net premium on the Bonds in the amount of \$[_____.__] shall be deposited into the Debt Service Fund.
- (b) Premium in the amount of \$[_____.__] shall be used to pay the underwriter's discount.
- (c) Net premium in the amount of \$[_____.__] shall be used to pay the costs of issuance.
- (d) Proceeds from the sale of the Bonds in the amount of \$[4,575,000.00] plus premium in the amount of \$[_____.__], shall be applied to establish an escrow fund to refund the Refunded Bonds, as more fully provided in Section 7.05 below, and, to the extent not otherwise provided for, to pay all expenses arising in connection with the issuance of the Bonds, the establishment of such escrow fund and the refunding of the Refunded Bonds. Any proceeds of the Bonds remaining after making all such deposits and payments shall be deposited into the Debt Service Fund.

Section 7.05. Escrow Agreement. The discharge and defeasance of the Refunded Bonds shall be effectuated pursuant to the terms and provisions of an Escrow Agreement to be entered into by and between the Corporation and the Escrow Agent, the terms and provisions of which are hereby approved, subject to such insertions, additions and modifications as shall be necessary (a) to carry out the program designed for the Corporation by the Underwriter, which shall be certified as to mathematical accuracy by Grant Thornton LLP, (b) to minimize the Corporation's costs of refunding, (c) to comply with all applicable laws and regulations relating to the refunding of the Refunded Bonds and (d) to carry out the other intents and purposes of this Resolution; and the President or Vice President is hereby authorized to execute and deliver such Escrow Agreement on behalf of the Corporation in multiple counterparts and the Secretary or an Assistant Secretary is hereby authorized to attest thereto and affix the Corporation's seal.

Section 7.06. Redemption of Refunded Bonds. The Corporation hereby calls the following bonds for redemption prior to maturity on the date shown below, at a price of par plus accrued interest, and authorizes and directs notice of such redemption to be given in accordance with the resolution authorizing the issuance of such bonds:

Bonds to Be Redeemed

Redemption Date

Sales Tax Revenue Bonds, Series 2013
Maturities 2023 through 2038, inclusive

February 15, 2022

Section 7.07. Purchase of United States Treasury Obligations. To assure the purchase of the Escrowed Securities referred to in the Escrow Agreement, the President or Vice President and the Escrow Agent are hereby authorized to subscribe for, agree to purchase, and purchase obligations which are authorized investments for escrow accounts pursuant to Section 1207.062, Texas Government Code, in such amounts and maturities and bearing interest at such rates as may be provided for in the Report, and to execute any and all subscriptions, purchase agreements, commitments, letters of authorization and other documents necessary to effectuate the foregoing, and any actions heretofore taken for such purpose are hereby ratified and approved.

**ARTICLE VIII
SECURITY AND SOURCE OF
PAYMENT FOR ALL PARITY BONDS**

Section 8.01. Pledge and Source of Payment. The Corporation hereby covenants and agrees that all Pledged Revenues shall be deposited and paid into the special funds established for Parity Bonds, as provided in this Resolution, and shall be applied in the manner set out herein, to provide for the payment of principal, interest and any redemption premium of the Parity Bonds and all expenses of paying, securing and insuring the same. The Parity Bonds are special obligations of the Corporation and shall be payable solely from, and equally and ratably secured by a first lien on the Pledged Revenues, as collected and received by the Corporation, which Pledged Revenues are hereby pledged to the payment of the Parity Bonds and shall be set aside in the Debt Service Fund and Reserve Fund as hereinafter provided. The Parity Bonds shall be in all respects on a parity with and of equal dignity with one another.

Section 8.02. Special Funds. (a) The following special funds established in connection with the issuance of the Outstanding Bonds shall be maintained and accounted for as hereinafter provided, so long as any Parity Bonds remain Outstanding:

- (1) Sugar Land Development Corporation Sales Tax Revenue Refunding Fund (the "Revenue Fund");
- (2) Sugar Land Development Corporation Sales Tax Revenue Refunding Bonds Debt Service Fund (the "Debt Service Fund"); and
- (3) Sugar Land Development Corporation Sales Tax Revenue Refunding Bonds Reserve Fund (the "Reserve Fund").

(b) The Revenue Fund shall be maintained as a separate account on the books of the Corporation.

