

This Official Notice of Sale does not alone constitute an invitation for bids but is merely notice of sale of bonds described herein. The invitation for such bids is being made by means of this Official Notice of Sale, the Official Bid Form and the Preliminary Official Statement. Information contained in this Official Notice of Sale is qualified in its entirety by the detailed information contained in the Preliminary Official Statement.

## OFFICIAL NOTICE OF SALE

**\$5,635,000**

**HUNTER'S GLEN MUNICIPAL UTILITY DISTRICT  
(A political subdivision of the State of Texas located within Harris County, Texas)**

**WATERWORKS AND SEWER SYSTEM COMBINATION  
UNLIMITED TAX AND REVENUE BONDS**

**SERIES 2019**

### **Bonds Offered for Sale at Competitive Bid:**

The Board of Directors (the "Board") of Hunter's Glen Municipal Utility District (the "District") is offering for sale at competitive bid \$5,635,000 Waterworks and Sewer System Combination Unlimited Tax and Revenue Bonds, Series 2019 (the "Bonds"). Bidders may submit bids for the Bonds by any of the following methods:

- 1.) Deliver bids directly to the District as described below in "Sealed Bids Delivered to the District;"
- 2.) Submit electronic bids through the facilities of PARITY as described below in "Electronic Bidding Procedures;"
- 3.) Submit bids by telephone as described below in "Bids by Telephone."

### **Bid Opening:**

The District will open sealed bids and envelopes provided for purposes of electronic bidding, and bids submitted by telephone for the purchase of the Bonds on Tuesday, February 19, 2019, at 12:00 noon, Houston time, at the offices of The GMS Group, L.L.C., 5075 Westheimer, Suite 1175, Houston, TX 77056-5606. The GMS Group, L.L.C. (the District's Financial Advisor and authorized representative of the District) will publicly open and read the bids at 12:00 noon at the offices of The GMS Group, L.L.C. The Board will immediately take action to reject the bids or accept the bid that produces the lowest net effective interest rate for the Bonds at a meeting to be held on Tuesday, February 19, 2019, (the "Sale Date") at 6:30 p.m., Houston time at the offices of the District located in the District at 20315 Foxwood Forest Boulevard, Humble, TX 77338.

### **Electronic Bidding Procedures:**

Any prospective bidder that intends to submit an electronic bid must submit its electronic bid through the facilities of PARITY by 12:00 noon, Houston time, on Tuesday, February 19, 2019. No bids will be accepted after this time, as specified. Subscription to the i-Deal LLC's BIDCOMP Competitive Bidding System is required in order to submit an electronic bid. The District will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe.

An electronic bid made through the facilities of PARITY shall be deemed a sealed bid and an irrevocable offer to purchase the Bonds on the terms provided in this Official Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the District. The District shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, PARITY, the use of such facilities being the sole risk of the prospective bidder.

If any provisions of this Official Notice of Sale shall conflict with information provided by PARITY as the approved provider of electronic bidding services, this Official Notice of Sale shall control. Further information about PARITY, including any fee charged, may be obtained from PARITY Customer Support, 40 West 23rd Street, 5th Floor, New York, NY 10010, telephone: (212) 806-8304.

For purposes of both the written sealed bid process and the electronic bidding process, the time as maintained by PARITY shall constitute the official time. **For information purposes only, bidders are requested to state in their electronic bids the net interest cost to the District, as described under "CONDITIONS OF THE SALE – Basis of Award" below. All electronic bids shall be deemed to incorporate the provisions of this Official Notice of Sale and the Official Bid Form.**

**Bids by Telephone:**

Bidders may make bids by telephone pursuant to arrangements made with the District’s Financial Advisor, John Howell, The GMS Group L.L.C., (713) 622-7620.

**Award of the Bonds:**

The Board will take action to adopt a Resolution authorizing the issuance and awarding sale of the Bonds or will reject all bids promptly after the opening of the bids. The Board reserves the right to reject any and all bids and to waive any irregularities except time of filing.

