INTERCONTINENTAL CROSSING MUNICIPAL UTILITY DISTRICT

(Harris County, Texas)

PRELIMINARY OFFICIAL STATEMENT

DATED: MARCH 28, 2024

$4,000,000
UNLIMITED TAX ROAD BONDS
SERIES 2024

BIDS DUE: 10:00 A.M., HOUSTON TIME
BONDS AWARDED: 11:00 A.M., HOUSTON TIME
TUESDAY, APRIL 30, 2024
HOUSTON, TEXAS

RATHMANN & ASSOCIATES

Financial Advisor to the District

PRELIMINARY OFFICIAL STATEMENT DATED MARCH 25, 2024

This Preliminary Official Statement is subject to completion and amendment and is intended solely for the solicitation of initial bids to purchase the Bonds. Upon the sale of the Bonds, the Official Statement will be completed and delivered to the Underwriter.

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

The District will designate the Bonds as "qualified tax-exempt obligations" for financial institutions. See "TAX MATTERS - Qualified Tax-Exempt Obligations for Financial Institutions."

NEW ISSUE - Book-Entry Only

$4,000,000
INTERCONTINENTAL CROSSING MUNICIPAL UTILITY DISTRICT
(A Political Subdivision of the State of Texas, located within Harris County, Texas)
UNLIMITED TAX ROAD BONDS, SERIES 2024

Dated: May 1, 2024 | **Due: September 1, as shown on the inside cover**

Interest Accrual Date: Date of Delivery

Principal of the above bonds (the "Bonds") is payable by the paying agent/registrar, initially, The Bank of New York Mellon Trust Company, N. A., currently in Dallas, Texas, or any successor paying agent/registrar (the "Paying Agent," "Registrar" or Paying Agent/Registrar"). Interest on the Bonds accrues from the date of initial delivery (expected May 23, 2024) (the "Date of Delivery"), and is payable on March 1, 2025, and on each September 1 and March 1 thereafter until the earlier of maturity or redemption. The Bonds are issued in denominations of $5,000 or any integral multiple thereof in fully registered form only. The Bonds maturing on and after September 1, 2030, are subject to redemption, in whole or in part, prior to their scheduled maturities on September 1, 2029, or on any date thereafter, at the option of Intercontinental Crossing Municipal Utility District (the "District"). Upon redemption, the Bonds will be payable at a price equal to the principal amount of the Bonds or the portions thereof so called for redemption, plus accrued interest to the date of redemption. If fewer than all of the Bonds are redeemed at any time, the particular maturities and amounts of the Bonds to be redeemed shall be selected by the District in integral multiples of $5,000 within any one maturity. If fewer than all of the Bonds of any given maturity are to be redeemed at any time, the particular Bonds to be redeemed shall be selected by such method of random selection as determined by the Registrar or by DTC (defined below) in accordance with its procedures while the Bonds are in book-entry-only form. The Registered Owner of any Bond, all or a portion of which has been called for redemption, shall be required to present same to the Registrar for payment of the redemption price on the portion of the Bond so called for redemption and issuance of a new Bond in the principal amount equal to the portion of such Bond not redeemed.

The Bonds will be registered and delivered only in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, ("DTC"), which will act as securities depository for the Bonds. Beneficial Owners (as defined herein under "THE BONDS - Book-Entry-Only System") of the Bonds will not receive physical certificates representing the Bonds, but will receive a credit balance on the books of the DTC participants. So long as Cede & Co. is the registered owner of the Bonds, the principal of and interest on the Bonds will be paid by the Paying Agent/Registrar (as defined herein) directly to DTC, which will, in turn, remit such principal and interest to its participants for subsequent disbursement to the Beneficial Owners. 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 Direct or Indirect Participant (as defined under "THE BONDS - Book-Entry-Only System") acquires an interest in the Bonds, but (i) all rights or ownership must be exercised through DTC and the Book-Entry Only System, and, (ii) except as described herein, notices that are to be given to Registered Owners under the Bond Order (defined herein) will be given only to DTC. See "THE BONDS - Book-Entry-Only System."

The Bonds constitute the initial series of bonds issued by the District for the purpose of acquiring and constructing a road system (the "Road System") to serve the District. THE BONDS ARE SUBJECT TO SPECIAL INVESTMENT CONSIDERATIONS DESCRIBED HEREIN. SEE "INVESTMENT CONSIDERATIONS." Voters in the District have authorized a total of $14,510,000 principal amount of bonds for the purpose of acquiring and constructing a waterworks, sanitary sewer and storm drainage system (the "Utility System") and $5,500,000 principal amount of bonds for the Road System. Following the issuance of the Bonds, $2,795,000 principal amount of unlimited tax bonds for the Utility System and $1,500,000 principal amount of unlimited tax bonds for the Road System authorized by the District's voters will remain authorized but unissued. See "THE BONDS - Legal Ability to Issue Additional Debt."

The Bonds, when issued, constitute valid and binding obligations of the District, and are payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District. Neither the State of Texas, the City of Houston, Texas, Harris County, Texas, nor any political subdivision other than the District shall be obligated to pay the principal of and interest on the Bonds. Neither the faith and credit nor the taxing power of the State of Texas, the City of Houston, Texas, or Harris County, Texas, is pledged to the payment of the principal of and interest on the Bonds.

The Bonds are offered when, as and if issued by the District, subject among other things to the approval of the Attorney General of Texas and of Bacon, Wallace & Philbin, L.L.P., Houston, Texas, Bond Counsel. Certain legal matters will be passed upon for the District by McCall, Parkhurst & Horton L.L.P., Houston, Texas, as Disclosure Counsel. Delivery of the Bonds in book-entry form through DTC is expected to be on or about May 23, 2024.

MATURITY SCHEDULE

CUSIP Prefix (a): 458535

Principal Amount	Maturity (Due September 1)	Interest Rate	Initial Reoffering Yield (b)	CUSIP Suffix (a)
$55,000	2026	%	%	
60,000	2027			
60,000	2028			
65,000	2029			
65,000	2030(c)			
75,000	2031(c)			
75,000	2032(c)			
80,000	2033(c)			
85,000	2034(c)			
85,000	2035(c)			
95,000	2036(c)			
95,000	2037(c)			
100,000	2038(c)			
110,000	2039(c)			
115,000	2040(c)			
120,000	2041(c)			
120,000	2042(c)			
130,000	2043(c)			
140,000	2044(c)			
145,000	2045(c)			
150,000	2046(c)			
155,000	2047(c)			
165,000	2048(c)			
175,000	2049(c)			
185,000	2050(c)			
195,000	2051(c)			
205,000	2052(c)			
895,000	2053(c)			

(a) CUSIP is a registered trademark of the American Bankers Association. CUSIP data is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. CUSIP numbers have been assigned to this issue by the CUSIP Service Bureau and are included solely for the convenience of the owners of the Bonds. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP services. Neither the District, the Financial Advisor (as defined herein), nor the Underwriter (as defined herein) take any responsibility for the accuracy of CUSIP numbers.

(b) Information with respect to the initial reoffering yields of the Bonds is the responsibility of the Underwriter. Initial reoffering yields represent the initial offering price to the public which has been established by the Underwriter for public offerings, and which subsequently may be changed.

(c) Subject to optional redemption as described on the front cover.

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USE OF INFORMATION IN OFFICIAL STATEMENT

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

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

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

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

Neither the District nor the Underwriter make any representations as to the accuracy, completeness, or adequacy of the information supplied by The Depository Trust Company for use in this Official Statement.

This Official Statement contains "forward-looking" statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, which generally can be identified with words or phrases such as "anticipates," "believes," "could," "estimates," "expects," "foresees," "may," "predict," "should," "will" or other words or phrases of similar import. All statements included in this Official Statement that any person expects or anticipates will, should or may occur in the future are forward-looking statements. These statements are based on assumptions and analyses made in light of experience and perceptions of historical trends, current conditions and expected future developments as well as other factors the District believes are appropriate in the circumstances. However, whether actual results and developments conform with expectations and predictions is subject to a number of risks and uncertainties, including, without limitation, the information discussed under "INVESTMENT CONSIDERATIONS" in this Official Statement, as well as additional factors beyond the District's control. The important investment considerations and assumptions described under that caption and elsewhere herein could cause actual results to differ materially from those expressed in any forward-looking statement. All of the forward-looking statements made in this Official Statement are qualified by these cautionary statements.

SALE AND DISTRIBUTION OF THE BONDS

Award of the Bonds

After requesting competitive bids for the Bonds, the District has accepted the bid resulting in the lowest net effective interest rate, which was tendered by ______________________________ (the "Underwriter"), to purchase the Bonds bearing the interest rates shown under "MATURITY SCHEDULE" on the inside cover page hereof at a price of ___________% of the principal amount thereof, which resulted in a net effective interest rate of ___________%, as calculated pursuant to Chapter 1204, Texas Government Code, as amended.

Prices and Marketability

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

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

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

Securities Laws

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

Municipal Bond Rating

The District has made no application for a municipal bond rating of the Bonds, nor is it expected that the District would have been successful in receiving an investment grade rating had such an application been made.

BOND INSURANCE INVESTMENT CONSIDERATIONS

Applications have been made to insurers to issue a commitment for municipal bond guaranty insurance on the Bonds. If the Underwriters purchase such municipal bond guaranty insurance on the Bonds as set forth under such caption, in the event of default of the payment of principal of or interest on the Bonds when all or some become due, any owner of the Bonds shall have a claim under the municipal bond guaranty insurance policy (the "Policy") for such payments.

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

The long-term ratings on the Bonds are dependent in part on the financial strength of any such insurer and its claims paying ability. An insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of an insurer and the ratings on bonds insured by any such insurer, including the Bonds, would not be subject to downgrade. Such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

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

Neither the District, nor to the knowledge of the District the Underwriter, has made independent investigation into the claims paying ability of any potential insurer of the Bonds and no assurance or representation regarding the financial strength or projected financial strength of any potential insurer is made by either the District or the Underwriter. Therefore, when making an investment decision, potential investors should carefully consider the ability of the District to pay the principal of and interest on the Bonds and the claims paying ability of any potential insurer, particularly over the life of the investment.

OFFICIAL STATEMENT SUMMARY

The following material is a summary of certain information contained herein and is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. The reader should refer particularly to sections that are indicated for more detailed information.

THE BONDS

The Issuer	Intercontinental Crossing Municipal Utility District, Harris County, Texas (the "District"), is a political subdivision of the State of Texas located in Harris County, Texas. See "THE DISTRICT."
Description..	$4,000,000 Unlimited Tax Road Bonds, Series 2024 (the "Bonds"), are dated May 1, 2024, and mature on September 1 in the years and principal amounts shown on the inside cover page of this Official Statement under the heading "MATURITY SCHEDULE." Interest on the Bonds accrues from the date of initial delivery to the Underwriter (the "Date of Delivery"), at the rates shown on the inside cover hereof, and is payable on March 1, 2025, and on each September 1 and March 1 thereafter (each, an "Interest Payment Date") until maturity or prior redemption. The Bonds are issued in fully registered form and will be issued in denominations of $5,000 of principal amount or integral multiples thereof. The Bonds scheduled to mature on and after September 1, 2030, are subject to redemption, in whole or in part, prior to their scheduled maturities, on September 1, 2029, or on any date thereafter at the option of the District. Upon redemption, the Bonds will be payable at a price equal to the principal amount of the Bonds, or portions thereof, so called for redemption, plus accrued interest to the date fixed for redemption. The Bonds will be issued pursuant to a bond order (the "Bond Order") adopted by the Board of Directors of the District. The Bonds are issued by the District pursuant to the terms and provisions of the Bond Resolution; Article III, Section 52 of the Texas Constitution; Chapter 8350, Special District Local Laws Code, and Chapters 49 and 54 of the Texas Water Code, as amended. See "THE BONDS."
Book-Entry-Only System....................................	The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of DTC (defined herein), 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 (as defined herein) thereof. Principal of and interest on the Bonds will be payable by the Paying Agent/Registrar (hereinafter defined) 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").
Source of Payment	Principal of and interest on the Bonds are payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property located within the District. The Bonds are obligations of the District and are not obligations of Harris County, Texas, the City of Houston, Texas, the State of Texas or any political subdivision other than the District. See "THE BONDS - Source of Payment," "TAX DATA

- Tax Rate Calculations," and "INVESTMENT CONSIDERATIONS - Maximum Impact on District Tax Rates."

Use of Proceeds .... Proceeds of the sale of the Bonds will be used by the District to (i) finance the District's cost of acquisition or construction of road facilities (the "Road System") to serve Intercontinental Crossing, Sections 1 through 3, Intercontinental Crossing Drive and Detention Pond 2; (ii) pay certain engineering costs related to the aforementioned facilities and projects; (iii) pay interest on advances made to or on behalf of the District; (iv) pay capitalized interest on the bonds in the amount of $440,000; and (v) pay for administrative and issuance costs, legal fees, fiscal agent fees, fees to the Attorney General of Texas, and certain financing costs related to the issuance of the Bonds. See "USE AND DISTRIBUTION OF BOND PROCEEDS."

Payment Record.. The District has previously issued its Unlimited Tax Bonds, Series 2020 (the "Series 2020 Bonds"), Unlimited Tax Bonds, Series 2021 (the "Series 2021 Bonds") and Unlimited Tax Bonds, Series 2023 (the "Series 2023 Bonds") to finance components of its waterworks, sanitary sewer and storm drainage system (the "Utility System"). Collective reference is made in this Official Statement to the District's prior issued bonded indebtedness as the "Prior Bonds." The District has timely paid all interest on the Prior Bonds when due. Prior to the issuance of the Bonds, the principal amount of the Prior Bonds that has not been previously retired by the District is $11,495,000 (the "Outstanding Bonds"). After issuance of the Bonds, the total of the District's direct bonded indebtedness, including the Bonds, will be $15,495,000. See "THE BONDS - Legal Ability to Issue Additional Debt" and "INVESTMENT CONSIDERATIONS - Future Debt."

Authorized But Unissued Bonds......................... $2,795,000 bonds for waterworks, sanitary sewer, and drainage facilities and $1,500,000 bonds for road facilities will remain authorized but unissued after issuance of the Bonds. See "THE BONDS - Legal Ability to Issue Additional Debt."

Municipal Bond Rating .... The District has made no application for a municipal bond rating of the Bonds, nor is it expected that the District would have been successful in receiving an investment grade rating had such an application been made.

Qualified Tax-Exempt Obligations .... The District will designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265 (b) of the Internal Revenue Code of 1986, as amended. See "TAX MATTERS - Qualified Tax-Exempt Obligations for Financial Institutions."

Bond Counsel.. Bacon, Wallace & Philbin, L.L.P., Houston, Texas, Bond Counsel. See "LEGAL MATTERS" and "TAX MATTERS."

Disclosure Counsel .... McCall, Parkhurst & Horton L.L.P. Houston, Texas.

Financial Advisor.. Rathmann & Associates, L.P., Houston, Texas.

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

Consulting Engineer .... Jones Engineering Solutions, Houston, Texas; Engineer for the District.

THE DISTRICT

Description.. Intercontinental Crossing Municipal Utility District (the "District") is a political subdivision of the State of Texas, created by Order of the Texas Commission on Environmental Quality (the "TCEQ"), on May 6, 2015. The District currently contains approximately 218.258 acres of land. The District is located within Harris County, the extraterritorial jurisdiction of the City of Houston, and the Aldine Independent School District. The District is situated approximately 20 miles north of the central business district of the City of Houston, one mile west of Bush Intercontinental Airport, and one mile east of the Hardy Toll Road. The District is bounded on the north by Farrell Road and on the east by Aldine Westfield Road. Property owners gain access to the area within the District from the Hardy Toll Road by exiting Farrell Road or Richey Road and turning south on Aldine Westfield Road. See "THE DISTRICT - Description" and "APPENDIX A - LOCATION MAP."

Authority... The rights, powers, privileges, authority and functions of the District are established by Article XVI, Section 59 of the Constitution of the State of Texas and the general laws of the State of Texas pertaining to municipal utility districts, particularly Chapters 49 and 54 of the Texas Water Code, as amended. See "THE DISTRICT - Authority."

Development of the District................................ Land within the District has been developed for commercial use. The District's water supply and distribution, wastewater collection and treatment and storm drainage/detention system (the "Utility System") and street paving (the "Road System") have been constructed to serve the entirety of the developable land located within the District as is described in this Official Statement under the captions "DEVELOPMENT OF THE DISTRICT" and "THE UTILITY SYSTEM." The District is comprised of approximately 201.998 developable acres and approximately 16.26 undevelopable acres, including certain acres which are contained within various easements, rights of way, detention ponds, or are otherwise not available for future development.

Land within the District has been developed as Intercontinental Crossing Business Park by Intercontinental Crossing LP ("Intercontinental Crossing" or the "Developer") and Rigid Business Park. As of March 1, 2024, the District contained taxable above ground improvements consisting of 38 buildings totaling approximately 1,327,439 square feet of building area on approximately 114.51 acres (a portion of such approximately 114.51 acres contains certain easements, rights of way, and detention ponds). According to the Harris Central Appraisal District, of such approximately 1,327,439 square feet of building area, approximately 862,029 square feet of building area are designated as light industrial/manufacturing, approximately 380,634 square feet of building area are designated as warehouses, and approximately 45,173 square feet of building area are designated as offices. An approximately 425,000 square foot warehouse is currently under construction within the District. Approximately 57.49 developed acres located within the District are available for the construction of future taxable above-ground improvements.

Included in such aforementioned taxable above ground improvements are IV3 IAH West Distribution Center (318,000 square feet of building area), Stag TX Holdings LP (99,451 square feet of building area), S E T International Crossing LLC (79,899 square feet of building area), Carmelle Holdings LLC (48,000 square feet of building area), 1130 Enclave, LLC (40,700 square feet of building area), WH ILD LP (30,880 square feet of building area), Oilfield Supply Center Inc. (20,000 square feet of building area), and Rigid Global Buildings businesses (totaling 361,942 square feet of building area).

Many of the commercial enterprises that are located within the District are believed to be in, or associated with, the oil and gas industry. See "INVESTMENT CONSIDERATIONS - Potential Effects of Oil Price Volatility in the Houston Area."

The District has financed the District's cost of the acquisition or construction of components of the Utility System with a portion of the proceeds of the Prior Bonds. The District will finance the acquisition or construction of components of the Road System with portions of the proceeds of the sale of the Bonds as is enumerated in this Official Statement under the caption "USE AND DISTRIBUTION OF BOND PROCEEDS." The District expects to finance the acquisition or construction of additional components of the Utility System and the Road System with portions of the proceeds of the sale of bonds, if any, in the future. See "THE BONDS - Legal Ability to Issue Additional Debt," "INVESTMENT CONSIDERATIONS - Future Debt," and "THE UTILITY SYSTEM."

Principal Land Owners .... According to the District's Engineer, the District contains approximately 201.998 acres of developed land that have been developed for the construction of taxable above ground improvements. Of such approximately 201.998 acres, approximately 114.51 acres currently contain completed taxable above ground improvements, approximately 27.47 acres contain improvements currently under construction and approximately 57.49 developed acres located within the District are available for the construction of future taxable above-ground improvements as is described above under the caption "Development of the District." RBP Equity Group is the owner of approximately 34.97 of such 57.49 acres. Intercontinental Crossing is the owner of approximately 10.40 of such 57.49 acres. The remaining acres that are available for construction of future above-ground improvements are held by multiple landowners. Eastveld Property Owner is the owner of such approximately 27.47 acres on which a warehouse is currently under construction.

The ten largest District taxpayers as reflected on the District's 2023 tax roll own land, improvements and personal property the aggregate Estimated Valuation at January 1, 2024 of which comprises approximately 58.71% of the District's 2023 tax roll. See "INVESTMENT CONSIDERATIONS - Common Factors Affecting Taxable Values and Tax Payments - Principal Land Owners' Obligations to the District."

Since no party has any obligation to the District to construct taxable above ground improvements within the District, the District cannot represent that construction of any taxable above ground improvements will be constructed in the District in addition to those which have been constructed therein to date.

Harris County Emergency Services District No. 24 ("ESD 24") owns approximately 6.91 acres of land located in the District on which a fire station and ancillary buildings have been constructed. Any land or improvements located within the District that are owned by ESD 24 are not subject to taxation by the District.

INVESTMENT CONSIDERATIONS

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

SELECTED FINANCIAL INFORMATION
(Unaudited)

2023 Assessed Valuation (As of January 1, 2023) See "TAX DATA" and "TAXING PROCEDURES"	$	178,424,811	(a)
Estimated Valuation at January 1, 2024 See "TAX DATA" and "TAXING PROCEDURES"	$	211,254,592	(b)
Direct Debt:			
Outstanding Bonds	$	11,495,000	
The Bonds		4,000,000	
Total	$	15,495,000	(c)
Estimated Overlapping Debt	$	8,723,752	
Total Direct and Estimated Overlapping Debt	$	24,218,752	
Direct Debt Ratio			
: as a percentage of 2023 Assessed Valuation		8.68	%
: as a percentage of Estimated Valuation at January 1, 2024		7.33	%
Direct and Overlapping Debt Ratio			
: as a percentage of 2023 Assessed Valuation		13.57	%
: as a percentage of Estimated Valuation at January 1, 2024		11.46	%
Utility System Debt Service Fund Balance as of March 5, 2024	$	934,053	(d)
Road System Debt Service Fund Balance Estimated as of Delivery of the Bonds	$	440,000	(d)
General Fund Balance as of March 5, 2024	$	1,885,043	
2023 Tax Rate per $100 of Assessed Valuation			
Debt Service Tax	$	0.42	
Maintenance Tax		0.48	
Total	$	0.90	(e)
Anticipated Approximate 2024 Tax Rate per $100 of Assessed Valuation			
Debt Service Tax - Utility	$	0.31	
Debt Service Tax - Roads		0.11	
Maintenance Tax		0.48	
Total	$	0.90	(e)
Average Percentage of Total Tax Collections (2018-2022) as of March 31, 2024		99.23	%
Percentage of 2023 Tax Collections as of March 31, 2024		89.70	%
Average Annual Debt Service Requirements on the Bonds and the Outstanding Bonds (2025-2053)	$	942,772	
Maximum Annual Debt Service Requirements on the Bonds and the Outstanding Bonds (2025)	$	951,050	

Tax Rate per $100 of Assessed Valuation Required to Pay Average Annual Debt Service Requirements on the Bonds and the Outstanding Bonds (2025-2053) at 95% Tax Collections		
Based Upon 2023 Assessed Valuation	$	0.56 (e)
Based Upon Estimated Valuation at January 1, 2024	$	0.48 (e)
Tax Rate per $100 of Assessed Valuation Required to Pay Maximum Annual Debt Service Requirements on the Bonds and the Outstanding Bonds (2025) at 95% Tax Collections		
Based Upon 2023 Assessed Valuation	$	0.57 (e)
Based Upon Estimated Valuation at January 1, 2024	$	0.48 (e)

Commercial Improvements - 38 buildings totaling approximately 1,327,439 square feet of building area

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(a) As of January 1, 2023, and comprises the District's 2023 tax roll. All property located in the District is valued on the tax rolls by the Harris Central Appraisal District (the "Appraisal District") at 100% of assessed valuation as of January 1 of each year. The District's tax roll is certified by the Harris County Appraisal Review Board (the "Appraisal Review Board"). See "INVESTMENT CONSIDERATIONS - Common Factors Affecting Taxable Values and Tax Payments" and "TAXING PROCEDURES."