(c) The Debt Service Fund and the Reserve Fund (i) shall be maintained at an official depository bank of the Corporation separate and apart from all other funds and accounts of the Corporation, (ii) shall constitute trust funds which shall be held in trust for the benefit of the Owners of the Parity Bonds, and (iii) the proceeds of which shall be and are hereby pledged to the payment of the Parity Bonds. All of the funds named above shall be used solely as provided in this Resolution so long as any Parity Bonds remain Outstanding.

Section 8.03. Flow of Funds. All Pledged Revenues (other than interest and income derived from the investment of money in the Debt Service Fund and Reserve Fund) shall be deposited upon receipt into the Revenue Fund. Money from time to time on deposit in the Revenue Fund shall be applied as follows in the following order of priority:

- (a) First, to make all deposits into the Debt Service Fund required by this Resolution, the resolution authorizing the Outstanding Bonds, and any resolution authorizing the issuance of Additional Bonds.
- (b) Second, to make all deposits into the Reserve Fund required by this Resolution, the resolution authorizing the Outstanding Bonds, and any resolution authorizing the issuance of Additional Bonds.
- (c) Third, to pay any amounts due to any bond insurer of Parity Bonds not paid pursuant to subsections (a) or (b) above.
- (d) Fourth, to pay any amounts due to any issuer of a Reserve Fund Surety Policy not paid pursuant to subsections (b) or (c) above.
- (e) Fifth, to pay administrative expenses of the Corporation.
- (f) Sixth, to pay any amounts due the City of Sugar Land for economic development costs incurred on behalf of or pursuant to contracts with the Corporation.
- (g) Seventh, for any lawful purpose.

Whenever the total amounts on deposit to the credit of the Debt Service Fund and the Reserve Fund shall be equivalent to the sum of the aggregate principal amount of all Outstanding Parity Bonds plus the aggregate amount of all interest accrued and to accrue thereon, no further payments need be made into the Debt Service Fund or the Reserve Fund.

Section 8.04. Debt Service Fund. On or before the last Business Day of each month so long as any Parity Bonds remain Outstanding, there shall be transferred into the Debt Service Fund from the Revenue Fund:

- (1) such amounts, in approximately equal monthly installments, as will be sufficient to accumulate the amount required to pay the interest scheduled to become due on the Parity Bonds on the next Interest Payment Date; and

- (2) such amounts, in approximately equal monthly installments, as will be sufficient to accumulate the amount required to pay the next maturing principal of the Parity Bonds, including the principal amounts of, and any redemption premium on, any Parity Bonds payable as a result of the exercise or operation of any optional or mandatory redemption provision contained in any resolution authorizing the issuance of Parity Bonds.

Money deposited to the credit of the Debt Service Fund shall be used solely for the purpose of paying principal (at maturity or prior redemption or to purchase Parity Bonds issued as term bonds in the open market to be credited against mandatory redemption requirements), interest and any redemption premium on the Parity Bonds, plus all bank charges and other costs and expenses relating to such payment. The Paying Agent/Registrar shall destroy all paid Parity Bonds and shall provide the Corporation with appropriate certificates of destruction.

Section 8.05. Reserve Fund. (a) Unless the increase in the Reserve Fund Requirement is funded from bond proceeds, on or before the last Business Day of each month so long as any Parity Bonds remain Outstanding, and after making the transfers into the Debt Service Fund required in the preceding Section, there shall be transferred into the Reserve Fund from the Revenue Fund, in approximately equal monthly installments, amounts sufficient to accumulate within 36 months the increase in the Reserve Fund Requirement resulting from the issuance of the Bonds. Each increase in the Reserve Fund Requirement resulting from the issuance of Additional Bonds shall be accumulated within 36 months of the issuance of such bonds by making transfers from the Revenue Fund into the Reserve Fund in approximately equal monthly installments of amounts sufficient for such purpose. After the Reserve Fund Requirement has accumulated in the Reserve Fund and so long thereafter as such Fund contains the Reserve Fund Requirement, no further deposits shall be required to be made into the Reserve Fund, and any excess amounts may be transferred to the Revenue Fund. But if and whenever the balance in the Reserve Fund is reduced below the Reserve Fund Requirement, either due to a draw on the funds or reduction or cancellation of a Reserve Fund Surety Policy, the Corporation shall make deposits into the Reserve Fund from the first funds available for such purpose until the Reserve Fund again equals the Reserve Fund Requirement. The Reserve Fund shall be used to pay the principal of and interest on the Parity Bonds at any time when there is not sufficient money available in the Debt Service Fund for such purpose and to pay and retire the last Parity Bonds to mature or be redeemed.