**THE BONDS**

**Description of Certain Terms of the Bonds:**

The Bonds will be dated March 1, 2019, with interest payable on October 1, 2019, and each April 1 and October 1 thereafter until the earlier of maturity or prior redemption. The Bonds will be issued only in fully registered form. Principal and semi-annual interest will be paid by the District through the principal payment office of the Paying Agent/Registrar, initially, Zions Bancorporation, National Association, in Houston, Texas. Principal and redemption price of the Bonds will be payable to the registered owner at maturity or redemption upon presentation and surrender to the Paying Agent/Registrar. The District intends to utilize the Book-Entry-Only System of The Depository Trust Company ("DTC"). See "THE BONDS – Book-Entry-Only System" in the Preliminary Official Statement. Interest on the Bonds will be payable by check or draft dated as of the interest payment date and mailed on or before that date to the registered owners as shown on the records of the Paying Agent/Registrar on the 15th calendar day of the month next preceding each interest payment date. The Bonds will mature serially on April 1, as follows:

<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>
2021	\$50,000	2034	\$250,000
2022	\$50,000	2035	\$250,000
2023	\$50,000	2036	\$275,000
2024	\$50,000	2037	\$275,000
2025	\$50,000	2038	\$300,000
2026	\$50,000	2039	\$300,000
2027	\$50,000	2040	\$325,000
2028	\$50,000	2041	\$325,000
2029	\$200,000	2042	\$350,000
2030	\$200,000	2043	\$350,000
2031	\$200,000	2044	\$375,000
2032	\$225,000	2045	\$400,000
2033	\$225,000	2046	\$410,000

The Bonds maturing on or after April 1, 2025, are subject to redemption at the option of the District, prior to maturity, in whole or in part, on April 1, 2024, or on any date thereafter, at a price of the par value thereof plus accrued interest from the most recent interest payment date to the date fixed for redemption. If fewer than all of the Bonds are redeemed at any time, the District shall determine the maturity or maturities and the amounts thereof to be redeemed, in integral multiples of \$5,000 in principal amount, and if fewer than all of the bonds within a maturity are to be redeemed, the Paying Agent/Registrar shall select the Bonds to be so redeemed by lot or other random selection method. 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 the issuance of a new Bond in the principal amount equal to the portion of the Bond not redeemed.

**Mandatory Sinking Fund:**

Any successful bidder may elect, in its written bid, to alter the maturity schedule reflected above by converting the principal amounts of the Serial Bonds maturing in the years 2025 through 2046 into "Term Bonds." Such "Term Bonds" shall be subject to mandatory redemption on the April 1 next following the last maturity for Serial Bonds, and annually thereafter on each April 1, until the stated principal amount of the Term Bonds to be redeemed on each mandatory redemption date shall be the principal amount that would have been due and payable in the maturity schedule shown above had no conversion to Term Bonds occurred. At least thirty (30) days prior to each mandatory redemption date, the Paying Agent/Registrar shall select by lot the Term Bonds to be redeemed and issue a notice of redemption in the manner described in the Official Statement.

**Successor Paying Agent/Registrar:**

Provision is made in the Bond Order for replacement of the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the District, the new Paying Agent/Registrar shall accept the previous Paying Agent/Registrar's records and act in the same capacity as the previous Paying Agent/Registrar. Any Paying Agent/Registrar selected by the District shall be either a national or state banking institution, trust company, financial institution, or other entity duly qualified and legally authorized to serve and perform the duties as Paying Agent/Registrar.

**Security for Payment:**

The Bonds, when issued, will constitute valid and binding obligations of the District, payable as to the principal and interest from the proceeds of a continuing, direct annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within the District, all to the extent and upon the conditions described in the Official Statement. In addition, the Bonds are secured by a pledge of the net revenues, if any, of the District's waterworks and sewer system.

**Municipal Bond Rating:**

In connection with the sale of the Bonds the District has made application to Moody's Investors Service, Inc. ("Moody's") which has assigned a rating of "A3" on the Bonds based upon the District's underlying credit without bond insurance. An explanation of the significance of such rating may be obtained from Moody's. The rating reflects only the view of Moody's and the District makes no representation as to the appropriateness of such rating. The District can make no assurance that Moody's rating will continue for any period of time or that such rating will not be revised downward or withdrawn entirely by Moody's if in the judgment of Moody's circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds. See "Municipal Bond Insurance."