(b) Provided by the Appraisal District for informational purposes only, this amount is an estimate of the value of all taxable property located within the District as of January 1, 2024, and includes an estimate of values resulting from the construction of taxable improvements from January 1, 2023, through December 31, 2023. The ultimate assessed valuation of such additions to the District's tax roll resulting from development and construction activity from January 1, 2023, through December 31, 2023, may vary significantly from this estimate when the Appraisal Review Board certifies the valuation of District property for the purpose of determining the District's 2024 tax roll, which will be based on the valuation of District property as of January 1, 2024. See "INVESTMENT CONSIDERATIONS - Common Factors Affecting Taxable Values and Tax Payments" and "TAXING PROCEDURES."

(c) See "DISTRICT DEBT." The District has timely paid all interest on the Prior Bonds when due. The District financed portions of the cost of acquiring or constructing components of the Utility System that are described in this Official Statement under the caption "THE UTILITY SYSTEM" with portions of the proceeds of the sale of the Prior Bonds. The District is financing portions of the cost of acquiring or constructing components of the Road System that are described in this Official Statement under the caption "USE AND DISTRIBUTION OF BOND PROCEEDS," and other items, with portions of the proceeds of the sale of the Bonds. The District expects to finance the acquisition or construction of additional components of the Utility System and the Road System with portions of the proceeds of the sale of bonds, if any, in the future. See "THE BONDS - Legal Ability to Issue Additional Debt" and "INVESTMENT CONSIDERATIONS - Future Debt."

(d) Neither Texas law nor the Bond Order requires the District to maintain any particular sum in the Utility System Debt Service Fund. Such fund balance reflects the timely payment by the District of its debt service payments that were due on March 1, 2024, on the Outstanding Bonds. The District's remaining debt service payments for 2024, which are due on September 1, 2024, total $390,817. The District will capitalize the amount of $440,000 in interest payments on the Bonds and deposit such amount in the Road System Debt Service Fund of the date of delivery of the Bonds. The District's initial debt service requirement on the Bonds, consisting of an interest payment thereon, is due on March 1, 2025. Monies in the Road System Debt Service Fund cannot be used to pay debt service on bonds issued by the District for the Utility System, nor may monies in the Utility System Debt Service Fund be used to pay debt service on bond issued by the District for the Road System, such as the Bonds.

(e) The District levied a total tax rate of $0.90 per $100 of Assessed Valuation for 2023, consisting of debt service and maintenance taxes of $0.42 and $0.48 per $100 of Assessed Valuation, respectively. The District anticipates levying a debt service tax for the Utility System in the amount of $0.31 per $100 of Assessed Valuation, a debt service tax for the Road System in the amount of $0.11 per $100 of Assessed Valuation, plus a maintenance tax of $0.48 per $100 of Assessed Valuation for 2024. As is enumerated in this Official Statement under the caption "TAX DATA - Estimated Overlapping Taxes," the total of the 2023 tax levies of all overlapping taxing units which levy taxes upon property located in the District, plus the District's 2023 total rate of $0.90 per $100 of Assessed Valuation, is $2.755583 per $100 of Assessed Valuation. Such aggregate levy is higher than the aggregate tax levies of some municipal utility districts in the Houston metropolitan area, including the area of the District, but is within the range of the aggregate levies of many municipal utility districts in the Houston metropolitan area and the area of the District which are in stages of development comparable with the District. See "INVESTMENT CONSIDERATIONS - Factors Affecting Taxable Values and Tax Payments" and "TAXING PROCEDURES."

INTERCONTINENTAL CROSSING MUNICIPAL UTILITY DISTRICT
UNLIMITED TAX ROAD BONDS
SERIES 2024

INTRODUCTION

This Official Statement provides certain information with respect to the issuance by Intercontinental Crossing Municipal Utility District, a political subdivision located in Harris County, Texas (the "District") of its Unlimited Tax Road Bonds, Series 2024 (the "Bonds").

There follow in this Official Statement descriptions of the Bonds, the District's plan of financing, and certain information about the District and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from the District upon request and payment of the costs of duplication therefor. Certain capitalized terms used in this Official Statement have the same meanings assigned to such terms in the Bond Order (hereinafter defined), except as otherwise indicated herein.

THE BONDS

General

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

The Bonds are dated May 1, 2024, and will mature on September 1 in the years and in the principal amounts indicated on the inside cover page hereof. The Bonds will accrue interest from the date of initial delivery (the "Date of Delivery") (or the most recent interest payment date to which interest has been paid or duly provided for) at the stated interest rates indicated on the inside cover page of this Official Statement. Interest on the Bonds is payable on March 1, 2025, and on each September 1 and March 1 thereafter until maturity or prior redemption. The Bonds will be issued as fully registered bonds in the denomination of $5,000 or any integral multiple thereof. Principal of the Bonds will be payable by the paying agent/registrar, initially The Bank of New York Mellon Trust Company, N.A., or any successor paying agent/registrar (the "Registrar," the "Paying Agent" or "Paying Agent/Registrar') in Dallas, Texas.

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

Book-Entry-Only System

This section describes how ownership of the Bonds is to be transferred and how the principal of and interest on the Bonds are to be paid to and credited by The Depository Trust Company, New York, New York, ("DTC") while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The District and the Financial Advisor believe the source of such information to be reliable, but neither of the District or the Financial Advisor takes any responsibility for the accuracy or completeness thereof.

The District cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial

Owners (as defined below), 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.

The Depository Trust Company ("DTC"), New York, NY, 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 certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a S&P Global 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 purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

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

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

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

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

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

Use of Certain Terms in Other Sections of this Official Statement

In reading this Official Statement, it should be understood that while the Bonds are in the Book-Entry-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 Order will be given only to DTC.

Record Date

The record date for payment of the interest on any regularly scheduled interest payment date is defined as the 15th day of the month (whether or not a business day) preceding such interest payment date.

Assignments, Transfers and Exchanges

In the event the Book-Entry-Only System is discontinued, the Bonds may be transferred, registered and assigned only on the registration books of the Registrar, and such registration and transfer 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 and transfer. A Bond may be assigned by the execution of an assignment form on the Bonds or by other instrument of transfer and assignment acceptable to the Registrar. At any time after the date of delivery of the Bonds to the Initial Purchaser (the "Initial Delivery"), any Bond may be transferred or exchanged upon its presentment and surrender at the office of the Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner. 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 owner in not more than three business days after the receipt of the request in proper form to transfer or exchange the Bonds. New Bonds registered and delivered in an exchange or transfer shall be in denominations of $5,000 or any integral multiple thereof for any one maturity and for a like aggregate principal amount as the Bond or Bonds surrendered for exchange or transfer. Neither the District nor the Registrar is required (1) to transfer or exchange any Bond during a period beginning at the opening of business on a Record Date and ending at the close of business on the next succeeding interest payment date, or (2) to transfer or exchange any Bond selected for redemption in whole or in part within thirty (30) calendar days of the redemption date. The District has agreed to replace mutilated, destroyed, lost or stolen Bonds upon surrender of the mutilated Bonds, on receipt of satisfactory evidence of such destruction, loss or theft and receipt by the District and the Registrar of security or indemnity to keep them harmless. The District will require payment of taxes, governmental charges and other expenses in connection with any such replacement.

Authorization of the Bonds

The Bonds are issued by the District pursuant to the terms and provisions of the Bond Resolution; Article III, Section 52 of the Texas Constitution; Chapter 8350, Special District Local Laws Code, Chapters 49 and 54 of the Texas Water Code, as amended. See "Legal Ability to Issue Additional Debt" below.

Source of Payment

The Outstanding Bonds and the Bonds are payable from the proceeds of separate annual ad valorem taxes as to the Utility System and the Road System, each without legal limitation as to rate or amount, levied against all taxable property located within the District. In the Bond Resolution, the District covenants to levy a sufficient tax to pay principal of and interest on the Bonds, with full allowance being made for delinquencies, costs of collections, Registrar fees, and Appraisal District fees. Tax proceeds, after deduction for collection costs, will be placed in the Road System Debt Service Fund (defined below) and used solely to pay principal of and interest on the Bonds, any Outstanding Bonds issued for the Road System, and on additional Road System bonds payable from taxes which may hereafter be issued, and Registrar fees.

Bonds issued for the Road System and the Utility System are each supported by a separate unlimited tax levied by the District. Amounts on deposit in the Utility System Debt Service Fund may not be used to pay debt service on bonds issued by the District for the Road System, including the Bonds. Amounts on deposit in the District's debt service fund established for bonds issued for the Road System may not be used to pay debt service on bonds issued for the Utility System.

The Bonds are obligations of the District and are not the obligations of the State of Texas, Harris County, the City of Houston, or any entity other than the District.

Funds

The Bond Resolution will create the District's fund for debt service on the Bonds, any Outstanding Bonds issued for the Road System, and any additional unlimited tax bonds issued by the District for the Road System (the "Road System Debt Service Fund"). Capitalized interest in the amount of $440,000 will be deposited into the Road System Debt Service Fund. The Road System Debt Service Fund, which constitutes a trust fund for the benefit of the owners of the Bonds and any additional unlimited tax bonds issued by the District for the Road System, is to be kept separate from all other funds of the District, and is to be used for payment of debt service on the Bonds and any of the District's other duly authorized bonds issued for the Road System payable in whole or in part from taxes. Amounts on deposit in the Road System Debt Service Fund may also be used to pay the fees and expenses of the Paying Agent/ Registrar, to defray the expenses of assessing and collecting taxes levied for payment of interest on and principal of the Bonds and any additional bonds for the Road System payable in whole or in part from taxes, and to pay any tax anticipation notes issued, together with interest thereon, as such tax anticipation notes become due. Amounts on deposit in the Road System Debt Service Fund may not be used to pay debt service on bonds issued by the District for the Utility System. Similarly, amounts on deposit in the District's Utility System Debt Service Fund may not be used to pay debt service on bonds issued for the Road System, including the Bonds.

Redemption Provisions

The Bonds maturing on and after September 1, 2030, shall be subject to redemption and payment prior to their scheduled maturities at the option of the District, in whole or from time to time in part, on September 1, 2029, or on any date thereafter, at a redemption price equal to the principal amount thereof, plus accrued interest to the date of redemption. Notice of redemption is required to be mailed at least thirty (30) days prior to the redemption date to each of the Registered Owners of the Bonds to be redeemed in whole or in part at the address shown on the bond register.

If fewer than all of the Bonds are redeemed at any time, the particular maturities and amounts of Bonds to be redeemed shall be selected by the District in denominations of $5,000 or any integral multiple thereof within any one maturity and if fewer than all of the Bonds within a certain maturity are to be redeemed, the Paying Agent/Registrar shall designate the Bonds within such maturity to be redeemed by method of random selection (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form). The registered owner of any Bond, all or a portion of which has been called for redemption, shall be required to present same to the Paying Agent/Registrar for payment of the redemption price on the portion of the Bond so called for redemption and issuance of a new Bond in the principal amount equal to the portion of such Bond not redeemed.

Defeasance

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

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

There is no assurance that the current law will not be changed in the future in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds. Because the Bond Order does not contractually limit such investments, Registered Owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality of those currently permitted under Texas law.

Amendments to Bond Order

The Bond Order provides that the District may, without the consent of or notice to any Registered Owners of the Bonds, amend, change or modify the Bond Order as may be required (a) by the provisions thereof, (b) for the purpose of curing any ambiguity, inconsistency, or formal defect or omission therein, or (c) in connection with any other change which is not to the prejudice of the Registered Owners of the Bonds. Except for such amendments, changes, or modifications, the District shall not amend, change or modify the Bond Order in any manner without the consent of the Registered Owners of the Bonds.

Annexation and Consolidation

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City of Houston, the District must conform to a City of Houston consent ordinance. Generally, the District may be annexed by the City of Houston without the District's consent, and the City cannot annex territory within the District unless it annexes the entire District; however, the City may not annex the District unless (i) such annexation has been approved by a majority of those voting in an election held for that purpose within the area to be annexed, and (ii) if the registered voters in the area to be annexed do not own more than 50 percent of the land in the area, a petition has been signed by more than 50 percent of the landowners consenting to the annexation. Notwithstanding the preceding sentence, the described election and petition process does not apply during the term of a strategic partnership agreement between the City of Houston and the District specifying the procedures for full purpose annexation of all or a portion of the District.

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

Strategic Partnership

The District is authorized to enter into a strategic partnership agreement with the City of Houston to provide the terms and conditions under which the services would be provided and funded by the parties and under which the District would continue to exist for an extended period if the land within the District were to annexed for full or limited purposes by the City. The terms of any such agreement would be determined by the City of Houston and the District, and could provide for the conversion of a limited purpose annexation to a general purpose annexation within ten years, or the payment of a fee in lieu of annexation to be derived from residential property within the District based on the costs of providing municipal services to the District. Although the City of Houston has negotiated and entered into such an agreement with one or more other districts in its extraterritorial jurisdiction, none is currently contemplated with respect to the District, although no representation can be made regarding the future likelihood of an agreement or the terms thereof.

Legal Ability to Issue Additional Debt

The District has reserved the right in the Bond Order to issue additional bonds. Following the issuance of the Bonds, the District will have the right to issue $2,795,000 in bonds for waterworks, sanitary sewer, and drainage facilities, as approved by the District's voters at an election held on November 3, 2015. Following the issuance of the Bonds, the District will have the right to issue $1,500,000 in bonds for road facilities, as approved by the District's voters at an election held on November 2, 2021.

The District has the right to issue the aforementioned bonds without the necessity of further voter authorization. Except for refunding bonds, before issuing any additional bonds for waterworks, sanitary sewer, and drainage facilities, the District would have to obtain approval of the TCEQ for the issuance of such bonds and the projects to be financed thereby. In addition to the above mentioned bonds, the District has the right to issue such additional tax bonds, revenue bonds, or combination tax and revenue bonds as may be hereafter approved by the voters of the District. The District also has the right to issue revenue notes, bond anticipation notes and tax anticipation notes without the necessity of voter approval. In addition, the District has the right to enter into contracts and to pledge its taxing power to secure any payments the District is required to make under such a contract, provided the provisions of the contract are approved by the voters of the District. The District further has the right to issue refunding bonds, in addition to the refunding bonds described above, with additional voter approval. The Bond Order places no limitation on the amount of additional bonds which may be issued by the District. The District will finance the acquisition or construction of components of the Road System with portions of the proceeds of the sale of the Bonds as is enumerated in this Official Statement under the caption "USE AND DISTRIBUTION OF BOND PROCEEDS." The District expects to finance the acquisition or construction of additional components of the Utility System and the Road System with portions of the proceeds of the sale of bonds, if any, in the future. See "INVESTMENT CONSIDERATIONS - Future Debt" and "THE UTILITY SYSTEM."

The District is authorized by statute to develop parks and recreational facilities, including the issuing of bonds payable from taxes for such purpose. Before the District could issue park bonds payable from taxes, the following actions would be required: (a) amendments to existing city ordinances specifying the purposes for which the District may issue bonds; (b) preparation of a detailed park plan; (c) authorization of park bonds by the qualified voters in the District; (d) approval of the park project and bonds by the TCEQ; and (e) approval of the bonds by the Attorney General of Texas. If the District does issue park bonds, the outstanding principal amount of such bonds may not exceed an amount equal to one percent of the value of the taxable property in the District at the time of issuance of the bonds, or, in the event the District meets certain conditions, three percent of the value of the taxable property in the District at the time of issuance of the bonds, but in no event in an amount greater than the estimated cost in the plan. The Board has not considered authorizing the preparation of a park plan or calling a park bond election at this time.

The District also is authorized by statute to engage in fire-fighting activities, including the issuing of bonds payable from taxes for such purposes. Before the District could issue such bonds, the following actions would be required: (a) amendments to existing city ordinances specifying the purposes for which the District may issue bonds; (b) authorization of a detailed master plan and bonds for such purpose by the qualified voters in the District; (c) approval of the master plan and bonds by the TCEQ; and (d) approval of bonds by the Attorney General of Texas. The Board has not considered calling an election at this time for such purposes. If additional debt obligations are issued in the future by the District, such issuance may increase gross debt/property ratios and might adversely affect the investment security of the Bonds. See "INVESTMENT CONSIDERATIONS - Future Debt."

The District has been granted road powers pursuant to Texas Water Code Section 54.234 in the Order of the Texas Commission on Environmental Quality Granting the Petition for Creation issued April 27, 2015. On November 2, 2021, voters in the District authorized $5,500,000 in bonds for road facilities. The Bonds are the initial issuance of bonds from such authorization. Before the District could issue road bonds payable from taxes, the District would be required to obtain the approval of such bonds by the Attorney General of Texas.

Registered Owners' Remedies

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

Except for the remedy of mandamus, the Bond Order does not specifically provide for remedies to a Registered Owner in the event of a District default, nor does it provide for the appointment of a trustee to protect and enforce the interests of the Registered Owners. In addition, any legal action taken to seek any such remedies may be limited by the doctrine of sovereign immunity. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Even if the Registered Owners could obtain a judgment against the District, such judgment cannot be enforced by direct levy and execution against the District's property. Further, the Registered Owners cannot themselves foreclose on the property of the District or sell property within the District in order to pay the principal of or interest on the Bonds. The enforceability of the rights and remedies of the Registered Owners may be further limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. For example, a Chapter 9 bankruptcy proceeding by the District could delay or eliminate payment of principal or interest to the Registered Owners. See "Bankruptcy Limitation to Registered Owners' Rights" below.

Bankruptcy Limitation to Registered Owners' Rights

The enforceability of the rights and remedies of the Registered Owners may be limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. Subject to the requirements of Texas law, the District may voluntarily proceed under Chapter 9 of the

Federal Bankruptcy Code, 11 U.S.C. 901 946, if the District: (1) is generally authorized to file for federal bankruptcy protection by State law; (2) is insolvent or unable to meet its debts as they mature; (3) desires to effect a plan to adjust such debts; and (4) has either obtained the agreement of or negotiated in good faith with its creditors or is unable to negotiate with its creditors because negotiation is impracticable. Under Texas law, a municipal utility district such as the District must obtain the approval of the TCEQ prior to filing for bankruptcy. The TCEQ must investigate the financial condition of the District and will authorize the District to proceed only if the TCEQ determines that the District has fully exercised its rights and powers under Texas law and remains unable to meet its debts and other obligations as they mature.

If the District decides in the future to proceed voluntarily under the Federal Bankruptcy Code, the District would develop and file a plan for the adjustment of its debts and the Bankruptcy Court would confirm the District's plan if: (1) the plan complies with the applicable provisions of the Federal Bankruptcy Code; (2) all payments to be made in connection with the plan are fully disclosed and reasonable; (3) the District is not prohibited by law from taking any action necessary to carry out the plan; (4) administrative expenses are paid in full; and (5) the plan is in the best interests of creditors and is feasible. If such a plan were confirmed by the bankruptcy court, it could, among other things, affect a Registered Owner by reducing or eliminating the amount of indebtedness, deferring or rearranging the debt service schedule, reducing or eliminating the interest rate, modifying or abrogating collateral or security arrangements, substituting (in whole or in part) other securities, and otherwise compromising and modifying the rights and remedies of such Registered Owner's claim against the District.

The District may not be placed into bankruptcy involuntarily.

Legal Investment and Eligibility to Secure Public Funds in Texas

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

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

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

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

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

USE AND DISTRIBUTION OF BOND PROCEEDS

Proceeds of the sale of the Bonds will be used by the District to (i) finance the District's cost of acquisition or construction of road facilities (the "Road System") to serve Intercontinental Crossing, Sections 1 through 3, Intercontinental Crossing Drive and Detention Pond 2; (ii) pay certain engineering costs related to the aforementioned facilities and projects; (iii) pay interest on advances made to or on behalf of the District; (iv) pay capitalized interest on the bonds in the amount of $440,000; and (v) pay for administrative and issuance costs, legal fees, fiscal agent fees, fees to the Attorney General of Texas, and certain financing costs related to the issuance of the Bonds.

				District's Share
I.	**Construction Costs**			
	A.	Developer Contribution Items [a]		
		1.	Intercontinental Crossing, Section 1 - Paving	$683,327
		2.	Intercontinental Crossing, Section 2 - Paving	377,466
		3.	Intercontinental Crossing, Section 3 - Paving	1,110,505
		4.	Intercontinental Crossing Center Drive and Detention Pond - Paving	402,479
		5.	Engineering Fees	234,460
			Total Developer Contribution Items	$2,808,237
	B.	District Items		
			None	
		TOTAL CONSTRUCTION COSTS		**$2,808,237**
II.	**Non-Construction Costs**			
	A.	Legal Fees		$126,000
	B.	Fiscal Agent Fees		80,000
	C.	Interest Costs		
		1.	Capitalized Interest	440,000
		2.	Developer Interest *	264,633
	D.	Bond Discount		120,000
	E.	Attorney General Fee		4,000
	F.	Non-Construction Engineering Costs		60,000
	G.	Bond Issuance Expenses		97,129
	H.	Contingencies [c]		0
		TOTAL NON-CONSTRUCTION COSTS		$1,191,762
		TOTAL BOND ISSUE REQUIREMENTS		**$4,000,000**

* Represents interest owed to a developer of land located within the District on advances it has made on the District's behalf. The actual amount of interest owed will be calculated at the lesser of (i) the net effective interest rate borne by the Bonds or (ii) the interest rate at which such party has borrowed funds.

THE DISTRICT

Authority

The District is a municipal utility district created pursuant to an Order of the TCEQ on May 6, 2015, and is authorized under Article XVI, Section 59 of the Texas Constitution. The District operates as a municipal utility district, and the rights, powers, privileges, authority, and functions of the District are established by the general laws of the State of Texas pertaining to municipal utility districts, particularly Chapters 49 and 54, Texas Water Code, as amended. In addition, the District is subject to the continuing supervision of the TCEQ. The principal functions of the District are to finance, construct, own, and operate waterworks, wastewater, and drainage facilities and to provide such facilities and services to the customers of the District. The District, if approved by the voters within the District, the TCEQ, and other governmental entities having jurisdiction, may establish, operate, and maintain a fire department, independently or with one or more other conservation and reclamation districts, and provide such facilities and services to the customers of the District. Under certain circumstances the District also is authorized to construct, develop and maintain park and recreational facilities and to construct roads. See "DEVELOPMENT OF THE DISTRICT." The District is subject to the continuing supervision of the TCEQ in certain matters.

Description

The District currently contains approximately 218.258 acres of land. The District is located within Harris County, the extraterritorial jurisdiction of the City of Houston, and the Aldine Independent School District. The District is situated approximately 20 miles north of the central business district of the City of Houston, one mile west of Bush Intercontinental Airport, and one mile east of the Hardy Toll Road. The District is bounded on the north by Farrell Road and on the east by Aldine Westfield Road. Property owners gain access to the area within the District from the Hardy Toll Road by exiting Farrell Road or Richey Road and turning south down Aldine Westfield Road. See "APPENDIX A - LOCATION MAP."

Management of the District

The District is governed by the Board of Directors, consisting of five directors. The Board of Directors has control over and management supervision of all affairs of the District. Directors serve four-year staggered terms, and elections are held within the District in May in even numbered years. The current members and officers of the Board, along with their respective terms of office, are listed below. All of the Directors own property subject to taxation in the District.

Name	Position	Term Expires in May
Malcolm Bailey	President	2026
Liz Davis	Vice President	2024
Linda Skrove	Secretary	2026
Stephen Small	Deputy Secretary	2026
Carol Grivetti	Director	2024

The District does not have a general manager or any other employee, but has contracted for services, as follows.

Bookkeeper - The District's bookkeeper is Municipal Accounts & Consulting, LP, which acts as bookkeeper for approximately 400 utility districts.

Tax Assessor/Collector - The District has engaged Assessments of the Southwest, Inc., Friendswood, Texas, as the District's Tax Assessor/Collector. According to Assessments of the Southwest, Inc., it presently serves approximately 204 utility districts as tax assessor/collector.