(b) The Corporation expressly reserves the right at any time to satisfy all or any part of the Reserve Fund Requirement by obtaining for the benefit of the Reserve Fund a Reserve Fund Surety Policy (as described below). In the event the Corporation elects to substitute at any time a Reserve Fund Surety Policy for any funded amounts in the Reserve Fund, it may apply any bond proceeds thereby released, including investment earnings on bond proceeds, to any purposes for which the bonds were issued and any other funds thereby released to any purposes for which such funds may lawfully be used, including the payment of debt service on the Parity Bonds. A Reserve Fund Surety Policy shall be an insurance policy or other credit agreement in a principal amount equal to the portion of the Reserve Fund Requirement to be satisfied and issued by a financial institution or insurance company with a rating for its long term unsecured debt or claims paying ability in the highest letter category by two major municipal securities evaluation

sources. A Reserve Fund Surety Policy shall be for the pro rata benefit of all Parity Bonds. The premium for any such policy shall be paid from bond proceeds or other funds of the Corporation lawfully available for such purpose. Any Reserve Fund Surety Policy shall be authorized by resolution.

All surplus in the Reserve Fund in excess of the Required Reserve may, at the option of the Corporation, be deposited in the Revenue Fund; provided, however, that bond proceeds deposited in the Reserve Fund and investment earnings on such proceeds, may only be used for the purposes for which the bonds were issued.

Section 8.06. Deficiencies in Funds. If in any month there shall not be deposited into any Fund maintained pursuant to this Article the full amounts required herein, amounts equivalent to such deficiency shall be set apart and paid into such Fund or Funds from the first available and unallocated money in the Revenue Fund, and such payment shall be in addition to the amounts otherwise required to be paid into such Funds during the succeeding month or months.

Section 8.07. Investment of Funds; Transfer of Investment Income. (a) Money in the Revenue Fund, the Debt Service Fund and the Reserve Fund may, at the option of the Corporation, be invested as permitted by law; provided that all such deposits and investments shall be made in such manner that the money required to be expended from any Fund will be available at the proper time or times, and provided further that in no event shall such deposits or investments of money in the Reserve Fund mature later than the final maturity date of the Parity Bonds. Any obligation in which money is so invested shall be kept and held in the Fund from which the investment was made. All such investments shall be promptly sold when necessary to prevent any default in connection with the Parity Bonds.

(b) All interest and income derived from such deposits and investments shall be credited as received to the Fund from which the investment was made.

ARTICLE IX ADDITIONAL BONDS

Section 9.01. Issuance of Superior Lien Obligations Prohibited. The Corporation hereby covenants that so long as any principal or interest pertaining to any Parity Bonds remain Outstanding and unpaid, it will not authorize or issue obligations secured by a lien on or pledge of the Pledged Revenues superior to the lien securing the Parity Bonds.

Section 9.02. Issuance of Additional Bonds Authorized. In addition to the right to issue obligations of inferior lien, the Corporation reserves the right to issue Additional Bonds which, when duly authorized and issued in compliance with law and the terms and conditions hereinafter appearing, shall be on a parity with the Bonds and the Outstanding Bonds, payable from and equally and ratably secured by a lien on and pledge of the Pledged Revenues. The Additional Bonds may be issued in one or more installments, provided, however, that none shall be issued unless and until the following conditions have been met:

(a) The Corporation is not then in default as to any covenant, condition or obligation prescribed in the resolutions authorizing the issuance of the Outstanding Parity Bonds.

(b) Each of the funds created for the payment, security and benefit of the Parity Bonds contains the amount of money then required to be on deposit therein.

(c) The Corporation has secured from a Certified Public Accountant (“CPA”), a certificate or report reflecting that for the Fiscal Year next preceding the date of the proposed Additional Bonds, or a consecutive 12-month period out of the 15-month period next preceding the month in which the resolution authorizing the proposed Additional Bonds is adopted, the Sales Tax Revenues were equal to at least 125% of the maximum annual principal and interest requirements on all Parity Bonds to be Outstanding after the issuance of the proposed Additional Bonds, provided that, in the event of an increase in the rate of the Sales Tax that becomes effective prior to the date of the resolution authorizing the issuance of the Additional Bonds, such CPA certificate or report shall calculate the Sales Tax Revenues for the calculation period as if such increased rate were in effect during such period.