**Municipal Bond Insurance:**

The bond insurance companies are reviewing the District's credit and are currently considering qualifying the Bonds for insurance via its "optional bid program." The Underwriter (as defined herein) may bid for the Bonds with or without bond insurance. If the Underwriter purchases the Bonds with bond insurance and subsequent to the sale date and prior to the closing date, the Insurer's credit rating is downgraded; the Underwriter is still obligated to accept delivery of the Bonds. If the Underwriter bids for the Bonds with bond insurance, then the cost of the bond insurance premium, along with the cost of any other rating other than the Moody's rating, must be paid for by the Underwriter, unless otherwise specified by the bond insurance company. The District will pay for the cost of the Moody's rating. There is no assurance that such ratings will continue for any given period of time or that it will not be revised downward or withdrawn entirely if circumstances so warrant. Any such rating revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds. Information relative to the cost of the bond insurance premium will be available from the bond insurance companies on the day of the sale.

**CONDITIONS OF SALE**

**Types of Bids and Interest Rates:**

The Bonds will be sold in one block on an "all or none" basis and at a price of not less than 97% of the par value thereof plus accrued interest from the date of the Bonds to the date of delivery. Bidders are to name the rates of interest to be borne by the Bonds, provided that each rate bid must be in a multiple of 1/8 of 1% or 1/20 of 1%. All Bonds maturing within a single year must bear the same rate of interest.

The net effective interest rate on the Bonds may not exceed 6.23% as calculated pursuant to Chapter 1204, Texas Government Code. Subject to the above conditions, no limitation will be imposed upon bidders as to the number of interest rates or changes in interest rates which may be used, but the highest interest rate bid for any maturity may not exceed the lowest interest rate bid for any maturity by more than two and one half (2-1/2) percentage points. Each bidder shall state in its bid the total and net interest cost in dollars and the net effective interest rate determined thereby, which shall be considered informative only and not as a part of the bid.

**Basis of Award:**

For the purpose of awarding the sale of the Bonds, the interest cost of each bid will be computed by determining, at the interest rates specified therein, the total dollar value of all interest on the Bonds from the date thereof to their respective maturities and adding thereto the discount, if any. Subject to the District's right to reject any or all bids, sale of the Bonds will be awarded to the bidder (the "Underwriter") whose bid, under the above computation, produces the lowest net interest cost to the District. In the event of mathematical discrepancies between the interest rates and the interest costs determined therefrom, as both appear on the Official Bid Form the bid will be solely governed by the interest rates named therein.

Sale of the Bonds will also be subject to compliance with Texas Government Code §2252.908 as more fully described herein. See "Provisions of Texas Ethics Commission Form 1295 ("TEC Form 1295") by Bidders."

**Good Faith Deposit:**

Each bid must be accompanied by a bank's cashier's check, payable to the order of Hunter's Glen Municipal Utility District in the amount of \$112,700.00 (the "Good Faith Deposit"). The Good Faith Deposit submitted by the Underwriter will be retained un-cashed by the District pending the Underwriter's compliance with the terms of the Official Bid Form and the Official Notice of Sale. In the event the Underwriter should fail or refuse to accept delivery of and pay for the Bonds in accordance with its bid, then the check will be cashed and the proceeds accepted by the District as full and complete liquidated damages. A Good Faith Deposit may accompany the Official Bid Form or may be submitted separately; if submitted separately, it shall be made available to the District prior to the opening of the bids and shall be accompanied by instructions from the bank on which it is drawn which authorizes its use as a Good Faith Deposit by the bidder(s) to be named in such instructions.