Consulting Engineers - The District has engaged the firm of Jones Engineering Solutions, Houston, Texas, as Consulting Engineer on a contract basis to provide engineering services to the District.

Auditor - As required by the Texas Water Code, the District retains an independent auditor to audit the District's financial statements annually, which financial statements are filed with the TCEQ. The financial statements of the District as of June 30, 2023, and for the year then ended, included in this offering document, have been audited by FORVIS, LLP, independent auditors, as stated in their report appearing herein. See "APPENDIX B."

Counsel - The District has engaged Bacon, Wallace & Philbin, L.L.P., Houston, Texas, as general counsel and as Bond Counsel in connection with the issuance of the Bonds. The fees paid to Bond Counsel by the District for services rendered in connection with the issuance of the Bonds are contingent on the issuance, sale and delivery of the Bonds. See "LEGAL MATTERS" and "TAX MATTERS."

Disclosure Counsel - McCall, Parkhurst & Horton L.L.P., Houston, Texas, serves as Disclosure Counsel to the District. The fees to be paid Disclosure Counsel for services rendered in connection with the issuance of the Bonds are contingent on the sale and delivery of the Bonds.

District Operator - Municipal District Services, L.L.C. is the general operator of the District's System. According to Municipal District Services, L.L.C., it is currently employed as operator for approximately 72 utility districts including the District.

Financial Advisor - The District has engaged Rathmann & Associates, L.P., as financial advisor (the "Financial Advisor") to the District. The fees paid the Financial Advisor for services rendered in connection with the issuance of the Bonds are based on a percentage of the Bonds actually issued and sold. Therefore, the payment of such fees is contingent upon the sale and delivery of the Bonds. Rathmann & Associates, L.P. is an independent municipal advisor registered with the United States Securities and Exchange Commission (the "SEC") and the Municipal Securities Rulemaking Board (the "MSRB"). Rathmann & Associates, L.P.'s SEC registration number is 867-00217 and its MSRB registration number is K0161. Rathmann & Associates, L.P.'s SEC registration Forms MA and MA-1's, which constitute Rathmann & Associates, L.P.'s registration filings, may be accessed through http://www.sec.gov/edgar/searchedgar/companysearch.html.

DEVELOPMENT OF THE DISTRICT

Land within the District has been developed for commercial use. The District's water supply and distribution, wastewater collection and treatment and storm drainage/detention system (the "Utility System") and street paving (the "Road System") have been constructed to serve the entirety of the developable land located within the District as is described in this Official Statement under the captions "DEVELOPMENT OF THE DISTRICT" and "THE UTILITY SYSTEM." The District is comprised of approximately 201.998 developable acres and approximately 16.26 undevelopable acres, including certain acres which are contained within various easements, rights of way, detention ponds, or are otherwise not available for future development.

Land within the District has been developed as Intercontinental Crossing Business Park by Intercontinental Crossing LP ("Intercontinental Crossing" or the "Developer") and Rigid Business Park. As of March 1, 2024, the District contained taxable above ground improvements consisting of 38 buildings totaling approximately 1,327,439 square feet of building area on approximately 114.51 acres (a portion of such approximately 114.51 acres contains certain easements, rights of way, and detention ponds). According to the Harris Central Appraisal District, of such approximately 1,327,439 square feet of building area, approximately 862,029 square feet of building area are designated as light industrial/manufacturing, approximately 380,634 square feet of building area are designated as warehouses, and approximately 45,173 square feet of building area are designated as offices. An approximately 425,000 square foot warehouse is currently under construction within the District. Approximately 57.49 developed acres located within the District are available for the construction of future taxable above-ground improvements.

Included in such aforementioned taxable above ground improvements are IV3 IAH West Distribution Center (318,000 square feet of building area), Stag TX Holdings LP (99,451 square feet of building area), S E T International Crossing LLC (79,899 square feet of building area), Carmelle Holdings LLC (48,000 square feet of building area), 1130 Enclave, LLC (40,700 square feet of building area), WH ILD LP (30,880 square feet of building area), Oilfield Supply Center Inc. (20,000 square feet of building area), and Rigid Global Buildings businesses (totaling 361,942 square feet of building area).

Many of the commercial enterprises that are located within the District are believed to be in, or associated with, the oil and gas industry. See "INVESTMENT CONSIDERATIONS - Potential Effects of Oil Price Volatility in the Houston Area."

The District has financed the District's cost of the acquisition or construction of components of the Utility System with a portion of the proceeds of the Prior Bonds. The District will finance the acquisition or construction of components of the Road System with portions of the proceeds of the sale of the Bonds as is enumerated in this Official Statement under the caption "USE AND DISTRIBUTION OF BOND PROCEEDS." The District expects to finance the acquisition or construction of additional components of the Utility System and the Road System with portions of the proceeds of the sale of bonds, if any, in the future. See "THE BONDS - Legal Ability to Issue Additional Debt," "INVESTMENT CONSIDERATIONS - Future Debt," and "THE UTILITY SYSTEM."

PRINCIPAL LAND OWNERS

According to the District's Engineer, the District contains approximately 201.998 acres of developed land that have been developed for the construction of taxable above ground improvements. Of such approximately 201.998 acres, approximately 114.51 acres currently contain completed taxable above ground improvements, approximately 27.47 acres contain improvements currently under construction and approximately 57.49 developed acres located within the District are available for the construction of future taxable above-ground improvements as is described above under the caption "DEVELOPMENT OF THE DISTRICT." RBP Equity Group is the owner of approximately 34.97 of such 57.49 acres. Intercontinental Crossing is the owner of approximately 10.40 of such 57.49 acres. The remaining acres that are available for construction of future above-ground improvements are held by multiple landowners. Eastveld Property Owner is the owner of such approximately 27.47 acres on which a warehouse is currently under construction.

The ten largest District taxpayers as reflected on the District's 2023 tax roll own land, improvements and personal property the aggregate Estimated Valuation at January 1, 2024 of which comprises approximately 58.71% of the District's 2023 tax roll. See "INVESTMENT CONSIDERATIONS - Common Factors Affecting Taxable Values and Tax Payments - Principal Land Owners' Obligations to the District."

Since no party has any obligation to the District to construct taxable above ground improvements within the District, the District cannot represent that construction of any taxable above ground improvements will be constructed in the District in addition to those which have been constructed therein to date.

Harris County Emergency Services District No. 24 ("ESD 24") owns approximately 6.91 acres of land located in the District on which a fire station and ancillary buildings have been constructed. Any land or improvements located within the District that are owned by ESD 24 are not subject to taxation by the District.

FUTURE DEVELOPMENT

Land within the District has been developed for commercial use. The District's water supply and distribution, wastewater collection and treatment and storm drainage/detention system (the "System") and street paving (the "Road System") have been constructed to serve the entirety of the developable land located within the District as is described in this Official Statement under the captions "DEVELOPMENT OF THE DISTRICT" and "THE UTILITY SYSTEM." The District is comprised of approximately 201.998 developable acres and approximately 16.26 undevelopable acres, including certain acres which are contained within various easements, rights of way, detention ponds, or are otherwise not available for future development. Land within the District has been developed as Intercontinental Crossing Business Park by Intercontinental Crossing, and Rigid Business Park. As of March 1, 2024, the District contained taxable above ground improvements consisting of 38 buildings totaling approximately 1,327,439 square feet of building area on approximately 114.51 acres (a portion of such approximately 114.51 acres contains certain easements, rights of way, and detention ponds). Approximately 57.49 developed acres located within the District are available for the construction of future taxable above-ground improvements as is described above under the caption “DEVELOPMENT OF THE DISTRICT.” RBP Equity Group is the owner of approximately 34.97 of such 57.49 acres. Intercontinental Crossing is the owner of approximately 10.40 of such 57.49 acres. The remaining acres that are available for construction of future above-ground improvements are held by multiple landowners. Eastveld Property Owner is the owner of such approximately 27.47 acres on which a warehouse is currently under construction.

None of the owners of any of such currently developed acres is under any obligation to the District to undertake the construction of future taxable above-ground improvements on any of such acres according to any timetable, or at all. Moreover, any such owner may sell the land that it owns at its sole discretion. Therefore, the District can make no representation whether, or when, the construction of future taxable above-ground improvements might occur (nor what type of development might occur) on any of such located within the District.

Although taxable above-ground improvements may be constructed in the future in the District, the construction of any taxable above-ground improvements in addition to those described in this Official Statement will be dependent on several factors including, to a great extent, the general and other economic conditions which would affect any party’s ability to construct such improvements as is described in this Official Statement under the caption “INVESTMENT CONSIDERATIONS.” Since no party has any obligation to the District to construct taxable above ground improvements on land located within the District, the District cannot represent that construction of any taxable above ground improvements will be constructed in the District in addition to those which have been constructed therein to date. The District’s Engineer estimates that the $2,795,000 authorized bonds which remain unissued for the Utility System and the $1,500,000 in bonds for the Road System after the sale of the Bonds will be adequate to finance the construction or acquisition of components of the District’s System and road facilities to provide service to the entirety of the District. If additional bonds are issued in the future and property values have not increased proportionately, such issuance may increase gross debt/property valuation ratios and thereby adversely affect the investment quality or security of the Bonds. See “THE BONDS - Legal Ability to Issue Additional Debt” and “INVESTMENT CONSIDERATIONS - Future Debt.”

THE UTILITY SYSTEM

Regulation

The water supply and distribution, wastewater collection and treatment and storm drainage/detention facilities serving land within the District (the “System”) have been designed in conformance with accepted engineering practices and the requirements of certain governmental agencies having regulatory or supervisory jurisdiction over the construction and operation of such facilities including, among others, the City of Houston, Harris County, the Harris County Flood Control District, and the TCEQ.

Operation of the System is subject to regulation by, among others, the United States Environmental Protection Agency and the TCEQ. In many cases, regulations promulgated by these agencies have become effective only recently and are subject to further development and revision. According to the District’s Engineer, the total number of equivalent single-family residential connections (“ESFCs”) projected for the District at the full development of its approximately 218.258 acres is 220. A description of portions of the System follows, and is based upon information supplied by the District’s Engineer.

Description

As is described above under the caption “DEVELOPMENT OF THE DISTRICT,” the District’s Utility System currently serves the entirety of the developable acreage that is located within the District. The District has financed the District’s cost of acquisition or construction of components of the Utility System with a portion of the proceeds of the Prior Bonds. The District will finance the acquisition or construction of components of the Road System with portions of the proceeds of the sale of the Bonds as is enumerated in this Official Statement under the caption “USE AND DISTRIBUTION OF BOND PROCEEDS.” The District expects to finance the acquisition or construction of additional components of the

Utility System and Road System with portions of the proceeds of the sale of bonds, if any, in the future. See "THE BONDS - Legal Ability to Issue Additional Debt" and "INVESTMENT CONSIDERATIONS - Future Debt."

- Storm Drainage -

According to the District's Engineer, storm water drainage for the District is provided by a network of internal collection facilities which outfall in a detention pond which has been constructed adjacent to the District and ultimately outfalls into Green's Bayou via Aldine-Westfield Road storm sewer system.

- Water Supply -

The District purchases the entirety of its water supply from Northwood Municipal Utility District No. 1 ("Northwood MUD") pursuant to the "Joint Water Facilities Contract" dated July 16, 2014. The District's purchased water supply from Northwood MUD is capable of serving 160 equivalent single-family connections ("ESFCs"), and the District has executed a contract to purchase an additional 60 ESFCs from Northwood MUD for the total of the 220 ESFCs projected for the District upon its full development. The District has one emergency water supply interconnect to Northwood MUD, and Northwood MUD has an emergency water supply interconnect agreement with Woodcreek Municipal Utility District.

- Wastewater Treatment Facilities -

Wastewater treatment for the District is provided by Northwood MUD. Pursuant to the "Contract for Construction of and Receipt of Services in the City of Houston's Intercontinental Airport Wastewater Treatment Plant," dated November 5, 1986, Northwood MUD is allocated 2,000,000 gallons per day ("gpd") wastewater treatment capacity in the City of Houston's Intercontinental Airport Wastewater Treatment Plant. Pursuant to the "Partial Assignment and Assumption" agreement, Northwood MUD has agreed to assign 48,000 gpd of its allocated capacity to the District. According to the District's Engineer, the District's aforementioned wastewater treatment capacity is capable of serving 160 ESFCs, and the District has executed a contract to purchase an additional 60 ESFCs from Northwood MUD for the total of the 220 ESFCs projected for the District upon its full development.

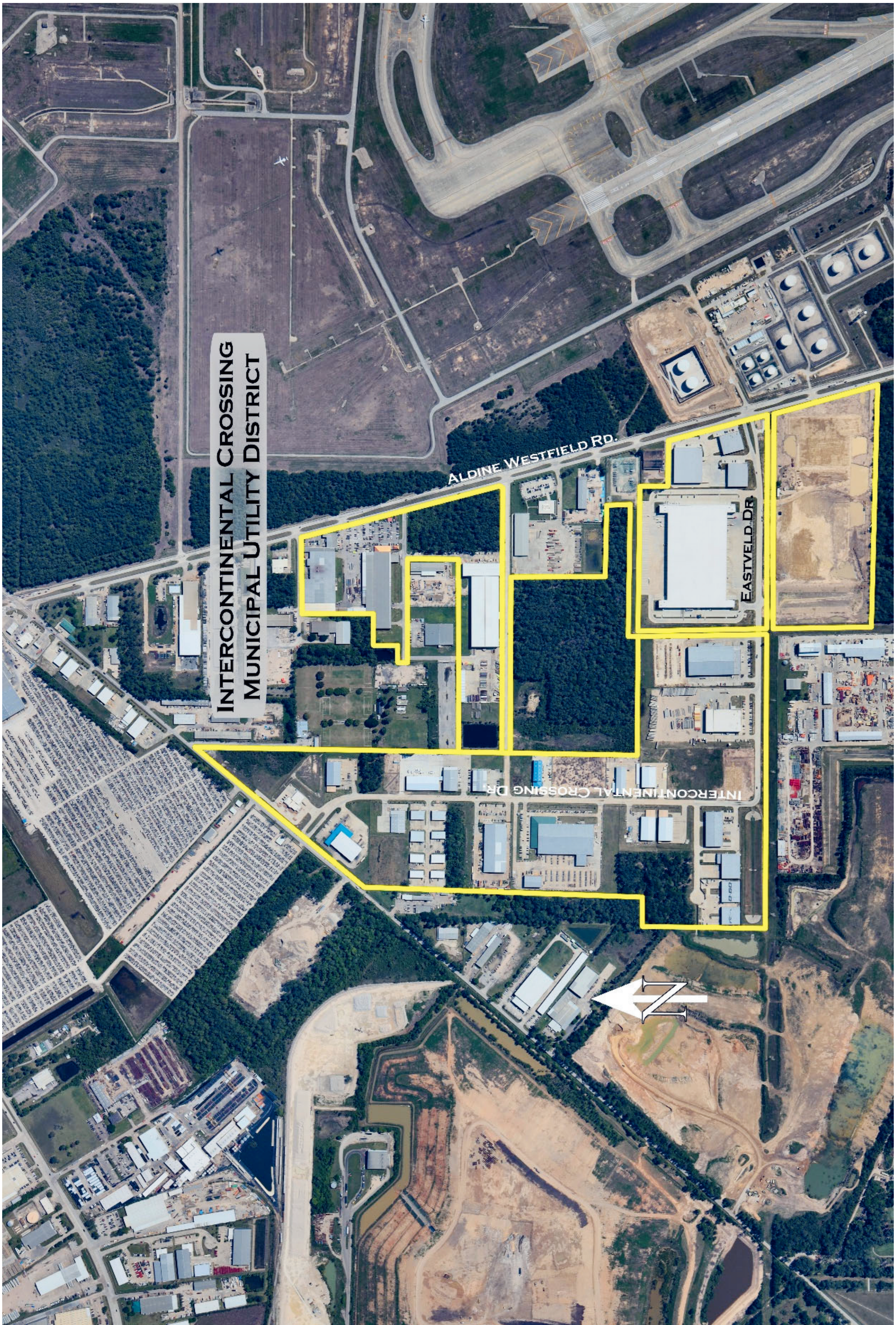
- 100-Year Flood Plain -

According to the District's Engineer, the Federal Emergency Management Agency ("FEMA") Flood Hazard Boundary Map currently in effect which covers the land located in the District indicates that no land within the District is contained within the designated 100-year floodplain.

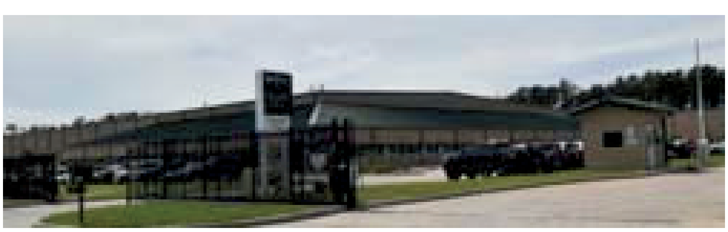
"Flood Insurance Rate Map" or "FIRM" means an official map of a community on which FEMA has delineated the appropriate areas of flood hazards. The 1% chance of probable inundation, also known as the 100-year flood plain, is depicted on these maps. The "100 year flood plain" (or 1% chance of probable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

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

AERIAL PHOTOGRAPH OF THE DISTRICT
(taken April 2024)



PHOTOGRAPHS TAKEN WITHIN THE DISTRICT
(taken April 2024)



PHOTOGRAPHS TAKEN WITHIN THE DISTRICT
(taken April 2024)

DISTRICT DEBT

General

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

Bonded Indebtedness

2023 Assessed Valuation	$	178,424,811	(a)
(As of January 1, 2023)			
See "TAX DATA" and "TAXING PROCEDURES"			
Estimated Valuation at January 1, 2024	$	211,254,592	(b)
See "TAX DATA" and "TAXING PROCEDURES"			
Direct Debt:			
Outstanding Bonds	$	11,495,000	
The Bonds		4,000,000	
Total	$	15,495,000	(c)
Estimated Overlapping Debt	$	8,723,752	
Total Direct and Estimated Overlapping Debt	$	24,218,752	
Direct Debt Ratio			
: as a percentage of 2023 Assessed Valuation		8.68	%
: as a percentage of Estimated Valuation at January 1, 2024		7.33	%
Direct and Overlapping Debt Ratio			
: as a percentage of 2023 Assessed Valuation		13.57	%
: as a percentage of Estimated Valuation at January 1, 2024		11.46	%
Utility System Debt Service Fund Balance as of March 5, 2024	$	934,053	(d)
Road System Debt Service Fund Balance Estimated as of Delivery of the Bonds	$	440,000	(d)
General Fund Balance as of March 5, 2024	$	1,885,043	
2023 Tax Rate per $100 of Assessed Valuation			
Debt Service Tax	$	0.42	
Maintenance Tax		0.48	
Total	$	0.90	(e)
Anticipated Approximate 2024 Tax Rate per $100 of Assessed Valuation			
Debt Service Tax - Utility	$	0.31	
Debt Service Tax - Roads		0.11	
Maintenance Tax		0.48	
Total	$	0.90	(e)
Average Percentage of Total Tax Collections (2018-2022) as of March 31, 2024		99.23	%
Percentage of 2023 Tax Collections as of March 31, 2024		89.70	%

(a) As of January 1, 2023, and comprises the District's 2023 tax roll. All property located in the District is valued on the tax rolls by the Harris Central Appraisal District (the "Appraisal District") at 100% of assessed valuation as of January 1 of each year. The District's tax roll is certified by the Harris County Appraisal Review Board (the "Appraisal Review Board"). See "INVESTMENT CONSIDERATIONS - Common Factors Affecting Taxable Values and Tax Payments" and "TAXING PROCEDURES."

(b) Provided by the Appraisal District for informational purposes only, this amount is an estimate of the value of all taxable property located within the District as of January 1, 2024, and includes an estimate of values resulting from the construction of taxable improvements from January 1, 2023, through December 31, 2023. The ultimate assessed valuation of such additions to the District's tax roll resulting from development and construction activity from January 1, 2023, through December 31, 2023, may vary significantly from this estimate when the Appraisal Review Board certifies the valuation of District property for the purpose of determining the District's 2024 tax roll, which will be based on the valuation of District property as of January 1, 2024. See "INVESTMENT CONSIDERATIONS - Common Factors Affecting Taxable Values and Tax Payments" and "TAXING PROCEDURES."

(c) The District has timely paid all interest on the Prior Bonds when due. The District financed portions of the cost of acquiring or constructing components of the Utility System that are described in this Official Statement under the caption "THE UTILITY SYSTEM" with portions of the proceeds of the sale of the Prior Bonds. The District is financing portions of the cost of acquiring or constructing components of the Road System that are described in this Official Statement under the caption "USE AND DISTRIBUTION OF BOND PROCEEDS," and other items, with portions of the proceeds of the sale of the Bonds. The District expects to finance the acquisition or construction of additional components of the Utility System and the Road System with portions of the proceeds of the sale of bonds, if any, in the future. See "THE BONDS - Legal Ability to Issue Additional Debt" and "INVESTMENT CONSIDERATIONS - Future Debt."

(d) Neither Texas law nor the Bond Order requires the District to maintain any particular sum in the Utility System Debt Service Fund. Such fund balance reflects the timely payment by the District of its debt service payments that were due on March 1, 2024, on the Outstanding Bonds. The District's remaining debt service payments for 2024, which are due on September 1, 2024, total $390,817. The District will capitalize the amount of $440,000 in interest payments on the Bonds and deposit such amount in the Road System Debt Service Fund of the date of delivery of the Bonds. The District's initial debt service requirement on the Bonds, consisting of an interest payment thereon, is due on March 1, 2025. Monies in the Toad System Debt Service Fund cannot be used to pay debt service on bonds issued by the District for the Utility System, nor may monies in the Utility System Debt Service Fund be used to pay debt service on bond issued by the District for the Road System, such as the Bonds.

(e) The District levied a total tax rate of $0.90 per $100 of Assessed Valuation for 2023, consisting of debt service and maintenance taxes of $0.42 and $0.48 per $100 of Assessed Valuation, respectively. The District anticipates levying a debt service tax for the Utility System in the amount of $0.31 per $100 of Assessed Valuation, a debt service tax for the Road System in the amount of $0.11 per $100 of Assessed Valuation, plus a maintenance tax of $0.48 per $100 of Assessed Valuation for 2024. As is enumerated in this Official Statement under the caption "TAX DATA - Estimated Overlapping Taxes," the total of the 2023 tax levies of all overlapping taxing units which levy taxes upon property located in the District, plus the District's 2023 total rate of $0.90 per $100 of Assessed Valuation, is $2.755583 per $100 of Assessed Valuation. Such aggregate levy is higher than the aggregate tax levies of some municipal utility districts in the Houston metropolitan area, including the area of the District, but is within the range of the aggregate levies of many municipal utility districts in the Houston metropolitan area and the area of the District which are in stages of development comparable with the District. See "INVESTMENT CONSIDERATIONS - Factors Affecting Taxable Values and Tax Payments" and "TAXING PROCEDURES."

Estimated Direct and Overlapping Debt Statement

The following statement indicates the direct and estimated overlapping debt of the District. The table includes the estimated amount of indebtedness of governmental entities overlapping the District, defined as outstanding bonds payable from ad valorem taxes, and the estimated percentages and amounts of such indebtedness attributable to property located within the District. This information is based upon data secured from the individual jurisdictions and/or the Texas Municipal Reports published by the Municipal Advisory Council of Texas. The calculations by which the statement was derived were made in part by comparing the reported assessed valuation of the property in the overlapping taxing jurisdictions with the Assessed Valuation of property within the District. No effect has been given to the tax burden levied by any applicable taxing jurisdiction for maintenance and operational or other purposes.