(d) The Additional Bonds mature on, and interest is payable on, the same days of the year as the Bonds.

(e) Parity Bonds may be refunded upon such terms and conditions as the Board may deem to be in the best interest of the Corporation; and if less than all Outstanding Parity Bonds are refunded, the proposed refunding obligations shall be considered as “Additional Bonds” under the provisions of this Section, and the report or certificate required by paragraph (c) shall give effect to the issuance of the proposed refunding obligations and shall not give effect to the obligations being refunded.

ARTICLE X PARTICULAR REPRESENTATIONS AND COVENANTS

Section 10.01. Pledged Revenues. (a) The Corporation represents and warrants that it is and will be authorized by applicable law and by its articles of incorporation and bylaws to authorize and issue the Bonds, to adopt this Resolution and to pledge the Pledged Revenues in the manner and to the extent provided in this Resolution, and that the Pledged Revenues are and will remain free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created in or authorized by this Resolution except as expressly provided herein for Additional Bonds.

(b) The Bonds and the provisions of this Resolution are and will be the valid and legally enforceable obligations of the Corporation in accordance with the terms of this Resolution, subject only to any applicable bankruptcy or insolvency laws or to any applicable law affecting creditors rights generally.

(c) The Corporation shall at all times, to the extent permitted by applicable law, defend, preserve and protect the pledge of the Pledged Revenues and all the rights of the Owners under this Resolution and the resolutions authorizing the issuance of any Additional Bonds, against all claims and demands of all persons whomsoever.

(d) The Corporation will take, and use its best efforts to cause the City to take, all steps reasonably necessary and appropriate to collect the Sales Tax to the fullest extent permitted by the Act and other applicable law.

Section 10.02. Accounts, Periodical Reports and Certificates. The Corporation shall keep or cause to be kept proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the funds and accounts established by this Resolution and which, together with all other books and papers of the Corporation, shall at all times be subject to the inspection of the Owner or Owners of not less than 5% in principal amount of the Bonds then Outstanding or their representatives duly authorized in writing.

Section 10.03. General. The Directors and Officers of the Corporation shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Corporation under the provisions of this Resolution.

Section 10.04. Payment of the Bonds. While any of the Bonds are Outstanding and unpaid, there shall be made available to the Paying Agent/Registrar, out of the Debt Service Fund, money sufficient to pay the interest on and the principal of the Bonds, as applicable, when due.

Section 10.05. Provisions Concerning Federal Income Tax Exclusion. (a) Definitions. When used in this Section, the following terms have the following meanings:

“Code” means the Internal Revenue Code of 1986, as amended by all legislation, if any, enacted on or before the Issue Date.

“Computation Date” has the meaning stated in section 1.148-1(b) of the Regulations.

“Gross Proceeds” has the meaning stated in section 1.148-1(b) of the Regulations.

“Investment” has the meaning stated in section 1.148-1(b) of the Regulations.

“Issue Date” for the Bonds or other obligations of the City is the respective date on which such bonds or other obligations of the City is delivered against payment therefor.

“Net Sale Proceeds” has the meaning stated in section 1.148-1(b) of the Regulations.

“Nonpurpose Investment” has the meaning stated in section 1.148-1(b) of the Regulations.

“Proceeds” has the meaning stated in section 1.148-1(b) of the Regulations.

“Rebate Amount” has the meaning stated in section 1.148-3 of the Regulations.

“Regulations” means the temporary or final Income Tax Regulations applicable to the Bonds issued pursuant to sections 141 through 150 of the Code. Any reference to a section of the Regulations shall also refer to any successor provision to such section hereafter promulgated by the Internal Revenue Service pursuant to sections 141 through 150 of the Code and applicable to the Bonds.

“Yield of”

(1) any Investment shall be computed in accordance with section 1.148-5 of the Regulations, and

(2) the Bonds shall be computed in accordance with section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The City shall not use, permit the use of or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which, if made or omitted, respectively, would cause the interest on any Bonds to become includable in the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the City shall have received a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the City shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by section 141 of the Code and the regulations and rulings thereunder, the City shall, at all times prior to the last stated maturity of the Bonds,

A. exclusively own, operate, and possess all property the acquisition, construction, or improvement of which is to be financed directly or indirectly with Gross Proceeds of the Bonds and not use or permit the use of such Gross Proceeds or any property acquired, constructed, or improved with such Gross Proceeds in any activity carried on by any person or entity other than a state or local government, unless such use is solely as a member of the general public, or

B. not directly or indirectly impose or accept any charge or other payment for use of Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with such Gross Proceeds other than taxes of general application and interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by section 141 of the Code and the regulations and rulings thereunder, the City shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, Gross Proceeds are considered to be “loaned” to a person or entity if (1) property acquired, constructed or improved with Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes, (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output, or similar contract or arrangement, or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or such property are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent permitted by section 148 of the Code and the regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the final stated maturity or final payment of the Bonds, directly or indirectly invest Gross Proceeds of such Bonds in any Investment (or use such Gross Proceeds to replace money

so invested), if as a result of such investment the Yield of all Investments allocated to such Gross Proceeds whether then held or previously disposed of, exceeds the Yield on the Bonds.

(f) Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the regulations and rulings thereunder, the City shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of section 149(b) of the Code and the regulations and rulings thereunder.

(g) Information Report. The City shall timely file with the Secretary of the Treasury the information required by section 149(e) of the Code with respect to the Bonds on such forms and in such place as such Secretary may prescribe.

(h) Payment of Rebate Amount. Except to the extent otherwise provided in section 148(f) of the Code and the regulations and rulings thereunder, the City shall:

A. account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of such accounting for at least six years after the final Computation Date. The City may, however, to the extent permitted by law, commingle Gross Proceeds of the Bonds with other money of the City, provided that the City separately accounts for each receipt and expenditure of such Gross Proceeds and the obligations acquired therewith,

B. calculate the Rebate Amount with respect to the Bonds, not less frequently than each Computation Date, in accordance with rules set forth in section 148(f) of the Code, section 1.148-3 of the Regulations, and the rulings thereunder. The City shall maintain a copy of such calculations for at least six years after the final Computation Date,

C. as additional consideration for the purchase of the Bonds by the initial purchaser thereof and the loan of the money represented thereby, and in order to induce such purchase by measures designed to ensure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, pay to the United States the amount described in paragraph (2) above at the times, in the installments, to the place, in the manner and accompanied by such forms or other information as is or may be required by section 148(f) of the Code and the regulations and rulings thereunder, and

D. exercise reasonable diligence to assure that no errors are made in the calculations required by paragraph (2) and, if such error is made, to discover and promptly to correct such error within a reasonable amount of time thereafter, including payment to the United States of any interest and any penalty required by the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the Code and the regulations and rulings thereunder, the City shall not, at any time prior to the earlier of the final stated maturity or final payment of the Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have

resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

(j) Not Hedge Bonds. The City will not invest more than 50 percent of the Proceeds of the Bonds in Nonpurpose Investments having a substantially guaranteed yield for four years or more. On the Issue Date of the Bonds, the City will certify its reasonable expectations that at least 85 percent of the Net Sale Proceeds of the Bonds will be used to carry out the governmental purpose of the Bonds within three years after the Issue Date of the Bonds.

ARTICLE XI DEFAULT AND REMEDIES

Section 11.01. Events of Default. Each of the following occurrences or events for the purpose of this Resolution is hereby declared to be an "Event of Default," to wit:

- (1) the failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable; or
- (2) default in the performance or observance of any other covenant, agreement or obligation of the Corporation under this Resolution, and the continuation thereof for a period of 30 days after notice of such default is given by any Owner to the Corporation.

Section 11.02. Remedies for Default. (a) Upon the happening of an Event of Default, then and in every case any Owner or an authorized representative thereof, including but not limited to, a trustee or trustees therefor, may proceed against the Corporation for the purpose of protecting and enforcing the rights of the Owners under this Resolution, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein.

(b) All such proceedings shall be instituted and maintained for the equal benefit of all Owners of Bonds then Outstanding.

Section 11.03. Remedies Not Exclusive. (a) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Resolution, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Resolution.

(b) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

ARTICLE XII DISCHARGE

Section 12.01. Discharge by Deposit. The Corporation may discharge its obligation to the Owners of any or all of the Parity Bonds to pay principal, interest and redemption premium (if any) thereon in any manner now or hereafter permitted by law, including by depositing with any paying agent for such Parity Bonds or with the Comptroller either: (i) cash in an amount equal to the principal amount and redemption premium, if any, of such Parity Bonds plus interest thereon to the date of maturity or redemption, or (ii) pursuant to an escrow or trust agreement, cash and/or securities of any type authorized by the laws of the State of Texas for a refunding escrow account, in principal amounts and maturities and bearing interest at rates sufficient to provide for the timely payment of the principal amount and redemption premium, if any, of such Parity Bonds plus interest thereon to the date of maturity or redemption; provided, however, that if any of such Parity Bonds are to be redeemed prior to their respective dates of maturity, provision shall have been made for giving notice of redemption as provided in the resolution authorizing such Parity Bonds.