	Debt as of	Estimated Overlapping	
Taxing Jurisdiction	**March 15, 2024**	**Percent**	**Amount**
Harris County [(i)]	$1,863,876,319	0.0271%	$505,801
Harris County Department of Education	13,865,000	0.0271%	3,763
Harris County Flood Control District	991,095,000	0.0271%	268,954
Harris County Hospital District	65,285,000	0.0271%	17,716
Port of Houston Authority	426,134,397	0.0271%	115,640
Lone Star College System	542,435,000	0.0577%	312,819
Aldine Independent School District	1,235,855,000	0.6068%	7,499,059
Total Estimated Overlapping Debt			$8,723,752
Total Direct Debt (the Bonds and the Outstanding Bonds) [(ii)]			15,495,000
Total Direct and Estimated Overlapping Debt			$24,218,752

[(i)] Harris County Toll Road Bonds are considered to be self-supporting, and are not included in this schedule.
[(ii)] See "Bonded Indebtedness" above.

Debt Ratios

	% of 2023 Assessed Valuation	% of Estimated Valuation at January 1, 2024
Direct Debt	8.68%	7.33%
Direct and Estimated Overlapping Debt	13.57%	11.46%

Under Texas law ad valorem taxes levied by each taxing authority other than the District create a lien which is on a parity with the lien in favor of the District on all taxable property within the District. In addition to the ad valorem taxes required to retire the foregoing direct and overlapping debt, the various taxing authorities mentioned above also are authorized by Texas law to assess, levy and collect ad valorem taxes for operation, maintenance, administration and/or general revenue purposes. Certain of the jurisdictions have in the past levied such taxes. The District has the power to assess, levy and collect ad valorem taxes for operation and maintenance purposes in an amount not to exceed $1.25 per $100 of Assessed Valuation, and such taxes have been authorized and levied by the duly qualified voters of the District. The District has levied a maintenance tax of $0.48 per $100 of Assessed Valuation in 2023. The District anticipates levying a maintenance tax of $0.48 per $100 of Assessed Valuation for 2024. See "TAX DATA - Maintenance Tax."

Debt Service Requirement Schedule

The following schedule sets forth the debt service requirements for the Outstanding Bonds, plus the estimated principal and interest requirements of the Bonds.

Year Ending December 31	Current Total Debt Service	Plus: The Bonds		New Total Debt Service
		Principal	Interest*	
2024	$575,853			$575,853
2025	684,384		266,667	951,050
2026	683,209	$55,000	200,000	938,209
2027	683,459	60,000	197,250	940,709
2028	685,446	60,000	194,250	939,696
2029	682,129	65,000	191,250	938,379
2030	683,496	65,000	188,000	936,496
2031	684,416	75,000	184,750	944,166
2032	684,838	75,000	181,000	940,838
2033	684,456	80,000	177,250	941,706
2034	683,688	85,000	173,250	941,938
2035	687,481	85,000	169,000	941,481
2036	685,619	95,000	164,750	945,369
2037	687,844	95,000	160,000	942,844
2038	689,375	100,000	155,250	944,625
2039	685,181	110,000	150,250	945,431
2040	685,544	115,000	144,750	945,294
2041	685,281	120,000	139,000	944,281
2042	689,425	120,000	133,000	942,425
2043	687,525	130,000	127,000	944,525
2044	685,125	140,000	120,500	945,625
2045	686,950	145,000	113,500	945,450
2046	687,875	150,000	106,250	944,125
2047	688,038	155,000	98,750	941,788
2048	687,413	165,000	91,000	943,413
2049	686,025	175,000	82,750	943,775
2050	683,988	185,000	74,000	942,988
2051	682,163	195,000	64,750	941,913
2052	682,088	205,000	55,000	942,088
2053		895,000	44,750	939,750
	$19,768,314	$4,000,000	$4,147,917	$27,916,230

Average Annual Requirements: (2025-2053) $942,772
Maximum Annual Requirement: (2025) $951,050

* Interest is estimated at 5.0% per annum for purposes of illustration.

TAX DATA

Debt Service Tax

All taxable property within the District is subject to the assessment, levy and collection by the District of an annual ad valorem tax, without legal limitation as to rate or amount, sufficient to pay principal of and interest on the Outstanding Bonds, the Bonds and any future tax-supported bonds which may be issued from time to time as authorized. The Board covenants in the Bond Order to assess and levy, for each year that all or any part of the Bonds remain outstanding and unpaid, a tax ample and sufficient to produce funds to pay the principal of and interest on the Bonds when due. The actual rate of such tax will be determined from year to year as a function of the District's tax base, its debt service requirements and available funds. The District levied a debt service tax of $0.42 per $100 of Assessed Valuation for 2023, and anticipates levying a debt service tax of approximately $0.31 per $100 of Assessed Valuation for payment of bonds issued by the District for the Utility System and a debt service tax of approximately $0.11 per $100 of Assessed Valuation for payment of bonds issued by the District for the Road System in 2024 as is described below under the caption "Tax Rate Distribution." The District is authorized to levy separate debt service taxes, both of which are unlimited as to rate or amount, for the payment of debt service on bonds issued for the Utility System and bonds issued for the Road System. See "Tax Rate Distribution" below.

Maintenance Tax

The Board of Directors of the District has the statutory authority to levy and collect an annual ad valorem tax for maintenance of the District's improvements, if such maintenance tax is authorized by a vote of the District's electorate. On November 3, 2015, the District voters authorized the levy of such a maintenance tax in an amount not to exceed $1.25 per $100 of Assessed Valuation. Such tax is in addition to taxes which the District is authorized to levy for paying principal of and interest on the Outstanding Bonds, the Bonds and any tax supported bonds which may be issued in the future. The District levied a maintenance tax of $0.48 per $100 of Assessed Valuation for 2023. The District anticipates levying a maintenance tax of $0.48 per $100 of Assessed Valuation for 2024. See "Tax Rate Distribution" below.

Historical Values and Tax Collection History

The following statement of tax collections sets forth in condensed form the historical Assessed Valuation and tax collections of the District. Such summary has been prepared for inclusion herein based upon information obtained from District records. Reference is made to such records, including the District's annual audited financial statements, for more complete information.

				% Collections	
Tax Year	Assessed Valuation	Tax Rate[(a)]	Total Levy	Current & Prior Years[(b)]	Year Ended 09/30
2018	$22,629,906	$0.95[(c)]	$214,984	100.00%	2019
2019	42,024,430	0.95[(c)]	399,232	100.00	2020
2020	66,338,080	0.95[(c)]	630,212	100.00	2021
2021	81,512,855	0.95	774,372	99.87	2022
2022	107,147,958	0.95	1,017,906	96.29	2023
2023	178,424,811	0.90[(d)]	1,605,823	89.70[(e)]	2024

(a) Per $100 of Assessed Valuation.

(b) Such percentages reflect cumulative total collections for each year from the time each respective annual tax was levied through March 31, 2024. The amount of tax collected for each levy on a current basis (by September 30 of the year following each respective annual levy) is not reflected in this statement.

(c) Maintenance tax only.

(d) The District has levied a 2023 total tax rate of $0.90 per $100 of Assessed Valuation, consisting of debt service and maintenance taxes of $0.42 and $0.48 per $100 of Assessed Valuation, respectively. The District anticipates levying a debt service tax for the Utility System in the amount of $0.31 per $100 of Assessed Valuation, a debt service tax for the Road System in the amount of $0.11 per $100 of Assessed Valuation, plus a maintenance tax of $0.48 per $100 of Assessed Valuation for 2024.

(e) As of March 31, 2024. In process of collection.

Tax Rate Distribution

	2024*	2023	2022	2021	2020	2019
Utility System Debt Service	$0.31	$0.42	$0.56	$0.74	$0.00	$0.00
Road System Debt Service	0.11	0.00	0.00	0.00	0.00	0.00
Maintenance and Operation	0.48	0.48	0.39	0.21	0.95	0.95
Total	$0.90	$0.90	$0.95	$0.95	$0.95	$0.95

*Anticipated Approximate Tax Rate. Subject to change.

Analysis of Tax Base

The following table illustrates the composition of property located within the District during the past five years.

Type of Property	2023 Assessed Valuation	%	2022 Assessed Valuation	%	2021 Assessed Valuation	%
Land	$30,944,980	17.34%	$25,779,360	24.06%	$25,106,230	30.80%
Improvements	107,598,545	60.30%	50,429,540	47.07%	41,787,807	51.26%
Personal Property	46,590,860	26.11%	35,948,913	33.55%	18,508,799	22.71%
Exemptions	-6,709,574	-3.76%	-5,009,855	-4.68%	-3,889,981	-4.77%
TOTAL	$178,424,811	100.00%	$107,147,958	100.00%	$81,512,855	100.00%

Type of Property	2020 Assessed Valuation	%	2019 Assessed Valuation	%
Land	$24,953,318	37.62%	$13,114,095	31.21%
Improvements	28,455,263	42.89%	19,567,109	46.55%
Personal Property	15,369,139	23.17%	11,504,706	27.38%
Exemptions	-2,439,640	-3.68%	-2,161,480	-5.14%
TOTAL	$66,338,080	100.00%	$42,024,430	100.00%

Principal 2023 Taxpayers

Based upon information supplied by the District's Tax Assessor/Collector, the following table lists principal District taxpayers, type of property owned by such taxpayers, and the Assessed Valuation of such property as of January 1, 2023. The information reflects the composition of the Appraisal District's record of property ownership as of January 1, 2023.

Property Owner	Property Description*	2023 Property Value	% of 2023 Assessed Valuation
IV3 IAH West Distribution Center LP	Commercial	$34,168,464	19.15%
Stag TX Holdings, LP	Commercial	16,108,158	9.03%
S E T International Crossing LLC	Commercial	9,000,000	5.04%
1130 Enclave LLC	Commercial	8,691,673	4.87%
NTS Amega West USA Inc.	Commercial	8,325,722	4.67%
18321 Adine Westfield LLC	Commercial	7,598,698	4.26%
18703 Intercontinental LLC et al.	Commercial	6,640,147	3.72%
WH ILD LP	Commercial	5,022,500	2.81%
Eastveld Property Owner LLC	Commercial	4,952,040	2.78%
Dynomax Drilling Tools USA Inc.	Commercial	4,253,873	2.38%
		$104,761,275	58.71%

* Many of the commercial enterprises that are located within the District are believed to be in, or associated with, the oil and gas industry. See "INVESTMENT CONSIDERATIONS - Potential Effects of Oil Price Volatility in the Houston Area."

Tax Rate Calculations

The tax rate calculations set forth below are presented to indicate the tax rates per $100 of Assessed Valuation which would be required to meet certain debt service requirements if no growth in the District occurs beyond the 2023 Assessed Valuation or the Estimated Valuation at January 1, 2024. The calculations also assume collection of 95% of taxes levied, no use of other legally available District funds on hand, and the sale of no additional bonds by the District other than the Outstanding Bonds and the Bonds.

Average Annual Debt Service Requirements (2025-2053)	$942,772
Tax Rate of $0.56 on the 2023 Assessed Valuation ($178,424,811) produces	$949,220
Tax Rate of $0.48 on the Estimated Valuation at January 1, 2024 ($211,254,592) produces	$963,321
Maximum Annual Debt Service Requirement (2025)	$951,050
Tax Rate of $0.57 on the 2023 Assessed Valuation ($178,424,811) produces	$966,170
Tax Rate of $0.48 on the Estimated Valuation at January 1, 2024 ($211,254,592) produces	$963,321

The District levied a tax rate of $0.90 per $100 of Assessed Valuation for 2023, consisting of debt service and maintenance taxes of $0.42 and $0.48 per $100 of Assessed Valuation, respectively. The District anticipates levying a debt service tax for the Utility System in the amount of $0.31 per $100 of Assessed Valuation, a debt service tax for the Road System in the amount of $0.11 per $100 of Assessed Valuation, plus a maintenance tax of $0.48 per $100 of Assessed Valuation for 2024. Thus the 2024 combined debt service tax rate is expected to be approximately $0.42 per $100 of Assessed Valuation. As the above table indicates, the anticipated approximate 2024 combined debt service tax rate of $0.42 per $100 of Assessed Valuation will not be sufficient to pay the Average Annual and Maximum Annual Debt Service Requirements on the Outstanding Bonds and the Bonds, assuming taxable values in the District at the level of the Estimated Valuation at January 1, 2024, assuming a tax collection rate of 95%, no use of funds on hand, and the issuance of no additional bonds by the District other than the Bonds and the Outstanding Bonds. However, as is stated above under the caption "Historical Values and Tax Collection History," the District had collected an average of 99.23% of its tax levies for the period 2018 through 2022, and 89.70% of its 2023 tax levy, which is in the process of collection, as of March 31, 2024. Moreover, the

District's Utility System Debt Service Fund balance is $934,053 as of March 5, 2024, and the District's Road Utility Debt Service Fund balance is estimated to be $440,000 as of the date of delivery of the Bonds. Therefore, the District anticipates that it will be able to meet the debt service requirements of the Bonds and the Outstanding Bonds without increasing the tax rate for debt service above the combined debt service rate which the District anticipates levying for 2024 - $0.42 per $100 of Assessed Valuation. However, the District can make no representation that the taxable property values in the District will increase in the future or will maintain a value sufficient to support the aforementioned tax rate or to justify continued payment of taxes by property owners. See "INVESTMENT CONSIDERATIONS - Common Factors Affecting Taxable Values and Tax Payments" and "TAXING PROCEDURES."

Estimated Overlapping Taxes

Property located within the District is subject to taxation by several taxing authorities in addition to the District. Set forth below is a compilation of all 2023 taxes levied upon property located within the District plus the District's 2023 tax rate. Under Texas law, ad valorem taxes levied by each taxing authority other than the District entitled to levy taxes against property located within the District create a lien which is on a parity with the tax lien of the District. In addition to the ad valorem taxes required to make the debt service payments on bonded debt of the District and of such other jurisdictions (see "DISTRICT DEBT- Estimated Direct and Overlapping Debt Statement"), certain taxing jurisdictions are authorized by Texas law to assess, levy and collect ad valorem taxes for operation, maintenance, administrative and/or general revenue purposes.

Taxing Jurisdiction	2023 Tax Rate Per $100 of A.V.
The District*	$0.900000
Harris County	0.350070
Harris County Department of Education	0.004800
Harris County Flood Control District	0.031050
Harris County Hospital District	0.143430
Port of Houston Authority	0.005740
Lone Star College System	0.107600
Aldine Independent School District	1.036300
Harris County Emergency Services District No. 1	0.082838
Harris County Emergency Services District No. 24	0.093755
Total Tax Rate	$2.755583

* The District levied a total tax of $0.90 per $100 of Assessed Valuation for 2023, consisting of debt service and maintenance taxes of $0.42 and $0.48 per $100 of Assessed Valuation, respectively. The District anticipates levying a debt service tax for the Utility System in the amount of $0.31 per $100 of Assessed Valuation, a debt service tax for the Road System in the amount of $0.11 per $100 of Assessed Valuation, plus a maintenance tax of $0.48 per $100 of Assessed Valuation for 2024.

TAXING PROCEDURES

Authority to Levy Taxes

The Board is authorized to levy an annual ad valorem tax, without legal limitation as to rate and amount, on all taxable property within the District in sufficient amount to pay the principal of and interest on the Outstanding Bonds, the Bonds and any additional bonds payable from taxes which the District may hereafter issue, and to pay the expenses of assessing and collecting such taxes. The District agrees in the Bond Order to levy such a tax from year to year as described more fully under the caption "THE BONDS - Source of Payment." The Board is also authorized to levy and collect annual ad valorem taxes for the administration and maintenance of the District and the System and for the payment of certain contractual obligations if such taxes are authorized by vote of the District's electors at an election. The District's electors have authorized the levy of such a maintenance tax in the maximum amount of $1.25 per $100 of assessed valuation. The District levied a tax rate of $0.90 per $100 of Assessed Valuation for 2023, consisting of debt service and maintenance taxes of $0.42 and $0.48 per $100 of Assessed Valuation, respectively. The District anticipates levying a debt service tax for the Utility System in the amount of $0.31 per $100 of Assessed Valuation, a debt service tax for the Road System in the amount of $0.11 per $100 of Assessed Valuation, plus a maintenance tax of $0.48 per $100 of Assessed Valuation for 2024. See "TAX DATA - Maintenance Tax" and - "Historical Values and Tax Collection History."

Property Tax Code and County-Wide Appraisal District

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

Property Subject to Taxation by the District

Except for certain exemptions provided by Texas law, all real property and tangible personal property in the District is subject to taxation by the District; however, it is expected that no effort will be made by the District to collect taxes on personal property other than on personal property rendered for taxation, business inventories and the property of privately owned utilities. Principal categories of exempt property include: property owned by the State of Texas or its political subdivisions if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies, and personal effects; farm products owned by the producer; all oil, gas and mineral interests owned by an institution of higher education; certain property owned by exclusively charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; solar and wind-powered energy devices; and most individually owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons sixty-five (65) years or older or under a disability for purposes of payment of disability insurance benefits under the Federal Old-Age Survivors and Disability Insurance Act to the extent deemed advisable by the Board. The District would be required to call an election on such residential homestead exemption upon petition by at least twenty percent (20%) of the number of qualified voters who voted in the District's preceding election and would be required to offer such an exemption if a majority of voters approve it at such election. Furthermore, the District must grant exemptions to disabled veterans or certain surviving dependents of disabled veterans, if requested, of between $5,000 and $12,000 of assessed valuation depending upon the disability rating of the veteran, if such rating is less than 100%. A veteran who receives a disability rating of 100% is entitled to an exemption for the full value of the veteran's residence homestead. Additionally, subject to certain conditions, the surviving spouse of a disabled veteran who is entitled to an exemption for the full value of the veteran's residence homestead is also entitled to an exemption from taxation of the total appraised value of the same property to which the disabled veteran's exemption applied. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran's disability rating if (i) the residence homestead was donated by a charitable organization at no cost to the disabled veteran or (ii) the residence was donated by a charitable organization at some cost to the disabled veteran if such cost is less than or equal to fifty percent (50%) of the total good faith estimate of the market value of the residence as of the date the donation is made. Also, the surviving spouse of (i) a member of the armed forces or (ii) a first responder (as defined under Texas law) who was (i) killed in action, or (ii) fatally injured in the line of duty, is, subject to certain conditions, entitled to an exemption of the total appraised value of the surviving spouse's residence homestead, and subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse.

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

Freeport Goods Exemption: A "Freeport Exemption" applies to goods, wares, merchandise, other tangible personal property and ores, other than oil, natural gas, and petroleum products (defined as liquid and gaseous materials immediately derived from refining oil or natural gas), and to aircraft or repair parts used by a certified air carrier acquired in or imported into Texas which are destined to be forwarded outside of Texas and which are detained in Texas for assembling, storing, manufacturing, processing or fabricating for less than 175 days. Although certain taxing units may take official action to tax such property in transit and negate such exemption, the District does not have such an option. A "Goods-in-Transit" Exemption is applicable to certain tangible personal property, as defined by the Property Tax Code, acquired in or imported into Texas for storage purposes and which is stored under a contract of bailment by a public warehouse operator at one or more public warehouse facilities in Texas that are not in any way owned or controlled by the owner of such property for the account of the person who acquired or imported such property. The exemption excludes oil, natural gas, petroleum products, aircraft and certain special inventory including dealer's motor vehicles, dealer's vessel and outboard motor vehicle, dealer's heavy equipment and retail manufactured housing inventory. The exemption applies to covered property if it is acquired in or imported into Texas for assembling, storing, manufacturing, processing, or fabricating purposes and is subsequently forwarded to another location inside or outside of Texas not later than 175 days after acquisition or importation. A property owner who receives the Goods-in-Transit Exemption is not eligible to receive the Freeport Exemption for the same property. Local taxing units such as the District may, by official action and after public hearing, tax goods-in-transit personal property. A taxing unit must exercise its option to tax goods-in-transit property before January 1 of the first tax year in which it proposes to tax the property at the time and in the manner prescribed by applicable law. However, taxing units who took official action as allowed by prior law before October 1, 2011, to tax goods-in-transit property, and who pledged such taxes for the payment of debt, may continue to impose taxes against the goods-in-transit property until the debt is discharged without further action, if cessation of the imposition would impair the obligations of the contract by which the debt was created. The District has taken official action to allow taxation of all such goods-in-transit personal property, but may choose to exempt same in the future by further official action.

Assessment and Levy

Generally, property in the District must be appraised by the Appraisal District at market value as of January 1 of each year. Assessments under the Property Tax Code are to be based upon one hundred percent (100%) of market value. The appraised value of residential homestead property may be limited to the lesser of the market value of the property, or the sum of the appraised value of the property for the last year in which it was appraised, plus ten percent (10%) of such appraised value multiplied by the number of years since the last appraisal, plus the market value of all new improvements to the property. Once an appraisal roll is prepared and approved by the Appraisal Review Board, it is used by the District in establishing its tax rate. The Property Tax Code requires the Appraisal District to implement a plan for periodic reappraisal of property to update appraised values. The plan must provide for appraisal of all real property by the Appraisal District at least once every three (3) years. It is not known what frequency of reappraisal will be utilized by the Appraisal District or whether reappraisals will be conducted on a zone or county-wide basis.

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

The chief appraiser must give written notice on May 15, or as soon thereafter as practicable to each owner if the appraised value of his property is greater than it was in the preceding year, if the appraised value of the property is greater than the value rendered by the property owner, or if the property was not on the appraisal roll in the preceding year. In addition, the chief appraiser must give written notice to each property owner whose property was reappraised in the current year or if ownership of the property changed during the preceding year. The appraisal review board has the ultimate responsibility for determining the value of all taxable property within the District; however, any owner who has timely filed notice with the appraisal review board may appeal the final determination by the appraisal review board by filing suit in Texas district court. Prior to such appeal and prior to the delinquency date, however, the owner must pay the tax due on the amount of value of the property involved that is not in dispute or the amount of tax paid in the prior year, whichever is greater, or the amount of tax due under the order from which the appeal is taken. In the event of such suit, the value of the property is determined by the court, or a jury if requested by any party. Additionally, the District is entitled to challenge certain matters before the appraisal review board, including the level of appraisals of a certain category of property, the exclusion of property from the appraisal records, or the grant in whole or in part of a partial exemption. The District may not, however, protest a valuation of individual property.

The rate of taxation is set by the Board based upon the assessed valuation of property within the District as of the preceding January 1 and the amount required to be raised for debt service, maintenance purposes and authorized contractual obligations.

Tax Abatement

Harris County or the City of Houston may designate all or part of the area within the District as a reinvestment zone. Thereafter, the City of Houston (after annexation of the District), Harris County, or the District, at the option and discretion of each entity, may enter into tax abatement agreements with owners of property within the zone. Prior to entering into a tax abatement agreement, each entity must adopt guidelines and criteria for establishing tax abatement, which each entity will follow in granting tax abatement to owners of property. The tax abatement agreements may exempt from ad valorem taxation by each of the applicable taxing jurisdictions, including the District, for a period of up to ten (10) years, all or any part of any increase in the assessed valuation of property covered by the agreement over its assessed valuation in the year in which the agreement is executed, on the condition that the property owner make specified improvements or repairs to the property in conformity with the terms of the tax abatement agreement. Each taxing jurisdiction has discretion to determine terms for its tax abatement agreements without regard to the terms approved by the other taxing jurisdictions.

District and Taxpayer Remedies

Under certain circumstances, taxpayers and taxing units, including the District, may appeal orders of the Appraisal Review Board by filing a petition for review in Texas state district court within forty-five (45) days after notice is received that a final order has been entered. In such event, the property value in question may be determined by the court, or by a jury, if requested by any party. Additionally, taxing units may bring suit against the Appraisal District to compel compliance with the Property Tax Code. The District may challenge the exclusion of property from the appraisal rolls or the grant, in whole or in part, of an exemption.