ARTICLE XIII CONTINUING DISCLOSURE UNDERTAKING

Section 13.01. Definitions of Continuing Disclosure Terms. As used in this Article, the following terms have the meanings assigned to such terms below:

“MSRB” means the Municipal Securities Rulemaking Board.

“Official Statement” means the Official Statement for the sale of the Bonds described in Section 7.02 of this Resolution.

“Rule” means SEC Rule 15c2-12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

Section 13.02. Annual Reports. (a) The Corporation shall provide annually to the MSRB, within six months after the end of each Fiscal Year, financial information and operating data with respect to the Corporation of the general type included in the Official Statement under Tables 1 through 4 and in Appendix B. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles the City may be required to employ from time to time pursuant to State law or regulation and (ii) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the Corporation shall provide unaudited financial statements for the applicable fiscal year to the MSRB. Thereafter, when and if audited financial statements become available, the Corporation shall provide such audited financial statements as required to the MSRB.

(b) If the Corporation changes its fiscal year, the Corporation will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Corporation otherwise would be required to provide financial information and operating data pursuant to this Section.

(c) The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or maybe included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC.

Section 13.03. Material Event Notices. (a) The Corporation shall notify the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, of any of the following events with respect to the Bonds:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of holders 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 Corporation;
- (13) The consummation of a merger, consolidation, or acquisition involving the Corporation or the sale of all or substantially all of the assets of the Corporation, 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 trustee, if material;

(15) Incurrence of a financial obligation of the Corporation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Corporation, any of which affect security holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Corporation, any of which reflect financial difficulties.

For these purposes, any event described in (xii) in the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Corporation in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Corporation, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Corporation. The Corporation shall notify the MSRB, in a timely manner, of any failure by the Corporation to provide financial information or operating data in accordance with this Section by the time required by this Section.

As used in clauses (xv) and (xvi) above, the term “financial obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule. The Corporation intends the words used in the above clauses (xv) and (xvi) and in the definition of financial obligation above to have the meanings ascribed to them in SEC release No. 34-83885 dated August 20, 2018.

The Corporation shall notify the MSRB in an electronic format prescribed by the MSRB, in a timely manner, of any failure by the Corporation to provide financial information or operating data in accordance with this Section by the time required by such Section.

(b) Identifying Information. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(c) Limitations, Disclaimers, and Amendments. The Corporation shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long

as, the Corporation remains an “obligated person” with respect to the Notes within the meaning of the Rule, except that the Corporation in any event will give notice of any deposit made in accordance with Texas law that causes Notes no longer to be outstanding.

The provisions of this Section are for the sole benefit of the Registered Owners and beneficial owners of the Notes, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Corporation undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Corporation’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Corporation does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Notes at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CORPORATION BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY NOTE OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CORPORATION, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the Corporation in observing or performing its obligations under this Section shall constitute a breach of or default under this Resolution for purposes of any other provision of this Resolution.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Corporation under federal and state securities laws.

(d) The provisions of this Section may be amended by the Corporation 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 Corporation, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell the Notes in the primary offering of the Notes in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Registered Owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Order that authorizes such an amendment) of the outstanding Parity Obligations consent to such amendment or (b) a person that is unaffiliated with the Corporation (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Registered Owners and beneficial owners of the Notes. If the Corporation so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial

information or operating data so provided. The Corporation may also amend or repeal the provisions of this Section if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the Corporation also may amend the provisions of this Section in its discretion in any other manner or circumstance, but in any case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling Notes in the primary offering of the Notes, giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule.

ADOPTED AND EFFECTIVE this 2nd day of November, 2021.

President, Board of Directors
Sugar Land Development Corporation

ATTEST:

Secretary, Board of Directors
Sugar Land Development Corporation

(SEAL)

Exhibits:

A – Form of Bond

EXHIBIT A

(a) Form of Bond.