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

Texas law provides for notice and hearing procedures prior to the adoption of an ad valorem tax rate by the District. Additionally, under certain circumstances, an election would be required to determine whether to approve the adopted total tax rate. See “Rollback of Operation and Maintenance Tax Rate” below. The Property Tax Code also establishes a procedure for notice to property owners of reappraisals reflecting increased property values, appraisals that are higher than renditions and appraisals of property not previously on an appraisal roll.

Collection

The District is responsible for the collection of its taxes, unless it elects to transfer such functions to another governmental entity. The District adopts its tax rate each year after it receives a tax roll certified by the Appraisal District. Taxes are due upon receipt of a bill therefor, and become delinquent after January 31 of the following year or 30 days after the date billed, whichever is later, or, if billed after January 10, they are delinquent on the first day of the month next following the 21st day after such taxes are billed. A delinquent tax accrues interest at a rate of one percent (1%) for each month or portion of a month the tax remains unpaid beginning the first calendar month it is delinquent. A delinquent tax also incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent plus a one percent (1%) penalty for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. However, a tax delinquent on July 1 incurs a total penalty of twelve percent (12%) of the amount of the delinquent tax without regard to the number of months the tax has been delinquent, which penalty remains at such rate without further increase. If the tax is not paid by July 1, an additional penalty of up to the amount of the compensation specified in the District's contract with its delinquent tax collection attorney, but not to exceed twenty percent (20%) of the total tax, penalty and interest, may, under certain circumstances, be imposed by the District. With respect to personal property taxes that become delinquent on or after February 1 of a year and that remain delinquent sixty (60) days after the date on which they become delinquent, as an alternative to the penalty described in the foregoing sentence, an additional penalty on personal property of up to the amount specified in the District's contract with its delinquent tax attorney, but not to exceed twenty percent (20%) of the total tax, penalty and interest, may, under certain circumstances, be imposed by the District prior to July 1. The District's contract with its delinquent tax collection attorney currently specifies a twenty percent (20%) additional penalty. The District may waive penalties and interest on delinquent taxes only for the items specified in the Texas Property Tax Code. The Property Tax Code also makes provision for the split payment of taxes, discounts for early payment and the postponement of the delinquency of taxes under certain circumstances. The owner of a residential homestead property who is (i) a person sixty-five (65) years of age or older, (ii) under a disability for purpose of payment of disability insurance benefits under the Federal Old Age Survivors and Disability Insurance Act, or (iii) qualifies as a disabled veteran under Texas law, is entitled by law to pay current taxes on a residential homestead in installments or to defer the payment of taxes without penalty during the time of ownership. Additionally, a person who is delinquent on taxes for a residential homestead is entitled to an agreement with the District to pay such taxes in installments over a period of between 12 and 36 months (as determined by the District) when such person has not entered into another installment agreement with respect to delinquent taxes with the District in the preceding 24 months.

Rollback of Operation and Maintenance Tax Rate

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

Special Taxing Units

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

Developed Districts

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

Developing Districts

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

The District

A determination as to a district's status as a Special Taxing Unit, Developed District or Developing District will be made by the Board of Directors on an annual basis. The District cannot give any assurances as to what its classification will be at any point in time or whether the District's future tax rates will result in a total tax rate that will reclassify the District into a new classification and new election calculation. For the 2023 tax rate year, a determination has been made by the District's Board of Directors that the District is a Developing District.

District's Rights in the Event of Tax Delinquencies

Taxes levied by the District are a personal obligation of the owner of the property against which the tax is levied. In addition, on January 1, of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of each taxing unit, including the District, having power to tax the property. The District's tax lien is on a parity with tax liens of other such taxing units (see "DISTRICT DEBT - Estimated Direct and Overlapping Debt Statement"). A tax lien on real property takes priority over the claim of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien. Further, personal property under certain circumstances is subject to seizure and sale for the payment of delinquent taxes, penalties, and interest.

Except with respect to (i) owners of residential homestead property who are sixty-five (65) years of age or older or under a disability as described above and who have filed an affidavit as required by law, and (ii) owners of residential homesteads who have entered into an installment agreement with the District for payment of delinquent taxes as described above and who are not in default under said agreement, at any time after taxes on property become delinquent, the District may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the District must join other taxing units that have claims for delinquent taxes against all or part of the same property. Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, by the effects of market conditions on the foreclosure sale price, or by taxpayer redemption rights (a taxpayer may redeem property that is a residence homestead or was designated for agricultural use within two (2) years after the deed issued at foreclosure is filed of record and may redeem all other property within six (6) months after the deed issued at foreclosure is filed of record) or by bankruptcy proceedings which restrict the collection of taxpayer debt. The District's ability to foreclose its tax lien or collect penalties and interest may be limited on property owned by a financial institution which is under receivership by the Federal Deposit Insurance Corporation pursuant to the Federal Deposit Insurance Act 12 U.S.C. 1825, as amended. Generally, the District's tax lien and a federal tax lien are on par with the ultimate priority being determined by applicable federal law. See "INVESTMENT CONSIDERATIONS - Tax Collection Limitations."

Agricultural, Open Space, Timberland and Inventory Deferment

The Property Tax Code permits land designated for agricultural use (including wildlife management), open space, or timberland to be appraised at its value based on the land's capacity to produce agriculture or timber products rather than at its fair market value. The Property Tax Code permits, under certain circumstances, that residential real property inventory held by a person in the trade or business be valued at the price all such property would bring if sold as a unit to a purchaser who would continue the business. Landowners wishing to avail themselves of any of such designations must apply for the designation, and the Appraisal District is required by the Property Tax Code to act on each claimant's right to the designation individually. A claimant may waive the special valuation as to taxation by some political subdivisions and not as to others. If a claimant receives the designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use for the three (3) years prior to the loss of the designation for agricultural, timberland or open space land. According to the District's Tax Assessor/Collector, as of January 1, 2024, no land within the District was designated for agricultural use, open space, inventory deferment, or timberland.

INVESTMENT CONSIDERATIONS

General

The Bonds, which are obligations of the District and not of the State of Texas, Harris County, Texas, the City of Houston, Texas, or any political subdivision other than the District, are secured by an annual ad valorem tax, without legal limitation as to rate or amount, levied on all taxable property located within the District. The ultimate security for payment of the principal of and interest on the Bonds depends upon the ability of the District to collect from the property owners within the District taxes levied against all taxable property located within the District, or, in the event taxes are not collected and foreclosure proceedings are instituted by the District, upon the value of the taxable property with respect to taxes levied by the District and by other taxing authorities. The District makes no representation that over the life of the Bonds the taxable property within the District will maintain a value sufficient to justify continued payment of taxes by property owners or that there will be a market for any property if the District forecloses on property to enforce its tax lien. The collection of delinquent taxes owed the District, and the enforcement by a Registered Owner of the District's obligation to collect sufficient taxes may be costly and lengthy processes. See "Tax Collection Limitations" and "Registered Owners' Remedies and Bankruptcy" below and "THE BONDS - Source of Payment."

Dependence on Personal Property Ad Valorem Tax Collections

Personal property in 2023 aggregated $46,590,860, or approximately 26.11% of the District's 2023 Assessed Valuation. The District makes no representation that any personal property inventory will be maintained at any given level, or at all. See "Common Factors Affecting Taxable Values and Tax Payments" below and "TAX DATA - Analysis of Tax Base."

Personal property taxation and collection create special risks for Registered Owners. See "TAX DATA" and "TAXING PROCEDURES." Unlike real property, there is no certainty that personal property will remain in the District from year to year. Business inventories are portable, and may be removed from the District at any time. Personal property removed from the District as of January 1 of any year is not subject to taxation by the District for that year. While personal property is subject to a lien for unpaid District taxes for any year, the District lien is lost if the property is sold in the ordinary course of business. However, a lien in the amount of the personal property taxes owed by a taxpayer attaches not only to personal property owned by the taxpayer with a tax situs in the District as of January 1, but to any personal property then or thereafter owned by the taxpayer that is located within the District. Nevertheless, the District may not be able to foreclose on personal property located outside the State of Texas, and locating and foreclosing on property held outside the District may be costly, inefficient and difficult.

The statute of limitations for collection of personal property taxes is four years from the date of delinquency, which is shorter than the 20-year statute of limitations for real property. Personal property may not be seized and a suit may not be filed to collect delinquent personal property taxes if the tax has been delinquent for more than four years. A tax and any penalty and interest on the tax that is delinquent longer than the limitation period is presumed paid unless a suit to collect such personal property is pending. As with real property taxes, ad valorem taxes levied on personal property are the personal obligation of the taxpayer. See "TAXING PROCEDURES."

Common Factors Affecting Taxable Values and Tax Payments

The entirety of the developable land located within the District has been developed for commercial usage with the provision of components of the District's System and street paving. The construction of taxable above-ground commercial improvements within the District has been completed on approximately 114.51 of such developed acres, and approximately 57.49 of such developed acres are available for the construction of future taxable above-ground improvements. The construction of taxable above-ground improvements in the District is directly related to the vitality of the commercial development and building industries. The construction of new commercial improvements and related development activities can be significantly affected by factors such as interest rates, construction costs, credit availability, energy availability and cost, and consumer demand. Declines in the price of oil could adversely affect job stability, wages and salaries, thereby negatively affecting the demand for new commercial improvements and the value of existing improvements (see “Potential Effects of Oil Price Volatility on the Houston Area” below). Although development of the District has occurred as described in this Official Statement under the caption “DEVELOPMENT OF THE DISTRICT,” the District cannot predict the pace or magnitude of any future commercial development or the construction of future commercial projects or any other taxable improvements in the District in addition to the aforementioned development and improvements. Moreover, the District makes no representation as to the occupancy levels of any commercial properties that have been or might be constructed within the District.

National Economy: The commercial development and building industry has historically been a cyclical industry, affected by both short-term and long-term interest rates, availability of mortgage and development funds, employment levels and general economic conditions. Although development of the District has occurred as described in this Official Statement under the caption “DEVELOPMENT OF THE DISTRICT,” the District cannot predict the pace or magnitude of any future commercial development or the construction of future commercial projects or any other taxable improvements in the District in addition to the aforementioned development and improvements. Moreover, the District makes no representation as to the occupancy levels of any commercial properties that have been or might be constructed within the District. The District cannot predict what impact, if any, a downturn in the local and national housing and financial markets may have on the Houston market generally and the District specifically.

Credit Markets and Liquidity in the Financial Markets: Interest rates and the availability of mortgage and development funding have a direct impact on commercial development activity and the construction of commercial projects, particularly short-term interest rates at which developers are able to obtain financing for development costs and at which developers are able to finance new commercial projects. Interest rate levels may affect the ability of commercial developers to initiate the construction of commercial projects. Because of the numerous and changing factors affecting the availability of funds, particularly liquidity in the national credit markets, the District is unable to assess the future availability of such funds for continued development or the construction of new commercial projects within the District. In addition, since the District is located approximately 20 miles north of the central downtown business district of the City of Houston, the success of development within the District and growth or maintenance of District taxable property values are, to a great extent, a function of the Houston metropolitan and regional economies and national credit and financial markets. A downturn in the economic conditions of Houston and in real estate and financial markets in the United States could adversely affect development plans or the construction of new commercial projects in the District and restrain the growth of the District’s property tax base.

Principal Land Owners’ Obligations to the District: The ten largest District taxpayers as reflected on the District’s 2023 tax roll own land, improvements and personal property the aggregate 2023 Assessed Valuation of which comprises approximately 58.71% of the District’s 2023 tax roll. The single largest component of the District’s 2023 tax roll consists of land and improvements owned by IV3 IAH West Distribution Center LP, the 2023 Assessed Valuation of which comprises approximately 19.15% of the District’s 2023 tax roll. The second largest component of the District’s 2023 tax roll consists of land and improvements owned by Stag TX Holdings LP, the 2023 Assessed Valuation of which comprises approximately 9.03% of the District’s 2023 tax roll. The third largest component of the District’s 2023 tax roll consists of land, improvements and personal property owned by S E T International Crossing LLC, the 2023 Assessed Valuation of which comprises approximately 5.04% of the District’s total 2023 Assessed Valuation. The fourth largest component of the District’s 2023 tax roll consists of land and improvements owned by 1130 Enclave LLC, the 2023 Assessed Valuation of which comprises approximately 4.87% of the District’s total 2023 Assessed Valuation. The fifth largest component of the District’s 2023 tax roll consists of land and improvements owned by NTS Amega West USA Inc., the 2023 Assessed Valuation of which comprises approximately 4.67% of the District’s total 2023 Assessed Valuation. See “DEVELOPMENT OF THE DISTRICT,” “PRINCIPAL LAND OWNERS” and “TAX DATA - Principal 2023 Taxpayers.” No other party owns land located within the District the assessed valuation of which in 2023 comprises more than 4.26% of the District’s 2023 tax roll. The District cannot represent that its tax base will in the future be (i) distributed among a significantly larger number of taxpayers, or (ii) less concentrated in property owned by a relatively small number of property owners, than it is currently. Most of the improvements in the District consist of large-scale buildings which, if vacated, may be difficult to re-sell, re-lease, or re-purpose. Moreover, a significant proportion of the District’s tax roll has historically consisted of personal property. As is illustrated in the section of this Official Statement entitled “TAX DATA - Analysis of Tax Base,” the personal property component of the District’s tax roll has increased significantly in recent years. Personal property consists, among other things, of goods manufactured by or stored on the premises of a business. Unlike permanent improvements such as buildings, manufacturing, warehouse, and office/warehouse facilities, and other such taxable above ground improvements which have been constructed within the District, personal property may be readily transported by a company if it vacates a facility which it occupies. Personal property in 2023 aggregated $46,590,860, or approximately 26.11% of the District's 2023 Assessed Valuation. See "District's Dependence on Personal Property Ad Valorem Tax Collections" above. Failure by one or more of the District's principal property owners to make full and timely payments of taxes due, or a decline in the District's tax base due to a diminution of the personal property component thereof as described above, or for any other reason, may have an adverse affect on the investment security of the Bonds. If for any reason any one or more of the principal taxpayers did not pay taxes due or did not pay in a timely manner, the District might need to levy additional taxes or use other debt service funds available to meet its debt service requirements. The District has not covenanted nor is required to maintain a particular balance in the Debt Service Fund to allow for delinquent taxes. Further, as described in the section of this Official Statement entitled "DEVELOPMENT OF THE DISTRICT," the owners of any developed land located in the District, including Intercontinental Crossing, on which taxable above ground improvements have not been completed or initiated have made no commitment to the District to construct any taxable above ground improvements thereon, and may sell such land at their discretion. Therefore, the District can make no representation about the probability of the construction of taxable above-ground improvements in the District, or as to the financial condition of any future owners of such property and therefore of the ability of such future owners to make full and timely payment of their taxes.

Maximum Impact on District Tax Rates

Assuming no further construction of other taxable improvements within the District other than those which have heretofore been constructed, and no additional development in the District other than the development which has occurred to date, the value of the land and improvements currently located within the District will be a major determinant of the ability of the District to collect, and the willingness of District property owners to pay, ad valorem taxes levied by the District. After issuance of the Bonds, the Maximum Annual Debt Service Requirement of the Outstanding Bonds and the Bonds will be $951,050 (2025) and the Average Annual Debt Service Requirements will be $942,772 (2025 through 2053 inclusive). The 2023 Assessed Valuation of property within the District is $178,424,811. Assuming no increase to or decrease from the 2023 Assessed Valuation, the issuance of no additional bonds by the District, and no use of other legally available District funds, tax rates of $0.57 and $0.56 per $100 of Assessed Valuation at a 95% collection rate would be necessary to pay the Maximum Annual Debt Service Requirement and the Average Annual Debt Service Requirements, respectively. The Estimated Valuation at January 1, 2024 of property within the District is $211,254,592. Assuming no increase to or decrease from the Estimated Valuation at January 1, 2024, the issuance of no additional bonds by the District, and no use of other legally available District funds, a tax rate of $0.48 per $100 of Assessed Valuation at a 95% collection rate would be necessary to pay the Maximum Annual Debt Service Requirement and the Average Annual Debt Service Requirements. See "TAX DATA - Tax Rate Calculations."

The District levied a tax rate of $0.90 per $100 of Assessed Valuation for 2023, consisting of debt service and maintenance taxes of $0.42 and $0.48 per $100 of Assessed Valuation, respectively. The District anticipates levying a debt service tax for the Utility System in the amount of $0.31 per $100 of Assessed Valuation, a debt service tax for the Road System in the amount of $0.11 per $100 of Assessed Valuation, plus a maintenance tax of $0.48 per $100 of Assessed Valuation for 2024. Thus the 2024 combined debt service tax rate is expected to be approximately $0.42 per $100 of Assessed Valuation. As the above calculations indicate, the anticipated approximate 2024 combined debt service tax rate of $0.42 per $100 of Assessed Valuation will not be sufficient to pay the Average Annual and Maximum Annual Debt Service Requirements on the Outstanding Bonds and the Bonds, assuming taxable values in the District at the level of the Estimated Valuation at January 1, 2024, assuming a tax collection rate of 95%, no use of funds on hand, and the issuance of no additional bonds by the District other than the Bonds and the Outstanding Bonds. However, as is illustrated under the caption "TAX DATA - Historical Values and Tax Collection History," the District had collected an average of 99.23% of its tax levies for the period 2018 through 2022, and its 2023 tax levy, which is in the process of collection, was 89.70% collected as of March 31, 2024. Moreover, the District's Utility System Debt Service Fund balance is $934,053 as of March 5, 2024, and the District's Road Utility Debt Service Fund balance is estimated to be $440,000 as of the date of delivery of the Bonds. Therefore, the District anticipates that it will be able to meet the debt service requirements of the Bonds and the Outstanding Bonds without increasing the tax rate for debt service above the combined debt service rate which the District anticipates levying for 2024 - $0.42 per $100 of Assessed Valuation. However, the District can make no representation that the taxable property values in the District will increase in the future or will maintain a value sufficient to support the aforementioned tax rate or to justify continued payment of taxes by property owners. See "THE BONDS - Registered Owners' Remedies," "TAXING PROCEDURES," and "TAX DATA - Estimated Overlapping Taxes."

Tax Collection Limitations

The District's ability to make debt service payments may be adversely affected by its inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on a parity with the liens of all other taxing authorities on the property against which taxes are levied, and such lien may be enforced by judicial foreclosure. The District's ability to collect ad valorem taxes through such foreclosure may be impaired by (a) cumbersome, time consuming and expensive collection procedures, (b) a bankruptcy court's stay of tax collection procedures against a taxpayer, (c) market conditions affecting the marketability of taxable property within the District and limitation of the proceeds from a foreclosure sale of such property, (d) adverse effects on the proceeds of a foreclosure sale resulting from a taxpayer's limited right to redeem its foreclosed property as set forth below, or (e) insufficient foreclosure bids to satisfy the tax liens of all taxing authorities which have parity liens on the property. While the District has a lien on taxable property within the District for taxes levied against such property, such lien can be foreclosed only in a judicial proceeding. Moreover, the value of the property to be sold for delinquent taxes and thereby the potential sales proceeds available to pay debt service on the Bonds, may be limited by among other factors, the existence of other tax liens on the property, by the current aggregate tax rate being levied against the property, or by the taxpayers' right to redeem residential or agricultural use property within two (2) years of foreclosure and all other property within six (6) months of foreclosure. See "TAXING PROCEDURES."

Registered Owners' Remedies and Bankruptcy

In the event of default in the payment of principal of or interest on the Bonds, the Registered Owners have a right to seek a writ of mandamus requiring the District to levy adequate taxes each year to make such payments. Except for mandamus, the Bond Orders do not provide for remedies to protect and enforce the interests of the Registered Owners. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Statutory language authorizing local governments such as the District to sue and be sued does not waive the local government's sovereign immunity from suits for money damages, so that in the absence of other waivers of such immunity by the Texas legislature, a default by the District in its covenants in the Bond Orders may not be reduced to a judgement for money damages. Even if Registered Owners could obtain a judgment against the District, such a judgment could not be enforced by a direct levy and execution against the District's property. Further, the Registered Owners cannot themselves foreclose on property within the District or sell property within the District in order to pay the principal of and interest on the Bonds. Since there is no trust indenture or trustee, the Registered Owners would have to initiate and finance the legal process to enforce their remedies.

The enforceability of the rights and remedies of the Registered Owners may be further limited by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. In this regard, should the District file a petition for protection from creditors under federal bankruptcy laws, a suit seeking the remedy of mandamus would be automatically stayed and could not be pursued unless authorized by a federal bankruptcy judge. See "THE BONDS - Registered Owners' Remedies."

The District may not be placed into bankruptcy involuntarily.

Future Debt

The District has reserved in the Bond Order the right to issue the remaining $2,795,000 in bonds authorized but unissued for waterworks, sanitary sewer and drainage facilities, the $1,500,000 in bonds for road facilities, and such additional bonds as may hereafter be approved by both the Board of Directors and voters of the District. The District also has reserved the right to issue certain other additional bonds, special project bonds, and other obligations described in the Bond Order. All of the remaining bonds authorized for waterworks, sanitary sewer and drainage facilities which have heretofore been authorized by voters of the District may be issued by the District from time to time as needed. The issuance of such $2,795,000 in bonds for waterworks, sanitary sewer and drainage facilities is also subject to TCEQ authorization. If additional bonds are issued in the future and property values have not increased proportionately, such issuance may increase gross debt/property valuation ratios and thereby adversely affect the investment quality or security of the Bonds. The District has financed the District's cost of acquisition or construction of components of the Utility System with a portion of the proceeds of the Prior Bonds. The District will finance the acquisition or construction of components of the Road System with portions of the proceeds of the sale of the Bonds as is enumerated in this Official Statement under the caption "USE AND DISTRIBUTION OF BOND PROCEEDS." The District expects to finance the acquisition or construction of additional components of the Utility System and Road System with portions of the proceeds of the sale of bonds, if any, in the future. See "THE BONDS - Legal Ability to Issue Additional Debt" and "THE UTILITY SYSTEM."

Marketability

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

Continuing Compliance with Certain Covenants

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

Environmental Regulations

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

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

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

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

The HGB Area is currently designated as a "severe" nonattainment area under the 2008 Ozone Standard, with an attainment deadline of July 20, 2027. If the EPA ultimately determines that the HGB Area has failed to meet the attainment deadline based on the relevant data, the area is subject to reclassification to a nonattainment classification that provides for more stringent controls on emissions from the industrial sector. In addition, the EPA may impose a moratorium on the awarding of federal highway construction grants and other federal grants for certain public works construction projects if it finds that an area fails to demonstrate progress in reducing ozone levels.

The HGB Area is currently designated as a "moderate" nonattainment area under the 2015 Ozone Standard, with an attainment deadline of August 3, 2024. For purposes of the 2015 Ozone Standard, the HGB Area consists of only six counties: Brazoria, Chambers, Fort Bend, Galveston, Harris, and Montgomery Counties.

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

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

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

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

Texas Pollutant Discharge Elimination System ("TPDES") permits set limits on the type and quantity of discharge, in accordance with state and federal laws and regulations. The TCEQ reissued the TPDES Construction General Permit (TXR150000), with an effective date of March 5, 2023, which is a general permit authorizing the discharge of stormwater runoff associated with small and large construction sites and certain non-stormwater discharges into surface water in the state. It has a 5-year permit term, and is then subject to renewal. Moreover, the Clean Water Act ("CWA") and Texas Water Code require municipal wastewater treatment plants to meet secondary treatment effluent limitations and more stringent water quality-based limitations and requirements to comply with the Texas water quality standards. Any water quality-based limitations and requirements with which a municipal utility district must comply may have an impact on the municipal utility district's ability to obtain and maintain compliance with TPDES permits.