UNITED STATES OF AMERICA
STATE OF TEXAS

NUMBER
R-__
REGISTERED

DENOMINATION
\$_____
REGISTERED

SUGAR LAND DEVELOPMENT CORPORATION
SALES TAX REVENUE REFUNDING BOND
SERIES 2021

INTEREST RATE: DATED DATE: MATURITY DATE: CUSIP:
November 2, 2021 February 15, 20__

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS:

THE SUGAR LAND DEVELOPMENT CORPORATION (the "Corporation"), a corporation created to act on behalf of the City of Sugar Land, Texas (the "City"), in the County of Fort Bend, in the State of Texas, for value received hereby promises to pay, but solely from certain Pledged Revenues as hereinafter provided, to the Registered Owner identified above or registered assigns, on the Maturity Date specified above, upon presentation and surrender of this Bond at the principal payment office of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, or its successor (the "Paying Agent/Registrar"), the principal amount identified above, payable in any coin or currency of the United States of America which on the date of payment of such principal is legal tender for the payment of debts due the United States of America, and to pay, solely from such Pledged Revenues, interest thereon at the rate shown above, calculated on the basis of a 360-day year, composed of twelve 30-day months, from the later of the Dated Date specified above or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Bond is payable by check sent by United States mail, first class, postage prepaid, payable on August 15 and February 15, beginning on February 15, 2022, mailed to the registered owner as shown on the books of registration kept by the Paying Agent/Registrar as of the close of business on the last business day of the month next preceding each interest payment date, or by such other method, acceptable to the Paying Agent/Registrar, requested by and at the risk and expense of the registered owner. Any accrued interest payable at maturity or earlier redemption shall be paid upon presentation and surrender of this Bond at the principal corporate trust office of the Paying Agent/Registrar.

THIS BOND IS ONE OF A DULY AUTHORIZED SERIES OF BONDS (the “Bonds”) aggregating \$[4,575,000], issued for the purpose of refunding a portion of the Corporation’s outstanding bonds, under and in strict conformity with the Constitution and laws of the State of Texas, particularly Chapters 501, 502 and 504, Texas Local Government Code, and a resolution adopted by the Corporation on November 2, 2021 (the “Resolution”). Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Resolution.

THE CORPORATION RESERVES THE RIGHT to redeem Bonds maturing on or after February 15, 2031, in whole or from time to time in part, in integral multiples of \$5,000, on February 15, 2030, or on any date thereafter at par plus accrued interest on the principal amounts called for redemption to the date fixed for redemption. Reference is made to the Resolution for complete details concerning the manner of redeeming the Bonds.

NOTICE OF ANY REDEMPTION shall be given at least thirty (30) days prior to the date fixed for redemption by first class mail, postage prepaid, addressed to the registered owner of each Bond to be redeemed in whole or in part at the address shown on the books of registration kept by the Paying Agent/Registrar. When Bonds or portions thereof have been called for redemption, and due provision has been made to redeem the same, the principal amounts so redeemed shall be payable solely from the funds provided for redemption, and interest which would otherwise accrue on the amounts called for redemption shall terminate on the date fixed for redemption.

THIS BOND shall not be valid or obligatory for any purpose or be entitled to any benefit under the Resolution unless this Bond is either (i) registered by the Comptroller of Public Accounts of the State of Texas by registration certificate attached or affixed hereto or (ii) authenticated by the Registrar by due execution of the authentication certificate endorsed hereon.

THIS BOND AND THE SERIES OF WHICH IT IS A PART are special obligations of the Corporation that are payable from and are equally and ratably secured by a first lien on the Pledged Revenues, as defined and provided in the Resolution, which Pledged Revenues are required to be set aside and pledged to the payment of the Bonds, and all additional bonds issued on a parity therewith, in the Debt Service Fund and Reserve Fund maintained for the payment of all such Bonds, and any excess Sales Tax Revenues are to be set aside in the Surplus Fund and used for any purpose authorized under the Act.