The District's stormwater discharges currently maintain permit coverage through the Municipal Separate Storm System Permit (the "Current Permit") issued to the Storm Water Management Joint Task Force consisting of Harris County, Harris County Flood Control District, the City of Houston, and the Texas Department of Transportation. In the event that at any time in the future the District is not included in the Current Permit, it may be required to seek independent coverage under the TCEQ's General Permit for Phase II (Small) Municipal Separate Storm Sewer Systems (the "MS4 Permit"), which authorizes the discharge of stormwater to surface water in the state from small municipal separate storm sewer systems. If the District's inclusion in the MS4 Permit were required at a future date, the District could incur substantial costs to develop, implement, and maintain the necessary plans as well as to install or implement best management practices to minimize or eliminate unauthorized pollutants that may otherwise be found in stormwater runoff in order to comply with the MS4 Permit.

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

In 2023, the Supreme Court of the United States issued its decision in Sackett v. EPA, which clarified the definition of "waters of the United States" and significantly restricted the reach of federal jurisdiction under the CWA. Under the Sackett decision, "waters of the United States" includes only geographical features that are described in ordinary parlance as "streams, oceans, rivers, and lakes" and to adjacent wetlands that are indistinguishable from such bodies of water due to a continuous surface connection. Subsequently, the EPA and USACE issued a final rule amending the definition of "waters of the United States" under the CWA to conform with the Supreme Court's decision.

While the Sackett decision removed a great deal of uncertainty regarding the ultimate scope of "waters of the United States" and the extent of EPA and USACE jurisdiction, operations of municipal utility districts, including the District, could potentially be subject to additional restrictions and requirements, including additional permitting requirements, in the future.

Tax Payment Installments after Disaster

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

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

Extreme Weather Events

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

The greater Houston area, including the District, has experienced multiple storms exceeding a 0.2% probability (i.e., "500 year flood" events) since 2015, including Hurricane Harvey, which made landfall along the Texas Gulf Coast on August 26, 2017, and brought historic levels of rainfall during the successive four days. However, according to the District's Operator and Engineer, the District's System did not sustain any material damage and there was no interruption of water and sewer service from Hurricane Harvey. Further, according to the District's Operator, after investigation, although the District experienced street flooding, there was no apparent material wind or water damage to the commercial improvements within the District.

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

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

Potential Effects of Oil Price Volatility on the Houston Area

The recent fluctuations in oil prices in the U.S. and globally, which at times have led to the lowest such prices in three decades, may lead to adverse conditions in the oil and gas industry, including but not limited to reduced revenues, declines in capital and operating expenditures, business failures, and layoffs of workers. The economy of the Houston area has, in the past, been particularly affected by adverse conditions in the oil and gas industry, and such conditions and their spillover effects into other industries could result in declines in the demand for residential and commercial property in the Houston area and could reduce or negatively affect property values within the District. Many of the commercial enterprises that are located within the District are believed to be in, or associated with, the oil and gas industry. As previously stated, the Bonds are secured by an unlimited ad valorem tax, and a reduction in property values may require an increase in the ad valorem tax rate required to pay the Bonds as well as the District's share of operations and maintenance expenses payable from ad valorem taxes.

Changes in Tax Legislation

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

Approval of the Bonds

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

LEGAL MATTERS

Legal Opinions

The District will furnish the Underwriter a transcript of certain certified proceedings incident to the authorization and issuance of the Bonds. Such transcript will include a certified copy of the approving opinions of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State of Texas, to the effect that the Bonds are valid and binding obligations of the District. The District will also furnish the approving legal opinions of Bond Counsel to the effect that, based upon an examination of such transcript, the Bonds are valid and binding obligations of the District under the Constitution and laws of the State of Texas. The legal opinions of Bond Counsel will further state that the Bonds, including principal of and interest thereon, are payable from the levy of ad valorem taxes, without legal limitation as to rate or amount, upon all taxable property located within the District. Bond Counsel's opinions will also address the matters described below under the caption "TAX MATTERS." Bond Counsel's fees for services rendered with respect to the sale of the Bonds are contingent upon the issuance and delivery of the Bonds. Bond Counsel acts as counsel for the District on matters other than the issuance of bonds.

In its capacity as Bond Counsel, Bacon, Wallace & Philbin, L.L.P., has reviewed the information appearing in this Official Statement under "THE BONDS (except the for the information under the subheading "Book-Entry-Only System")," "TAXING PROCEDURES," "THE DISTRICT - Authority" and - "Management of the District - Counsel," "LEGAL MATTERS - Legal Opinions," "TAX MATTERS" and "CONTINUING DISCLOSURE OF INFORMATION (except the for the information under the subheading "Compliance With Prior Undertakings")" solely to determine whether such information fairly summarizes the procedures, law and documents referred to therein and conforms to the requirements of applicable laws and ordinances of the City of Houston, Texas, with regard to the sale of the Bonds. Bond Counsel has not, however, independently verified any of the other factual information contained in this Official Statement, nor has Bond Counsel conducted an investigation of the affairs of the District for the purpose of passing upon the accuracy or completeness of the information contained in this Official Statement. No person is entitled to rely upon Bond Counsel's limited participation as an assumption of responsibility for, or an expression of opinions of any kind with regard to, the accuracy or completeness of any of the other factual information contained herein.

No Arbitrage

The District will certify on the date the Bonds are delivered and paid for that based upon all facts and estimates now known or reasonably expected to be in existence, the District reasonably expects that the proceeds of the Bonds will not be used in a manner that would cause the Bonds, or any portion of the Bonds, to be "arbitrage bonds" under Section 148 of the Internal Revenue Code of 1986 (the "Code") and the regulations prescribed from time to time thereunder. Furthermore, all officers, employees and agents of the District have been authorized and directed to provide certifications of facts and estimates that are material to the reasonable expectations of the District as of the date the Bonds are delivered and paid for. In particular, all or any officers of the District have been authorized to certify to the facts, circumstances and reasonable expectations of the District on the date the Bonds are delivered and paid for regarding the amount and use of the proceeds of the Bonds. Moreover, the District will covenant in the Bond Order that it will make such use of the proceeds of the Bonds, regulate investments of proceeds of the Bonds and take such other and further actions and follow such procedures, including without limitation, calculation of the yield on the Bonds, as may be required so that the Bonds will not become "arbitrage bonds" under the Code and the regulations prescribed from time to time thereunder.

No Material Adverse Change

The obligations of the Underwriter to take up and pay for the Bonds, and of the District to deliver the Bonds, are subject to the condition that, up to the time of delivery of and receipt of payment for the Bonds, there shall have been no material adverse change in the financial condition of the District subsequent to the date of sale from that set forth in the Preliminary Official Statement, as it may have been finalized, supplemented or amended through the date of sale. If the Underwriter elects to purchase municipal bond guaranty insurance on the Bonds, the rating of the insurer's creditworthiness by any rating agency does not and will not in any manner affect the District's financial condition, and thus any change to such rating, including a downgrade thereof, at any time, does not and will not constitute a change, material or otherwise, in the District's financial condition, and therefore cannot be a basis for termination by the Underwriter of its obligations to take up and pay for the Bonds.

No-Litigation Certificate

The District will furnish to the Underwriter a certificate, dated as of the date of delivery of the Bonds, executed by both the President and Secretary of the Board, to the effect that no litigation of any nature has been filed or is then pending or threatened, of which the District has notice, either in state or federal courts, contesting or attacking the Bonds; to restrain or enjoin the issuance, execution or delivery of the Bonds; which would affect the provisions made for the payment of or security for the Bonds; which would in any manner question the authority or proceedings for the issuance, execution, or delivery of the Bonds; or which would affect the validity of the Bonds.

TAX MATTERS

Opinion

On the date of initial delivery of the Bonds, Bacon, Wallace & Philbin, L.L.P., Bond Counsel, will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof ("Existing Law") interest on the Bonds is excludable from gross income for federal income tax purposes and interest on the Bonds is not subject to the alternative minimum tax on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations, as defined in section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code") for the purpose of determining the alternative minimum tax imposed on corporations.

In rendering its opinion, Bond Counsel will rely upon (a) the District's federal tax certificate, and (b) covenants of the District with respect to arbitrage, the application of the proceeds to be received from the issuance and sale of the Bonds and certain other matter. Failure by the District to observe the aforementioned representations or covenants, could cause the interest on the Bonds to become taxable retroactively to the date of issuance.

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

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

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

Federal Income Tax Accounting Treatment of Original Issue Discount

The initial public offering price to be paid for the Bonds, as stated on the cover of the Official Statement, may be less than the principal amount thereof (the "Original Issue Discount Bonds"). As such, the difference between (i) the amount payable at the maturity of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond constitutes original issue discount with respect to such Original Issue Discount Bond in the hands of any owner who has purchased such Original Issue Discount Bond in the initial public offering of the Bonds.

Under Existing Law, such an owner is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the period for which such Original Issue Discount Bond continues to be owned by such owner. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

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

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

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

Collateral Federal Income Tax Consequences

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Bonds. This discussion is based on existing statutes, regulations, published rulings and court decisions, all of which are subject to change or modification, retroactively.

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

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

Under Section 6012 of the Code, holders of tax-exempt obligations, such as the Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

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

State, Local and Foreign Taxes

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

Information Reporting and Backup Withholding

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Bonds will be sent to each registered holder and to the Internal Revenue Service. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates, and trusts, and in certain circumstances, and in respect of Non-U.S. Holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

Qualified Tax-Exempt Obligations for Financial Institutions

Section 265(a) of the Code provides, in pertinent part, that interest paid or incurred by a taxpayer, including a "financial institution," on indebtedness incurred or continued to purchase or carry tax exempt obligations is not deductible by such taxpayer in determining taxable income. Section 265(b) of the Code provides an exception to the disallowance of such deduction for any interest expense paid or incurred on indebtedness of a taxpayer which is a "financial institution" allocable to tax exempt obligations, other than "specified private activity bonds," which are designated by a "qualified small issuer" as "qualified tax exempt obligations." A "qualified small issuer" is any governmental issuer (together with any subordinate issuers) who issues no more than $10,000,000 of tax exempt obligations during the calendar year. Section 265(b)(5) of the Code defines the term "financial institution" as referring to any corporation described in section 585(a)(2) of the Code, or any person accepting deposits from the public in the ordinary course of such person's trade or business which is subject to federal or state supervision as a financial institution. Notwithstanding the exception to the disallowance of the deduction of interest on indebtedness related to "qualified tax-exempt obligations" provided by Section 265(b) of the Code, Section 291 of the Code provides that the allowable deduction to a "bank" as defined in Section 585(a)(2) of the Code, for interest on indebtedness incurred or continued to purchase "qualified tax-exempt obligations" shall be reduced by twenty-percent (20%) as a "financial institution preference item."

The District expects to designate the Bonds as "qualified tax exempt obligations" within the meaning of section 265(b) of the Code. In furtherance of that designation, the District will covenant to take such action which would assure, or to refrain from such action which would adversely affect, the treatment of the Bonds as "qualified tax exempt obligations." Potential purchasers should be aware that if the issue price to the public exceeds $10,000,000, there is a reasonable basis to conclude that the payment of a de minimis amount of premium in excess of $10,000,000 is disregarded, however, the Internal Revenue Service could take a contrary view. Were the Internal Revenue Service to conclude that the amount of such premium is not disregarded, then such obligations might fail to satisfy the $10,000,000 limitation and the obligations would not be "qualified tax exempt obligations."

SOURCES OF INFORMATION

General

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

The financial statements of the District as of June 30, 2023, and for the year then ended, included in this offering document, have been audited by FORVIS, LLP, independent auditors, as stated in their report appearing herein. See "APPENDIX B."

Experts

The information contained in this Official Statement relating to engineering, to the description of the System generally and, in particular, the engineering information included in the section captioned "THE UTILITY SYSTEM' has been provided by Jones Engineering Solutions, Houston, Texas. Such information has been included herein in reliance upon the authority of said firm as an expert in the field of civil engineering.

The information contained in this Official Statement relating to the assessed valuations of property generally and, in particular, that information concerning principal taxpayers, tax collection rates and valuations contained in the sections captioned "TAX DATA" and "DISTRICT DEBT" has been provided by the Harris Central Appraisal District and Assessments of the Southwest, Inc. The District has included certain information herein in reliance upon Assessments of the Southwest, Inc.'s authority as an expert in the field of tax assessing and real property appraisal.

Updating of Official Statement

If, subsequent to the date of the Official Statement, the District learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Underwriter, of any adverse event which causes the Official Statement to be materially misleading, and unless the Underwriter elects to terminate their obligation to purchase the Bonds, the District will promptly prepare and supply to the Underwriter an appropriate amendment or supplement to the Official Statement satisfactory to the Underwriter; provided, however, that the obligation of the District to so amend or supplement the Official Statement will terminate when the District delivers the Bonds to the

Underwriter, unless the Underwriter notifies the District on or before such date that less than all of the Bonds have been sold to ultimate customers, in which case the District's obligations hereunder will extend for an additional period of time (but not more than 90 days after the date the District delivers the Bonds) until all of the Bonds have been sold to ultimate customers.

Certification as to Official Statement

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

Official Statement "Deemed Final"

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission (the "SEC"), this document, as the same may be supplemented or corrected by the District from time to time, may be treated as an Official Statement with respect to the Bonds described herein "deemed final" by the District as of the date hereof (or of any such supplement or correction) except for the omission of certain information referred to in the succeeding paragraph.

The Official Statement, when further supplemented by adding information specifying the interest rates and certain other information relating to the Bonds, shall constitute a "final official statement" of the District with respect to the Bonds, as that term is defined in Rule 15c2-12.

CONTINUING DISCLOSURE OF INFORMATION

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

Annual Reports

The information to be updated with respect to the District includes the quantitative financial information and operating data of the District of the general type included in this Official Statement under the headings "DISTRICT DEBT" (except for "Estimated Direct and Overlapping Debt Statement"), "TAX DATA," and in "APPENDIX B" (Independent Auditor's Report and Financial Statements). The District will update and provide this information to EMMA within six months after the end of each of its fiscal years ending in or after 2024.

The District may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by SEC Rule 15c2-12. The updated information will include audited financial statements, if the District's audit is completed by the required time. If audited financial statements are not available by the required time, the District will provide unaudited financial statements within the required time, and audited financial statements when the audit report becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in the Bond Resolution or such other accounting principles as the District may be required to employ from time to time pursuant to state law or regulation.

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

Event Notices

The District will provide timely notices of certain events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten business days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determination 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 events affecting the tax status of the Bonds; (7) modifications to rights of Beneficial Owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District or other obligated person; (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person or the sale of all or substantially all of the assets of the District or other obligated person other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or other obligated person, any of which affect Beneficial Owners of the Bonds, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District or other obligated person, any of which reflect financial difficulties. The terms "obligated person" and "financial obligation" when used in this paragraph shall have the meanings ascribed to them under SEC Rule 15c2-12 (the "Rule"). The term "material" when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Order makes any provision for debt service reserves or liquidity enhancement. In addition, the District will provide timely notice of any failure by the District to provide financial information, operating data, or financial statements in accordance with its agreement described above under "Annual Reports."

Availability of Information

The District has agreed to provide the foregoing information only to the MSRB. Investors will be able to access, without charge from the MSRB, continuing disclosure information filed with the MSRB at www.emma.msrb.org.

Limitations and Amendments

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

The District may amend its continuing disclosure agreement only if (1) the amendment is made in connection with a change in circumstances that arise from a change in legal requirements, change in law, or change in the identity, nature, or status of the District; (2) the agreement, as amended, would have complied with SEC Rule 15c2-12 at the date of sale of the Bonds, taking into account any amendments or interpretations of the SEC Rule 15c2-12 as well as any change in circumstances; and (3) the District receives an opinion of nationally recognized bond counsel to the effect that the amendment does not materially impair the interests of the holders and beneficial owners of the Bonds. If any such amendment is made, the District will include in its next annual update an explanation in narrative form of the reasons for the change and its impact on the type of operating data or financial information being provided.

Compliance With Prior Undertakings

The District has complied in all material respects with its continuing disclosure agreements made in connection with the Prior Bonds in accordance with SEC Rule 15c2-12.

This Official Statement was approved by the Board of Directors of Intercontinental Crossing Municipal Utility District as of the date shown on the first page hereof.

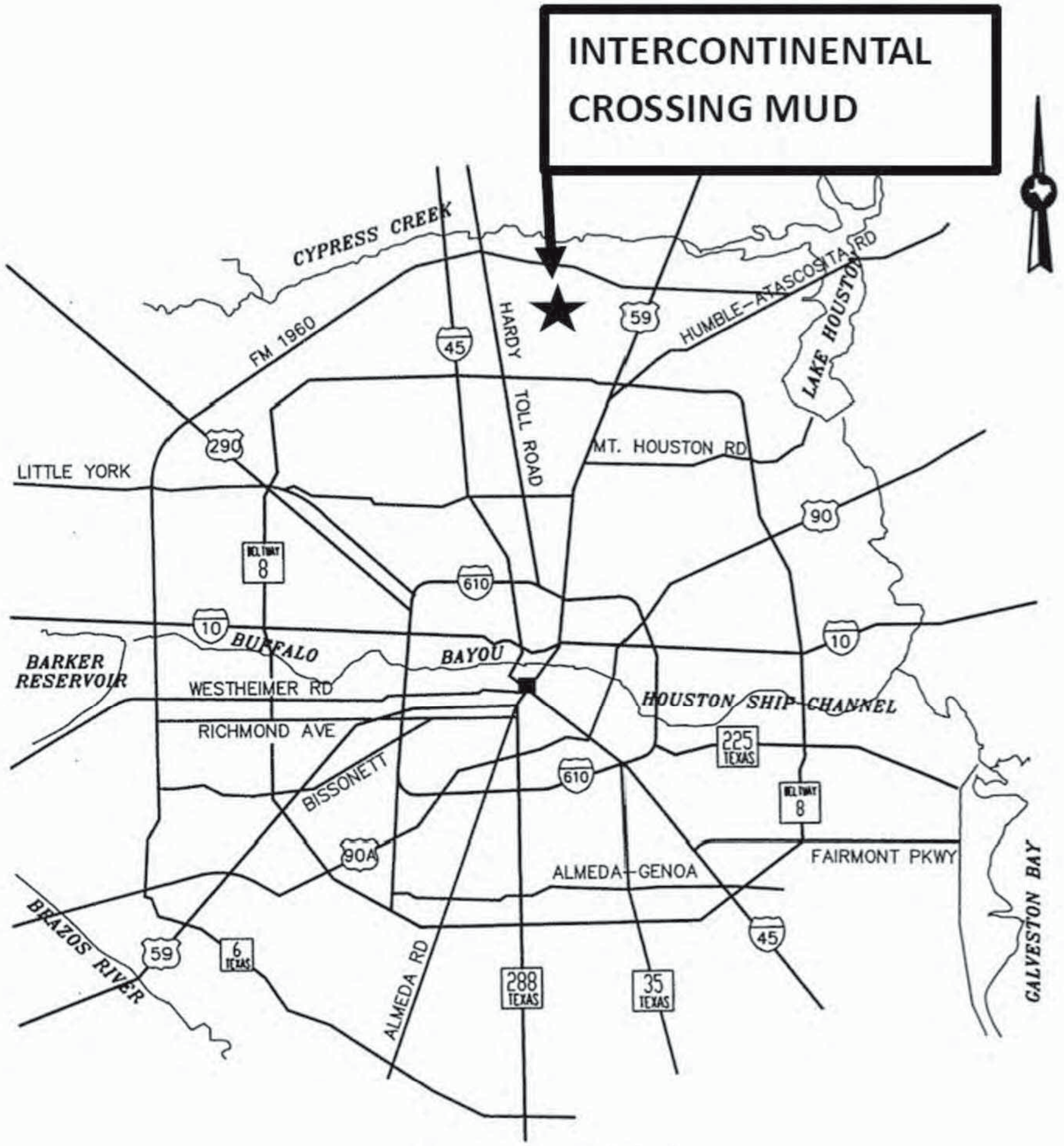
President, Board of Directors
Intercontinental Crossing Municipal Utility District

ATTEST:

Secretary, Board of Directors
Intercontinental Crossing Municipal Utility District

APPENDIX A

LOCATION MAP



Location Map

JES JONES ENGINEERING SOLUTIONS

11211 Kate Freeway, Suite 325
Houston, TX 77079
832-834-5496
Texas Firm Number F-15666

APPENDIX B

INTERCONTINENTAL CROSSING MUNICIPAL UTILITY DISTRICT

HARRIS COUNTY, TEXAS

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

JUNE 30, 2023

Intercontinental Crossing Municipal Utility District

Harris County, Texas

Independent Auditor's Report and Financial Statements

June 30, 2023

Intercontinental Crossing Municipal Utility District
June 30, 2023

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Independent Auditor's Report

Board of Directors
Intercontinental Crossing Municipal Utility District
Harris County, Texas

Opinions

We have audited the financial statements of the governmental activities and each major fund of Intercontinental Crossing Municipal Utility District (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 10 to the financial statements, the beginning net position in the government-wide financial statements has been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedules required by the Texas Commission on Environmental Quality listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

FORVIS, LLP

Houston, Texas
December 26, 2023

Intercontinental Crossing Municipal Utility District
Management's Discussion and Analysis
June 30, 2023

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains supplementary information required by the Governmental Accounting Standards Board and by the District's state oversight agency, the Texas Commission on Environmental Quality (the Commission).

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities which engage in a single governmental program, such as the provision of water, sanitary sewer and drainage services. Other activities, such as the provision of recreation facilities and solid waste collection, are minor activities and are not budgeted or accounted for as separate programs. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented on the left side of the statements, a column for adjustments is to the right of the fund financial statements, and the government-wide financial statements are presented to the right side of the adjustments column. The following sections describe the measurement focus of the two types of statements and the significant differences in the information they provide.

Government-wide Financial Statements

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

The difference between the District's assets, liabilities, and deferred inflows and outflows of resources is labeled as net position and this difference is similar to the total stockholders' equity presented by a commercial enterprise.

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

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

Fund Financial Statements

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

Governmental Funds

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

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

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

Notes to Financial Statements

The notes to financial statements provide additional information that is essential to a full understanding of the data found in the government-wide and fund financial statements.

Financial Analysis of the District as a Whole

The District's overall financial position and activities for the past two years are summarized as follows, based on the information included in the government-wide financial statements.

Summary of Net Position

	2023	Restated 2022
Current and other assets	$ 2,822,843	$ 2,430,300
Capital assets	2,168,469	2,070,857
Total assets	$ 4,991,312	$ 4,501,157
Long-term liabilities	$ 11,537,065	$ 11,593,267
Other liabilities	168,876	238,702
Total liabilities	11,705,941	11,831,969
Net position:		
Net investment in capital assets	$ (9,295,815)	(9,216,962)
Restricted	947,252	501,252
Unrestricted	1,633,934	1,384,898
Total net position	$ (6,714,629)	$ (7,330,812)

The total net position of the District increased by $616,183, or about 8 percent. The majority of the increase in net position is related to property tax and tap connection and inspection fee revenues exceeding services and debt services expenses. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

At June 30, 2023, the net investment in capital assets was $(9,295,815). This amount was negative because not all expenditures from long-term debt were for the acquisition of capital assets. Within Harris County, the county government assumes the maintenance and other incidents of ownership of most storm sewer and road and paving facilities constructed by the District. Accordingly, these assets are not recorded in the financial statements of the District.