THIS BOND AND THE SERIES OF WHICH IT IS A PART ARE PAYABLE SOLELY FROM SUCH PLEDGED REVENUES AND NEITHER THE STATE OF TEXAS (THE “STATE”), THE CITY OF SUGAR LAND, TEXAS (THE “CITY”), NOR ANY POLITICAL CORPORATION, SUBDIVISION OR AGENCY OF THE STATE SHALL BE OBLIGATED TO PAY THE SAME OR THE INTEREST THEREON AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE, THE CITY, OR ANY OTHER POLITICAL CORPORATION, SUBDIVISION OR AGENCY THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THE BONDS. NEITHER THE BONDS NOR ANY INSTRUMENT RELATED TO THE BONDS MAY GIVE A BONDHOLDER A RIGHT TO DEMAND PAYMENT FROM TAX PROCEEDS IN EXCESS OF THOSE COLLECTED FROM THE SALES AND USE TAX IMPOSED BY THE CITY PURSUANT TO THE ACT. THE OWNER HEREOF SHALL NEVER HAVE THE

RIGHT TO DEMAND PAYMENT OF THIS BOND OUT OF ANY FUNDS RAISED OR TO BE RAISED BY AD VALOREM TAXATION.

THIS BOND IS TRANSFERABLE only upon presentation and surrender at the principal payment office of the Paying Agent/Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his authorized representative, subject to the terms and conditions of the Resolution.

THE BONDS ARE EXCHANGEABLE at the principal payment office of the Paying Agent/Registrar for Bonds in the principal amount of \$5,000 or any integral multiple thereof, subject to the terms and conditions of the Resolution.

THE REGISTERED OWNER of this Bond, by acceptance hereof, acknowledges and agrees to be bound by all the terms and conditions of the Resolution.

THE CORPORATION has covenanted in the Resolution that it will at all times provide a legally qualified paying agent and registrar for the Bonds and will cause notice of any change of registrar to be mailed to each registered owner.

THE CORPORATION HAS RESERVED THE RIGHT to issue Additional Bonds, subject to the restrictions contained in the Resolution, which may be equally and ratably payable from, and secured by a first lien on and pledge of, the Pledged Revenues in the same manner and to the same extent as this Bond and the series of which it is a part.

IT IS HEREBY DECLARED AND REPRESENTED that this Bond has been duly and validly issued and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the issuance and delivery of this Bond have been performed, existed, and been done in accordance with law; that the Bonds do not exceed any statutory limitation; and that provision has been made for the payment of the principal of and interest on this Bond and all of the Bonds by the creation of the aforesaid lien on and pledge of the Pledged Revenues.

IN WITNESS WHEREOF, the Corporation has caused this Bond to be executed by the President or Vice President of the Corporation and countersigned by the Secretary of the Corporation by the manual, lithographed or printed facsimile signatures.

SUGAR LAND DEVELOPMENT
CORPORATION

President, Board of Directors

COUNTERSIGNED:

Secretary, Board of Directors

(SEAL)

(b) Form of Comptroller's Registration Certificate.

THE STATE OF TEXAS
OFFICE OF THE COMPTROLLER OF PUBLIC ACCOUNTS REGISTER NO. _____

I hereby certify that this Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

(c) Form of Authentication Certificate.

AUTHENTICATION CERTIFICATE

This Bond is one of the Bonds described in and delivered pursuant to the within-mentioned Resolution, and, except for the Bonds initially delivered, this Bond has been issued in exchange for or replacement of a Bond, Bonds or a portion of a Bond or Bonds of an issue which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

The Bank of New York Mellon Trust Company,
N.A.
As Paying Agent/Registrar

By: _____
Authorized Signature
Date of Authentication: _____

(d) Form of Assignment.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns, and transfers unto

(Please print or type name, address, and zip code of Transferee)

(Please insert Social Security or Taxpayer Identification Number of Transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer said Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

Signature Guaranteed: _____

NOTICE: Signature must be guaranteed by a member firm of the New York Stock exchange or a commercial bank or trust company.

Registered Owner
NOTICE: The signature above must correspond to the name of the registered owner as shown on the face of this Bond in every particular, without any alteration, enlargement or change whatsoever.

(e) The Initial Bond shall be in the form set forth in paragraphs (a), (b) and (d) of this Section, except for the following alterations:

(i) immediately under the name of the Bond, the headings “INTEREST RATE” and “MATURITY DATE” shall both be completed with the words “As Shown Below” and the word “CUSIP” deleted;

(ii) in the first paragraph of the Bond, the words “on the Maturity Date specified above” and “at the rate shown above” shall be deleted and the following shall be inserted at the end of the first sentence “..., with such principal to be paid in installments on February 15 in each of the years and in the principal amounts identified in the following schedule and with such installments bearing interest at the per annum rates set forth in the following schedule:

[Information to be inserted from schedule in Section 3.02(b)]

(iii) the Initial Bond shall be numbered I-1.