Summary of Changes in Net Position

	2023	Restated 2022
Revenues:		
Property taxes	$ 1,021,775	$ 771,450
Charges for services	58,633	38,684
Other revenues	300,617	152,877
Total revenues	1,381,025	963,011
Expenses:		
Services	417,223	406,933
Conveyance of capital assets	-	3,848,334
Depreciation	43,254	40,123
Debt service	304,365	478,417
Total expenses	764,842	4,773,807
Change in net position	616,183	(3,810,796)
Net position, beginning of year	(7,330,812)	(3,520,016)
Net position, end of year	$ (6,714,629)	$ (7,330,812)

Financial Analysis of the District's Funds

The District's combined fund balances as of the end of the fiscal year ended June 30, 2023, were $2,662,171, an increase of $388,434 from the prior year.

The general fund's fund balance increased by $234,855 primarily due to property taxes and service revenues exceeding service operations expenditures. In addition tap connection and inspection fees revenues exceeded related tap connection expenditures.

The debt service fund's fund balance increased by $295,027, primarily due to property taxes revenues exceeding bond principal and interest requirements.

The capital projects fund's fund balance decreased by $141,448, primarily due to capital outlay expenditures.

General Fund Budgetary Highlights

There were several differences between the final budgetary amounts and actual amounts. The major differences between budget and actual were due to investment income and contracted services expenditures being greater than anticipated as well as property taxes revenues, tap connection and inspection fees revenues and related expenditures and purchased services and repairs and maintenance expenditures being less than anticipated. In addition, debt issuance costs incurred were not included in the current year budget. The fund balance as of June 30, 2023, was expected to be $1,612,985 and the actual end-of-year fund balance was $1,608,602.

Capital Assets and Related Debt

Capital Assets

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

Capital Assets (Net of Accumulated Depreciation)

	2023	Restated 2022
Land and improvements	$ 491,741	$ 491,741
Water facilities	583,309	598,265
Wastewater facilities	1,093,419	980,851
Total capital assets	$ 2,168,469	$ 2,070,857

During the current year, additions to capital assets were as follows:

Lift station No. 2 offsite utilities	$ 140,866

The developer within the District has constructed facilities on behalf of the District under the terms of the contracts with the District. The District has agreed to purchase these facilities from the proceeds of future bond issues subject to the approval of the Commission. As of June 30, 2023, a liability for developer constructed capital assets of $4,059,300 was recorded in the government-wide financial statements.

Debt

The changes in the debt position of the District during the fiscal year ended June 30, 2023, are summarized as follows:

Long-term debt payable, beginning of year	$ 11,593,267
Decreases in long-term debt	(56,202)
Long-term debt payable, end of year	$ 11,537,065

At June 30, 2023, the District had $6,745,000 of unlimited tax bonds authorized, but unissued, for the purposes of acquiring, constructing and improving the water, sanitary sewer and drainage systems within the District and $5,500,000 of unlimited tax bonds authorized, but unissued, for the purposes of financing and constructing roads within the District.

The District's bonds are not rated.

Other Relevant Factors

Relationship to the City of Houston

Under existing Texas law, since the District lies wholly within the extraterritorial jurisdiction of the City of Houston (the City), the District must conform to the City ordinance consenting to the creation of the District. In addition, the District may be annexed by the City without the District's consent. If the District is annexed, the City must assume the District's assets and obligations (including the bonded indebtedness) and abolish the District within 90 days.

Contingencies

The developer of the District is constructing facilities within the boundaries of the District. The District has agreed to reimburse the developer for a portion of these costs, plus interest, from the proceeds from future bond sales, to the extent approved by the Commission. The District's engineer has stated that current construction amounts are approximately $587,000. This amount has not been recorded in the financial statements since the facilities are not complete or operational.

Subsequent Event

On November 8, 2023, the District sold its Series 2023 Unlimited Tax Bonds in the amount of $3,950,000 at a net effective interest rate of approximately 5.80 percent. The bonds were sold to reimburse the District's developer for completed construction projects.

Intercontinental Crossing Municipal Utility District

Statement of Net Position and Governmental Funds Balance Sheet

June 30, 2023

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Assets						
Cash	$ 19,799	$ 79,089	$ 760	$ 99,648	$ -	$ 99,648
Certificates of deposit	300,000	-	-	300,000	-	300,000
Short-term investments	1,332,252	898,514	78,397	2,309,163	-	2,309,163
Receivables:						
Property taxes	25,332	36,848	-	62,180	-	62,180
Service accounts	16,428	-	-	16,428	-	16,428
Accrued penalty and interest	-	-	-	-	9,471	9,471
Accrued interest	4,651	-	-	4,651	-	4,651
Interfund receivable	3,191	-	-	3,191	(3,191)	-
Operating reserve	11,210	-	-	11,210	-	11,210
Due from others	3,246	-	-	3,246	-	3,246
Prepaid expenditures	6,846	-	-	6,846	-	6,846
Capital assets (net of accumulated depreciation):						
Land and improvements	-	-	-	-	491,741	491,741
Infrastructure	-	-	-	-	1,676,728	1,676,728
Total assets	$ 1,722,955	$ 1,014,451	$ 79,157	$ 2,816,563	$ 2,174,749	$ 4,991,312

Intercontinental Crossing Municipal Utility District

Statement of Net Position and Governmental Funds Balance Sheet (Continued)

June 30, 2023

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Net Position
Liabilities						
Accounts payable	$ 52,468	$ -	$ -	$ 52,468	$ -	$ 52,468
Accrued interest payable	-	-	-	-	79,855	79,855
Customer deposits	36,450	-	-	36,450	-	36,450
Due to others	103	-	-	103	-	103
Unearned tap connection fees	-	-	-	-	-	-
Interfund payable	-	3,191	-	3,191	(3,191)	-
Long-term liabilities:						
Due within one year	-	-	-	-	160,000	160,000
Due after one year	-	-	-	-	11,377,065	11,377,065
Total liabilities	89,021	3,191	0	92,212	11,613,729	11,705,941
Deferred Inflows of Resources						
Deferred property tax revenues	25,332	36,848	0	62,180	(62,180)	0
Fund Balances/Net Position						
Fund balances:						
Nonspendable, prepaid expenditures	6,846	-	-	6,846	(6,846)	-
Restricted:						
Unlimited tax bonds	-	974,412	-	974,412	(974,412)	-
Water, sewer and drainage	-	-	79,157	79,157	(79,157)	-
Assigned, operating reserve	11,210	-	-	11,210	(11,210)	-
Unassigned	1,590,546	-	-	1,590,546	(1,590,546)	-
Total fund balances	1,608,602	974,412	79,157	2,662,171	(2,662,171)	0
Total liabilities, deferred inflows of resources and fund balances	$ 1,722,955	$ 1,014,451	$ 79,157	$ 2,816,563		
Net position:						
Net investment in capital assets					(9,295,815)	(9,295,815)
Restricted for debt service					940,876	940,876
Restricted for capital projects					6,376	6,376
Unrestricted					1,633,934	1,633,934
Total net position					$ (6,714,629)	$ (6,714,629)

Intercontinental Crossing Municipal Utility District

Statement of Activities and Governmental Funds Revenues, Expenditures and Changes in Fund Balances

Year Ended June 30, 2023

	General Fund	Debt Service Fund	Capital Projects Fund	Total	Adjustments	Statement of Activities
Revenues						
Property taxes	$ 399,041	$ 585,042	$ -	$ 984,083	$ 37,692	$ 1,021,775
Water service	31,650	-	-	31,650	-	31,650
Sewer service	13,817	-	-	13,817	-	13,817
Regional water fee	13,166	-	-	13,166	-	13,166
Penalty and interest	815	54,199	-	55,014	9,471	64,485
Tap connection and inspection fees	141,200	-	-	141,200	-	141,200
Investment income	55,010	26,240	6,587	87,837	-	87,837
Other income	6,175	920	-	7,095	-	7,095
Total revenues	660,874	666,401	6,587	1,333,862	47,163	1,381,025
Expenditures/Expenses						
Service operations:						
Purchased services	46,581	-	-	46,581	-	46,581
Professional fees	119,814	19,498	-	139,312	-	139,312
Contracted services	56,362	13,021	-	69,383	689	70,072
Utilities	846	-	-	846	-	846
Repairs and maintenance	41,952	-	-	41,952	-	41,952
Other expenditures	43,894	9,766	480	54,140	-	54,140
Tap connections	64,320	-	-	64,320	-	64,320
Capital outlay	-	-	141,555	141,555	(141,555)	-
Depreciation	-	-	-	-	43,254	43,254
Debt service:						
Principal retirement	-	60,000	-	60,000	(60,000)	-
Interest and fees	-	269,089	-	269,089	(22,974)	246,115
Debt issuance costs	52,250	-	6,000	58,250	-	58,250
Total expenditures/expenses	426,019	371,374	148,035	945,428	(180,586)	764,842
Excess (Deficiency) of Revenues						
Over Expenditures	234,855	295,027	(141,448)	388,434	(388,434)	
Change in Net Position					616,183	616,183
Fund Balances/Net Position						
Beginning of year, as previously reported	1,373,747	679,385	220,605	2,273,737	-	(4,547,874)
Adjustment applicable to prior years (Note 10)						(2,782,938)
Beginning of year, as restated						(7,330,812)
End of year	$ 1,608,602	$ 974,412	$ 79,157	$ 2,662,171	$ 0	$ (6,714,629)

Intercontinental Crossing Municipal Utility District
Notes to Financial Statements
June 30, 2023

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Intercontinental Crossing Municipal Utility District (the District) was created by an order of the Texas Commission on Environmental Quality (the Commission), effective April 27, 2015, in accordance with the Texas Water Code, Chapter 54. The District operates in accordance with Chapters 49 and 54 of the Texas Water Code and is subject to the continuing supervision of the Commission. The principal functions of the District are to finance, construct, own and operate waterworks, wastewater and drainage facilities and to provide such facilities and services to the customers of the District.

The District is governed by a Board of Directors (the Board) consisting of five individuals who are residents or owners of property within the District and are elected by voters within the District. The Board sets the policies of the District. The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America for state and local governments, as defined by the Governmental Accounting Standards Board. The following is a summary of the significant accounting and reporting policies of the District:

Reporting Entity

The accompanying government-wide financial statements present the financial statements of the District. There are no component units that are legally separate entities for which the District is considered to be financially accountable. Accountability is defined as the District's substantive appointment of the voting majority of the component unit's governing board. Furthermore, to be financially accountable, the District must be able to impose its will upon the component unit or there must be a possibility that the component unit may provide specific financial benefits to, or impose specific financial burdens on, the District.

Government-wide and Fund Financial Statements

In accordance with required reporting standards, the District reports its financial activities as a special-purpose government. Special-purpose governments are governmental entities which engage in a single governmental program, such as the provision of water, wastewater, drainage and other related services. The financial statements of special-purpose governments combine two types of financial statements into one statement. These two types of financial statements are the government-wide financial statements and the fund financial statements. The fund financial statements are presented with a column for adjustments to convert to the government-wide financial statements.

The government-wide financial statements report information on all of the activities of the District. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Governmental activities generally are financed through taxes, charges for services and intergovernmental revenues. The statement of activities reflects the revenues and expenses of the District.

The fund financial statements provide information about the District's governmental funds. Separate statements for each governmental fund are presented. The emphasis of fund financial statements is directed to specific activities of the District.

The District presents the following major governmental funds:

General Fund – The general fund is the primary operating fund of the District which accounts for all financial resources not accounted for in another fund. Revenues are derived primarily from property taxes, charges for services and interest income.

Debt Service Fund —The debt service fund is used to account for financial resources that are restricted, committed or assigned to expenditures for principal and interest related costs, as well as the financial resources being accumulated for future debt service.

Capital Projects Fund—The capital projects fund is used to account for financial resources that are restricted, committed or assigned to expenditures for capital outlays.

Fund Balances – Governmental Funds

The fund balances for the District's governmental funds can be displayed in up to five components:

Nonspendable – Amounts that are not in a spendable form or are required to be maintained intact.

Restricted – Amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may be changed or lifted only with the consent of resource providers.

Committed – Amounts that can be used only for the specific purposes determined by resolution of the Board. Commitments may be changed or lifted only by issuance of a resolution by the District's Board.

Assigned – Amounts intended to be used by the District for specific purposes as determined by management. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed. This indicates that resources in other governmental funds are, at a minimum, intended to be used for the purpose of that fund.

Unassigned – The residual classification for the general fund and includes all amounts not contained in the other classifications.

The District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District applies committed amounts first, followed by assigned amounts, and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Measurement Focus and Basis of Accounting

Government-wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows.

Nonexchange transactions, in which the District receives (or gives) value without directly giving (or receiving) equal value in exchange, include property taxes and donations. Recognition standards are based on the characteristics and classes of nonexchange transactions. Revenues from property taxes are recognized in the period for which the taxes are levied. Donations are recognized as revenues, net of estimated uncollectible amounts, as soon as all eligibility requirements imposed by the provider have been met. Amounts received before all eligibility requirements have been met are reported as liabilities. Intergovernmental revenues are recognized as revenues, net of estimated refunds and uncollectible amounts, in the accounting period when an enforceable legal claim to the assets arises and the use of resources is required or is first permitted.

Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and liabilities are generally included on the balance sheet. The statement of governmental funds revenues, expenditures and changes in fund balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in spendable resources. General capital asset acquisitions are reported as expenditures and proceeds of long-term debt are reported as other financing sources. Under the modified accrual basis of accounting, revenues are recognized when both measurable and available. The District considers revenues reported in the governmental funds to be available if they are collectible within 60 days after year-end. Principal revenue sources considered susceptible to accrual include taxes, charges for services and investment income. Other revenues are considered to be measurable and available only when cash is received by the District. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, which are recognized as expenditures when payment is due.

Deferred Outflows and Inflows of Resources

A deferred outflow of resources is a consumption of net position that is applicable to a future reporting period and a deferred inflow of resources is an acquisition of net position that is applicable to a future reporting period.

Interfund Transactions

Transfers from one fund to another fund are reported as interfund receivables and payables if there is intent to repay the amount and if there is the ability to repay the advance on a timely basis. Transfers represent legally authorized transfers from the fund receiving resources to the fund through which the resources are to be expended.

Pension Costs

The District does not participate in a pension plan and, therefore, has no pension costs.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and deferred inflows and outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

Investments and Investment Income

Investments in certificates of deposit, U.S. Government and agency securities, and certain pooled funds, which have a remaining maturity of one year or less at the date of purchase, are recorded at amortized cost. All other investments are carried at fair value. Fair value is determined using quoted market values.

Investment income includes dividends and interest income and the net change for the year in the fair value of investments carried at fair value. Investment income is credited to the fund in which the investment is recorded.

Property Taxes

An appraisal district annually prepares appraisal records listing all property within the District and the appraised value of each parcel or item as of January 1. Additionally, on January 1, a tax lien attaches to property to secure the payment of all taxes, penalty and interest ultimately imposed for the year on the property. After the District receives its certified appraisal roll from the appraisal district, the rate of taxation is set by the Board of the District based upon the aggregate appraisal value. Taxes are due and payable October 1 or when billed, whichever is later, and become delinquent after January 31 of the following year.

In the governmental funds, property taxes are initially recorded as receivables and deferred inflows of resources at the time the tax levy is billed. Revenues recognized during the fiscal year ended June 30, 2023, include collections during the current period or within 60 days of year-end related to the 2022 and prior years' tax levies.

In the government-wide statement of net position, property taxes are considered earned in the budget year for which they are levied. For the District's fiscal year ended June 30, 2023, the 2022 tax levy is considered earned during the current fiscal year. In addition to property taxes levied, any delinquent taxes are recorded net of amounts considered uncollectible.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure, are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an individual cost of $5,000 or more and an estimated useful life of two years or more. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over their estimated useful lives as follows:

	Years
Water production and distribution facilities	10-45
Wastewater collection and treatment facilities	10-45
Drainage facilities	10-45

Debt Issuance Costs

Debt issuance costs, other than prepaid insurance, do not meet the definition of an asset or deferred outflows of resources since the costs are not applicable to a future period and, therefore, are recognized as an expense/expenditure in the period incurred.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Premiums and discounts on bonds are recognized as a component of long-term liabilities and amortized over the life of the related debt using the effective interest rate method. Bonds payable are reported net of the applicable bond premium or discount.

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

Net Position/Fund Balances

Fund balances and net position are reported as restricted when constraints placed on them are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or are imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, generally, it is the District's policy to use restricted resources first.

Reconciliation of Government-wide and Fund Financial Statements

Amounts reported for net position of governmental activities in the statement of net position and fund balances in the governmental funds balance sheet are different because:

Capital assets used in governmental activities are not financial resources and are not reported in the funds.	$	2,168,469
Property tax revenue recognition and the related reduction of deferred inflows of resources are subject to availability of funds in the fund financial statements.		62,180
Accrued interest on long-term liabilities are not payable with current financial resources and are not reported in the funds.		(79,855)
Penalty and interest on delinquent taxes is not receivable in the current period and is not reportable in the funds.		9,471
Long-term debt obligations are not due and payable in the current period and are not reported in the funds.		(11,537,065)
Adjustment to fund balance to arrive at net position.	$	(9,376,800)

Amounts reported for change in net position of governmental activities in the statement of activities are different from change in fund balances in the governmental funds statement of revenues, expenditures and changes in fund balances because:

Change in fund balances	$	388,434
Governmental funds report capital outlays as expenditures. However, for government-wide financial statements, the cost of capitalized assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay expenditures exceeded depreciation expense and noncapitalized costs in the current year.		97,612

Governmental funds report principal payments on debt as expenditures. For the statement of activities, these transactions do not have any effect on net position.	$	60,000
Revenues that do not provide current financial resources are not reported as revenues for the funds, but are reported as revenues in the statement of activities.		47,163
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		22,974
Change in net position of governmental activities	$	616,183

Note 2: Deposits, Investments and Investment Income

Deposits

Custodial credit risk is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The District's deposit policy for custodial credit risk requires compliance with the provisions of state law.

State law requires collateralization of all deposits with federal depository insurance; a surety bond; bonds and other obligations of the U.S. Treasury, U.S. agencies or instrumentalities of the State of Texas; or certain collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States.

At June 30, 2023, none of the District's bank balances were exposed to custodial credit risk.

Investments

The District may legally invest in obligations of the United States or its agencies and instrumentalities, direct obligations of Texas or its agencies or instrumentalities, collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States, other obligations guaranteed as to principal and interest by the State of Texas or the United States or their agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States, obligations of states, agencies and counties and other political subdivisions with an investment rating not less than "A," insured or collateralized certificates of deposit, and certain bankers' acceptances, repurchase agreements, mutual funds, commercial paper, guaranteed investment contracts and investment pools.

The District's investment policy may be more restrictive than the Public Funds Investment Act.

The District invests in Texas CLASS, an external investment pool that is not registered with the Securities and Exchange Commission. A Board of Trustees, elected by the participants, has oversight of Texas CLASS. The District's investments may be redeemed at any time. Texas CLASS attempts to minimize its exposure to market and credit risk through the use of various strategies and credit monitoring techniques and limits its investments in any issuer to the top two ratings issued by nationally recognized statistical rating organizations. The District's investments in Texas CLASS are reported at net asset value.

At June 30, 2023, the District had the following investments and maturities:

		Maturities in Years			
Type	**Fair Value**	**Less Than 1**	**1-5**	**6-10**	**More Than 10**
Texas CLASS	$ 2,309,163	$ 2,309,163	$ 0	$ 0	$ 0

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy does not allow investments in certain mortgage-backed securities, collateralized mortgage obligations with a final maturity date in excess of 10 years and interest rate indexed collateralized mortgage obligations. The external investment pool is presented as an investment with a maturity of less than one year because it is redeemable in full immediately.

Credit Risk. Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. At June 30, 2023, the District's investments in Texas CLASS were rated "AAAm" by Standard & Poor's.

Summary of Carrying Values

The carrying values of deposits and investments shown previously are included in the balance sheet at June 30, 2023, as follows:

Carrying value:	
Deposits	$ 399,648
Investments	2,309,163
Total	$ 2,708,811

Included in the following statement of net position captions:

Cash	$	99,648
Certificates of deposit		300,000
Short-term investments		2,309,163
Total	$	2,708,811

Investment Income

Investment income $87,837 for the year ended June 30, 2023, consisted of interest income.

Fair Value Measurements

The District has the following recurring fair value measurements as of June 30, 2023:

- Pooled investments of $2,309,163 are valued at fair value per share of the pool's underlying portfolio.

Note 3: Capital Assets

A summary of changes in capital assets for the year ended June 30, 2023, is presented below:

Governmental Activities	Balances, Beginning of Year, as Restated	Additions	Balances, End of Year
Capital assets, non-depreciable:			
Land and improvements	$ 491,741	$ 0	$ 491,741
Capital assets, depreciable:			
Water production and distribution facilities	666,300	-	666,300
Wastewater collection and treatment facilities	1,112,624	140,866	1,253,490
Total capital assets, depreciable	1,778,924	140,866	1,919,790
Less accumulated depreciation:			
Water production and distribution facilities	(68,035)	(14,956)	(82,991)
Wastewater collection and treatment facilities	(131,773)	(28,298)	(160,071)
Total accumulated depreciation	(199,808)	(43,254)	(243,062)
Total governmental activities, net	$ 2,070,857	$ 97,612	$ 2,168,469

Note 4: Long-term Liabilities

Changes in long-term liabilities for the year ended June 30, 2023, were as follows:

Governmental Activities	Balances, Beginning of Year	Increases	Decreases	Balances, End of Year	Amounts Due in One Year
Bonds payable:					
General obligation bonds	$ 7,765,000	$ -	$ 60,000	$ 7,705,000	$ 160,000
Less discounts on bonds	231,033	-	3,798	227,235	-
	7,533,967	-	56,202	7,477,765	160,000
Due to developer, construction	4,059,300	-	-	4,059,300	-
Total governmental activities long-term liabilities	$ 11,593,267	$ 0	$ 56,202	$ 11,537,065	$ 160,000

General Obligation Bonds

	Series 2020	Series 2021
Amounts outstanding, June 30, 2023	$3,140,000	$4,565,000
Interest rates	2.50% to 5.00%	2.00% to 4.00%
Maturity dates, serially beginning/ending	September 1, 2023/2049	September 1, 2023/2050
Interest payment dates	September 1/ March 1	September 1/ March 1
Callable dates*	September 1, 2025	September 1, 2026

*Or any date thereafter; callable at par plus accrued interest to the date of redemption.

Annual Debt Service Requirements

The following schedule shows the annual debt service requirements to pay principal and interest on general obligation bonds outstanding at June 30, 2023.

Year	Principal	Interest	Total
2024	$ 160,000	$ 236,040	$ 396,040
2025	165,000	228,889	393,889
2026	170,000	221,514	391,514
2027	180,000	214,727	394,727
2028	185,000	209,652	394,652
2029-2033	1,035,000	977,143	2,012,143
2034-2038	1,240,000	821,409	2,061,409
2039-2043	1,490,000	613,336	2,103,336
2044-2048	1,810,000	349,914	2,159,914
2049-2051	1,270,000	60,075	1,330,075
Total	$ 7,705,000	$ 3,932,699	$ 11,637,699

The bonds are payable from the proceeds of an ad valorem tax levied upon all property within the District subject to taxation without limitation as to rate or amount.

Bonds voted:	
Water, sewer and drainage facilities	$ 14,510,000
Roads	5,500,000
Refunding bonds voted	20,000,000
Bonds sold:	
Water, sewer and drainage facilities	7,765,000

Due to Developer - Construction

The developer of the District has constructed facilities on behalf of the District. The District is maintaining and operating the facilities and has agreed to reimburse the developer for these construction costs and interest to the extent approved by the Commission from the proceeds of future bond sales. The District's engineer estimates reimbursable costs for completed projects are $4,059,300. These amounts have been recorded in the financial statements as long-term liabilities.

Note 5: Significant Bond Order and Commission Requirements

A. The Bond Orders require that the District levy and collect an ad valorem debt service tax sufficient to pay interest and principal on bonds when due. During the year ended June 30, 2023, the District levied an ad valorem debt service tax at the rate of $0.5600 per $100 of assessed valuation, which resulted in a tax levy of $612,897 on the taxable valuation of $109,445,903 for the 2022 tax year. The interest and principal requirements to be paid from property tax revenues are $399,565, of which $119,783 has been paid and $279,782 and is due September 1, 2023.

B. In accordance with the Series 2020 Bond Order, a portion of the bond proceeds was deposited into the debt service fund and reserved for the payment of bond interest during the construction period. This bond interest reserve is reduced as the interest is paid. During the current year, the bond interest reserve of $85,112 was fully utilized.

Note 6: Maintenance Taxes

At an election held November 3, 2015, voters authorized a maintenance tax not to exceed $1.25 per $100 of assessed valuation on all property within the District subject to taxation. During the year ended June 30, 2023, the District levied an ad valorem maintenance tax at the rate of $0.3900 per $100 of assessed valuation, which resulted in a tax levy of $426,839 on the taxable valuation of $109,445,903 for the 2022 tax year. The maintenance tax is being used by the general fund to pay expenditures of operating the District.

Note 7: Agreement With Other District

On July 16, 2014, the District's developer entered into an agreement on behalf of the District with Northwood Municipal Utility District No. 1 (Northwood) for the purchase of capacity in the water production facility owned and operated by Northwood. The District's developer paid $120,000 for the purchase of 160 connections at $750 per connection for 16 percent of the capacity in the plant.

Under the terms of the agreement, fixed costs are billed based on ownership and variable costs are billed based on metered usage. During the current fiscal year, the District paid $46,581 to Northwood for its share of operating costs. The following is condensed audited financial information for the water plant facility as of June 30, 2023:

Total assets	$	96,807
Total liabilities	$	30,290
Total fund balance		66,517
Total liabilities and fund balance	$	96,807
Total revenues	$	206,385
Total expenditures		206,385
Excess revenues	$	0

Note 8: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. The District has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts in the past three fiscal years.

Note 9: Contingencies

The developer of the District is constructing facilities within the boundaries of the District. The District has agreed to reimburse the developer for a portion of these costs, plus interest, from the proceeds from future bond sales, to the extent approved by the Commission. The District's engineer has stated that current construction amounts are approximately $587,000. This amount has not been recorded in the financial statements since the facilities are not complete or operational.

Note 10: Restatement of Prior Year Financial statements

Beginning net position in the government-wide financial statements has been restated for the correction of an error of $2,782,938, due to road facilities having been incorrectly included in the District's capital assets, when these facilities were conveyed to another governmental entity for maintenance. This restatement reduced previously reported ending net position in the June 30, 2022, financial statements by $2,782,938 and reduced the previously reported change in net position in the June 30, 2022, financial statements by $2,782,938.

Note 11: Subsequent Event

On November 8, 2023, the District sold its Series 2023 Unlimited Tax Bonds in the amount of $3,950,000 at a net effective interest rate of approximately 5.80 percent. The bonds were sold to reimburse the District's developer for completed construction projects.

Required Supplementary Information

Intercontinental Crossing Municipal Utility District
Budgetary Comparison Schedule – General Fund
Year Ended June 30, 2023

	Original Budget	Final Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	$ 173,000	$ 423,000	$ 399,041	$ (23,959)
Water service	21,400	21,400	31,650	10,250
Sewer service	11,400	11,400	13,817	2,417
Regional water fee	8,000	8,000	13,166	5,166
Penalty and interest	500	500	815	315
Tap connection and inspection fees	51,390	312,960	141,200	(171,760)
Investment income	14,005	42,005	55,010	13,005
Other income	2,000	2,000	6,175	4,175
Total revenues	281,695	821,265	660,874	(160,391)
Expenditures				
Service operations:				
Purchased services	152,734	152,734	46,581	106,153
Professional fees	130,200	130,200	119,814	10,386
Contracted services	38,600	38,600	56,362	(17,762)
Utilities	400	400	846	(446)
Repairs and maintenance	61,600	61,600	41,952	19,648
Other expenditures	24,720	40,283	43,894	(3,611)
Tap connections	31,700	158,210	64,320	93,890
Debt service, debt issuance costs	-	-	52,250	(52,250)
Total expenditures	439,954	582,027	426,019	156,008
Excess (Deficiency) of Revenues Over Expenditures	(158,259)	239,238	234,855	(4,383)
Fund Balance, Beginning of Year	1,373,747	1,373,747	1,373,747	-
Fund Balance, End of Year	$ 1,215,488	$ 1,612,985	$ 1,608,602	$ (4,383)

Intercontinental Crossing Municipal Utility District

Notes to Required Supplementary Information

June 30, 2023

Budgets and Budgetary Accounting

An annual operating budget is prepared for the general fund by the District's consultants. The budget reflects resources expected to be received during the year and expenditures expected to be incurred. The Board of Directors is required to adopt the budget prior to the start of its fiscal year. The budget is not a spending limitation (a legally restricted appropriation). The original budget of the general fund was amended during fiscal 2023.

The District prepares its annual operating budget on a basis consistent with accounting principles generally accepted in the United States of America. The Budgetary Comparison Schedule - General Fund presents the original and revised budget amounts, if revised, compared to the actual amounts of revenues and expenditures for the current year.

Supplementary Information

Intercontinental Crossing Municipal Utility District
Other Schedules Included Within This Report
June 30, 2023

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

[X] Notes Required by the Water District Accounting Manual
See "Notes to Financial Statements," Pages 13-25

[X] Schedule of Services and Rates

[X] Schedule of General Fund Expenditures

[X] Schedule of Temporary Investments

[X] Analysis of Taxes Levied and Receivable

[X] Schedule of Long-term Debt Service Requirements by Years

[X] Changes in Long-term Bonded Debt

[X] Comparative Schedule of Revenues and Expenditures – General Fund and Debt Service Fund

[X] Board Members, Key Personnel and Consultants

Intercontinental Crossing Municipal Utility District

Schedule of Services and Rates

Year Ended June 30, 2023

1. Services provided by the District:

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

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

___ Other ______

2. Retail service providers

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

	Minimum Charge	Minimum Usage	Flat Rate Y/N	Rate Per 1,000 Gallons Over Minimum	Usage Levels		
Water:	$ 19.00	5,000	N	$ 1.00	5,001	to	10,000
				$ 1.25	10,001	to	20,000
				$ 1.50	20,001	to	No Limit
Wastewater:	$ 30.00	0	Y				
Regional water fee:	$ 2.76	1,000	N	$ 2.76	1,001	to	No Limit

Does the District employ winter averaging for wastewater usage? Yes ___ No X

Total charges per 10,000 gallons usage (including fees): Water $ 51.60 Wastewater $ 30.00

b. Water and wastewater retail connections:

Meter Size	Total Connections	Active Connections	ESFC Factor	Active ESFC*
Unmetered	-	-	x1.0	-
≤ 3/4"	7	7	x1.0	7
1"	13	13	x2.5	33
1 1/2"	9	9	x5.0	45
2"	14	14	x8.0	112
3"	-	-	x15.0	-
4"	-	-	x25.0	-
6"	2	2	x50.0	100
8"	-	-	x80.0	-
10"	-	-	x115.0	-
Total water	45	45		297
Total wastewater	26	26	x1.0	26

3. Total water consumption (in thousands) during the fiscal year:

Gallons pumped into the system:	9,442
Gallons billed to customers:	9,442
Water accountability ratio (gallons billed/gallons pumped):	100.00%

*"ESFC" means equivalent single-family connections

Intercontinental Crossing Municipal Utility District

Schedule of General Fund Expenditures

Year Ended June 30, 2023

Personnel (including benefits)		$ -
Professional Fees		
Auditing	$ 14,700	
Legal	72,536	
Engineering	32,578	
Financial advisor	-	119,814
Purchased Services for Resale		
Bulk water and wastewater service purchases		46,581
Regional Water Fee		-
Contracted Services		
Bookkeeping	47,483	
General manager	-	
Appraisal district	-	
Tax collector	-	
Security	-	
Other contracted services	8,879	56,362
Utilities		846
Repairs and Maintenance		41,952
Administrative Expenditures		
Directors' fees	7,800	
Office supplies	2,663	
Insurance	6,494	
Other administrative expenditures	26,937	43,894
Capital Outlay		
Capitalized assets	-	
Expenditures not capitalized	-	-
Tap Connection Expenditures		64,320
Solid Waste Disposal		-
Fire Fighting		-
Parks and Recreation		-
Other Expenditures		52,250
Total expenditures		$ 426,019

Intercontinental Crossing Municipal Utility District

Schedule of Temporary Investments

June 30, 2023

	Interest Rate	Maturity Date	Face Amount	Accrued Interest Receivable
General Fund				
Certificates of Deposit				
No. 12736	4.18%	03/08/24	$ 75,000	$ 970
No. 6000048295	4.00%	01/12/24	75,000	1,381
No. 6000052388	3.50%	11/28/23	75,000	1,532
No. 1001100524	4.79%	04/12/24	75,000	768
Texas CLASS	5.30%	Demand	1,332,252	-
			1,632,252	4,651
Debt Service Fund				
Texas CLASS	5.30%	Demand	898,514	-
Capital Projects Fund				
Texas CLASS	5.30%	Demand	78,397	-
Totals			$ 2,609,163	$ 4,651

Intercontinental Crossing Municipal Utility District

Analysis of Taxes Levied and Receivable

Year Ended June 30, 2023

		Maintenance Taxes	Debt Service Taxes
Receivable, Beginning of Year		$ 11,151	$ 13,337
Additions and corrections to prior years' taxes		(13,617)	(4,344)
Adjusted receivable, beginning of year		(2,466)	8,993
2022 Original Tax Levy		383,556	550,747
Additions and corrections		43,283	62,150
Adjusted tax levy		426,839	612,897
Total to be accounted for		424,373	621,890
Tax (collections) repayments:	Current year	(401,733)	(576,848)
	Prior years	2,692	(8,194)
Receivable, end of year		$ 25,332	$ 36,848
Receivable, by Years			
2022		$ 25,106	$ 36,049
2021		226	799
Receivable, end of year		$ 25,332	$ 36,848

Intercontinental Crossing Municipal Utility District
Analysis of Taxes Levied and Receivable (Continued)
Year Ended June 30, 2023

	2022	2021	2020	2019
Property Valuations				
Land	$ 25,779,360	$ 25,621,916	$ 24,953,318	$ 13,114,095
Improvements	51,701,373	42,596,375	28,455,263	19,930,798
Personal property	36,977,903	18,510,204	16,583,739	13,297,599
Exemptions	(5,012,733)	(3,820,078)	(2,440,308)	(2,161,723)
Total property valuations	$ 109,445,903	$ 82,908,417	$ 67,552,012	$ 44,180,769
Tax Rates per $100 Valuation				
Debt service tax rates	$ 0.5600	$ 0.7400	$ -	$ -
Maintenance tax rate*	0.3900	0.2100	0.9500	0.9500
Total tax rates per $100 valuation	$ 0.9500	$ 0.9500	$ 0.9500	$ 0.9500
Tax Levy	$ 1,039,736	$ 787,630	$ 641,744	$ 419,717
Percent of Taxes Collected to Taxes Levied**	94%	99%	100%	100%

*Maximum tax rate approved by voters: $1.25 on November 3, 2015
**Calculated as taxes collected for a tax year divided by taxes levied for that tax year.

Intercontinental Crossing Municipal Utility District
Schedule of Long-term Debt Service Requirements by Years
June 30, 2023

		Series 2020	
Due During Fiscal Years Ending June 30	**Principal Due September 1**	**Interest Due September 1, March 1**	**Total**
2024	$ 65,000	$ 103,452	$ 168,452
2025	65,000	100,202	165,202
2026	70,000	96,827	166,827
2027	75,000	94,140	169,140
2028	75,000	92,265	167,265
2029	80,000	90,288	170,288
2030	85,000	88,100	173,100
2031	85,000	85,762	170,762
2032	90,000	83,267	173,267
2033	95,000	80,537	175,537
2034	100,000	77,612	177,612
2035	100,000	74,612	174,612
2036	105,000	71,537	176,537
2037	110,000	68,244	178,244
2038	115,000	64,729	179,729
2039	120,000	60,982	180,982
2040	125,000	57,000	182,000
2041	130,000	52,775	182,775
2042	135,000	48,304	183,304
2043	140,000	43,575	183,575
2044	150,000	38,500	188,500
2045	155,000	33,163	188,163
2046	160,000	27,650	187,650
2047	165,000	21,963	186,963
2048	175,000	16,013	191,013
2049	180,000	9,800	189,800
2050	190,000	3,325	193,325
Totals	$ 3,140,000	$ 1,684,624	$ 4,824,624

Intercontinental Crossing Municipal Utility District

Schedule of Long-term Debt Service Requirements by Years (Continued)

June 30, 2023

	Series 2021		
Due During Fiscal Years Ending June 30	Principal Due September 1	Interest Due September 1, March 1	Total
2024	$ 95,000	$ 132,588	$ 227,588
2025	100,000	128,687	228,687
2026	100,000	124,687	224,687
2027	105,000	120,587	225,587
2028	110,000	117,387	227,387
2029	115,000	115,138	230,138
2030	115,000	112,694	227,694
2031	120,000	110,050	230,050
2032	125,000	107,216	232,216
2033	125,000	104,091	229,091
2034	130,000	100,744	230,744
2035	140,000	97,112	237,112
2036	145,000	93,194	238,194
2037	145,000	89,025	234,025
2038	150,000	84,600	234,600
2039	155,000	80,025	235,025
2040	160,000	75,300	235,300
2041	170,000	70,350	240,350
2042	175,000	65,175	240,175
2043	180,000	59,850	239,850
2044	185,000	54,375	239,375
2045	195,000	48,675	243,675
2046	200,000	42,750	242,750
2047	210,000	36,600	246,600
2048	215,000	30,225	245,225
2049	225,000	23,625	248,625
2050	235,000	16,725	251,725
2051	440,000	6,600	446,600
Totals	$ 4,565,000	$ 2,248,075	$ 6,813,075

Intercontinental Crossing Municipal Utility District

Schedule of Long-term Debt Service Requirements by Years (Continued)

June 30, 2023

Due During Fiscal Years Ending June 30	Annual Requirements For All Series Total Principal Due	Total Interest Due	Total Principal and Interest Due
2024	$ 160,000	$ 236,040	$ 396,040
2025	165,000	228,889	393,889
2026	170,000	221,514	391,514
2027	180,000	214,727	394,727
2028	185,000	209,652	394,652
2029	195,000	205,426	400,426
2030	200,000	200,794	400,794
2031	205,000	195,812	400,812
2032	215,000	190,483	405,483
2033	220,000	184,628	404,628
2034	230,000	178,356	408,356
2035	240,000	171,724	411,724
2036	250,000	164,731	414,731
2037	255,000	157,269	412,269
2038	265,000	149,329	414,329
2039	275,000	141,007	416,007
2040	285,000	132,300	417,300
2041	300,000	123,125	423,125
2042	310,000	113,479	423,479
2043	320,000	103,425	423,425
2044	335,000	92,875	427,875
2045	350,000	81,838	431,838
2046	360,000	70,400	430,400
2047	375,000	58,563	433,563
2048	390,000	46,238	436,238
2049	405,000	33,425	438,425
2050	425,000	20,050	445,050
2051	440,000	6,600	446,600
Totals	$ 7,705,000	$ 3,932,699	$ 11,637,699

Intercontinental Crossing Municipal Utility District
Changes in Long-term Bonded Debt
Year Ended June 30, 2023

	Bond Issues		
	Series 2020	Series 2021	Totals
Interest rates	2.50% to 5.00%	2.00% to 4.00%	
Dates interest payable	September 1/ March 1	September 1/ March 1	
Maturity dates	September 1, 2023/2049	September 1, 2023/2050	
Bonds outstanding, beginning of current year	$ 3,200,000	$ 4,565,000	$ 7,765,000
Retirements, principal	60,000	-	60,000
Bonds outstanding, end of current year	$ 3,140,000	$ 4,565,000	$ 7,705,000
Interest paid during current year	$ 106,578	$ 161,011	$ 267,589

Paying agent's name and address:

Series 2020 - The Bank of New York Mellon Trust Company, N.A., Dallas, Texas
Series 2021 - The Bank of New York Mellon Trust Company, N.A., Dallas, Texas

Bond authority:

	Tax Bonds	Road Bonds	Refunding Bonds
Amount authorized by voters	$ 14,510,000	$ 5,500,000	$ 20,000,000
Amount issued	$ 7,765,000	$ -	$ -
Remaining to be issued	$ 6,745,000	$ 5,500,000	$ 20,000,000

Debt service fund cash and temporary investment balances as of June 30, 2023:	$ 977,603
Average annual debt service payment (principal and interest) for remaining term of all debt:	$ 415,632

Intercontinental Crossing Municipal Utility District

Comparative Schedule of Revenues and Expenditures – General Fund

Five Years Ended June 30,

	Amounts				
	2023	2022	2021	2020	2019
General Fund					
Revenues					
Property taxes	$ 399,041	$ 160,149	$ 626,570	$ 418,064	$ 214,984
Water service	31,650	20,606	23,395	11,887	5,257
Sewer service	13,817	12,034	9,222	6,862	3,348
Regional water fee	13,166	6,044	7,255	3,466	1,489
Penalty and interest	815	345	16,360	8,137	2,559
Tap connection and inspection fees	141,200	137,520	490,572	133,500	56,800
Investment income	55,010	4,217	2,075	4,254	189
Other income	6,175	2,005	4,818	80	70
Total revenues	660,874	342,920	1,180,267	586,250	284,696
Expenditures					
Service operations:					
Purchased services	46,581	38,110	57,941	29,014	13,635
Professional fees	119,814	137,180	104,201	96,593	-
Contracted services	56,362	30,439	28,447	23,256	6,457
Utilities	846	329	272	493	870
Repairs and maintenance	41,952	52,189	32,753	19,670	4,972
Other expenditures	43,894	24,080	25,085	18,128	7,757
Tap connections	64,320	79,384	63,367	52,437	36,543
Lease expenditures	-	77,225	5,963	700	-
Debt service, debt issuance costs	52,250	-	35,000	-	-
Total expenditures	426,019	438,936	353,029	240,291	70,234
Excess (Deficiency) of Revenues Over Expenditures	234,855	(96,016)	827,238	345,959	214,462
Other Financing Sources					
Interfund transfer in	-	30,925	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	234,855	(65,091)	827,238	345,959	214,462
Fund Balance, Beginning of Year	1,373,747	1,438,838	611,600	265,641	51,179
Fund Balance, End of Year	$ 1,608,602	$ 1,373,747	$ 1,438,838	$ 611,600	$ 265,641
Total Active Retail Water Connections	45	38	28	22	13
Total Active Retail Wastewater Connections	26	20	16	13	8

Percent of Fund Total Revenues				
2023	2022	2021	2020	2019
60.4 %	46.7 %	53.1 %	71.3 %	75.5 %
4.8	6.0	2.0	2.0	1.8
2.1	3.5	0.8	1.2	1.2
2.0	1.8	0.6	0.6	0.5
0.1	0.1	1.1	1.4	0.9
21.4	40.1	41.6	22.8	19.9
8.3	1.2	0.2	0.7	0.1
0.9	0.6	0.6	0.0	0.1
100.0	100.0	100.0	100.0	100.0
7.1	11.1	4.9	5.0	4.8
18.1	40.0	8.8	16.5	-
8.5	8.9	2.4	3.9	2.3
0.1	0.1	0.0	0.1	0.3
6.4	15.2	2.8	3.4	1.8
6.7	7.0	2.1	3.1	2.7
9.7	23.2	5.4	8.9	12.8
-	22.5	0.5	0.1	-
7.9	-	3.0	-	-
64.5	128.0	29.9	41.0	24.7
35.5 %	(28.0) %	70.1 %	59.0 %	75.3 %

Intercontinental Crossing Municipal Utility District

Comparative Schedule of Revenues and Expenditures – Debt Service Fund

Three Years Ended June 30,

	Amounts			Percent of Fund Total Revenues		
	2023	2022	2021	2023	2022	2021
Debt Service Fund						
Revenues						
Property taxes	$ 585,042	$ 600,185	$ -	87.8 %	98.7 %	- %
Penalty and interest	54,199	4,170	-	8.1	0.7	-
Investment income	26,240	1,713	165	3.9	0.3	100.0
Other income	920	2,322	-	0.2	0.3	-
Total revenues	666,401	608,390	165	100.0	100.0	100.0
Expenditures						
Current:						
Professional fees	19,498	4,743	-	2.9	0.8	-
Contracted services	13,021	9,278	-	1.9	1.5	-
Other expenditures	9,766	3,586	1	1.5	0.6	0.6
Debt service:						
Principal retirement	60,000	-	-	9.0	-	-
Interest	269,089	131,043	-	40.4	21.5	-
Total expenditures	371,374	148,650	1	55.7	24.4	0.6
Excess of Revenues Over Expenditures	295,027	459,740	164	44.3 %	75.6 %	99.4
Other Financing Sources						
Interfund transfers in	-	4,075	-			
General obligation bonds issued	-	-	215,406			
Total other financing sources	0	4,075	215,406			
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	295,027	463,815	215,570			
Fund Balance, Beginning of Year	679,385	215,570	-			
Fund Balance, End of Year	$ 974,412	$ 679,385	215,570			

Intercontinental Crossing Municipal Utility District

Board Members, Key Personnel and Consultants

Year Ended June 30, 2023

Complete District mailing address:	Intercontinental Crossing Municipal Utility District c/o Bacon, Wallace & Philbin, L.L.P. 6363 Woodway, Suite 800 Houston, Texas 77057-1762	
District business telephone number:	713.739.1060	
Submission date of the most recent District Registration Form (TWC Sections 36.054 and 49.054):		September 4, 2020
Limit on fees of office that a director may receive during a fiscal year:		$ 7,200

Board Members	Term of Office Elected & Expires	Fees*	Expense Reimbursements	Title at Year-end
Malcolm Bailey	Elected 05/22-05/26	$ 1,650	$ 141	President
Liz C. Davis	Elected 05/20-05/24	1,650	141	Vice President
Linda Skrove	Elected 05/22-05/26	1,800	0	Secretary
Stephen Small	Elected 05/22-05/26	1,500	0	Assistant Secretary
Carol Grivetti	Appointed 04/23-05/24	600	0	Director
Jim Mabry	Elected 05/20-12/22	600	50	Deceased

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

Intercontinental Crossing Municipal Utility District

Board Members, Key Personnel and Consultants (Continued)

Year Ended June 30, 2023

Consultants	Date Hired	Fees and Expense Reimbursements	Title
Assessments of the Southwest, Inc.	07/01/15	$ 4,885	Tax Assessor/ Collector
Bacon, Wallace & Philbin, L.L.P.	02/02/21	71,786	General Counsel
FORVIS, LLP	08/16/19	14,700	Auditor
Harris Central Appraisal District	Legislative Action	9,121	Appraiser
Jones Engineering Solutions, LLC	07/07/20	85,413	Engineer
Linebarger Goggan Blair & Sampson, LLP	03/01/21	19,498	Delinquent Tax Attorney
Municipal Accounts & Consulting, L.P.	07/05/17	50,438	Bookkeeper
Municipal District Services, L.L.C.	07/01/15	109,165	Operator
Rathmann & Associates, L.P.	07/01/15	0	Financial Advisor
Investment Officers			
Mark Burton and Ghia Lewis	02/07/18	N/A	Bookkeepers

RATHMANN & ASSOCIATES

Financial Advisor to the District