**Provision of Texas Ethics Commission Form 1295 ("TEC Form 1295") and Certification of Filing by Bidders:**

Pursuant to Texas Government Code § 2252.908 (the "Interested Party Disclosure Act" or the "Act"), the District may not award the Bonds to a bidder that is a privately held entity unless the bidder, and each privately held syndicate member listed on the Official Bid Form, unless such bidder or syndicate member is exempt from such requirements pursuant to Texas Government Code § 2252.908(c)(4), have provided to the District (c/o Radcliffe Bobbitt Adams Polley PLLC, 2929 Allen Parkway, Suite 3450, Houston, Texas 77019) a completed and signed TEC Form 1295 which has been assigned a certificate number by the Texas Ethics Commission (the "TEC"). Pursuant to the rules prescribed by the TEC, the TEC Form 1295 must be completed online through the TEC's website, assigned a certificate number, printed, signed, and provided to the District. The TEC Form 1295 may accompany the Official Bid Form or may be submitted separately, but must be provided to the District prior to the time prescribed for the award of the Bonds (6:30 p.m., Houston time on Tuesday, February 19, 2019). However, the original signed TEC Form 1295 complete with certificate number must be physically delivered to the District (c/o Radcliffe Bobbitt Adams Polley PLLC, 2929 Allen Parkway, Suite 3450, Houston, Texas 77019) within three business days of the award (Friday, February 22, 2019). Following the award of the Bonds, the District will notify the TEC of the receipt of each completed TEC Form 1295. The District reserves the right to reject any bid that does not comply with the requirements prescribed herein or to waive any such requirements. For purposes of completing the TEC Form 1295, the entity's name is Hunter's Glen Municipal Utility District and the contract ID number is HGMUD-S2019-B. Neither the District nor its consultants have the ability to verify the information included in a TEC Form 1295, and neither have an obligation nor undertake responsibility for advising any bidder with respect to the proper completion of the TEC Form 1295. Consequently, an entity intending to bid on the Bonds should consult its own advisors to the extent it deems necessary and be prepared to submit the completed form promptly upon notification from the District that its bid is the apparent winning bid.

**Compliance with Laws Prohibiting Contracts with Companies Boycotting Israel and Certain Companies Engaged in Business with Iran, Sudan or Foreign Terrorist Organizations:**

The District will not award the Bonds to a bidder unless the bidder verifies on behalf of itself and each syndicate member listed on the Official Bid Form that, to the extent the Official Bid Form represents a contract for goods or services within the meaning of Section 2270.002 of the Texas Government Code, as amended, solely for purposes of Chapter 2270 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, at the time of execution and delivery of its bid and through the delivery date of the Bonds, neither the bidder nor a syndicate member listed on the Official Bid Form is a Company<sup>1</sup> that boycotts or will boycott Israel. The term "boycotts Israel" and "boycott Israel" as used in this paragraph have the meanings assigned to the term "boycott Israel" in Section 808.001 of the Texas Government Code, as amended. Additionally, the District will not award the Bonds to a bidder unless the bidder certifies that, to the extent the Official Bid Form represents a governmental contract within the meaning of Section 2252.151 of the Texas Government Code, as amended, solely for purposes of Chapter 2252 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, at the time of execution and delivery of its bid, neither the bidder nor a syndicate member listed on the Official Bid Form is a Company<sup>2</sup> (i) that engages in business with Iran, Sudan, or any foreign terrorist organization as described in Chapter 2270 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, or (ii) listed by the Texas Comptroller of Public Accounts under Section 2270.0201 or 2252.153 of the Texas Government Code. The term "foreign terrorist organization" as used in this paragraph has the meaning assigned to such term in Section 2252.151 of the Texas Government Code.

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<sup>1</sup> "Company" means a for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations that exists to make a profit.

<sup>2</sup> "Company" means a sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company, or other entity or business association whose securities are publicly traded, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations, that exists to make a profit.

### **Competitive Bidding and Certificate of Underwriter:**

In the event that the District does not receive sufficient qualified bids to satisfy the competitive sale requirements of Treasury Regulation § 1.148-1(f)(3)(i), allowing the District to treat the reasonably expected initial offering price to the public as of the sale date as the issue price of the Bonds, the "hold-the-offering-price rule" shall apply, which will allow the District to treat the initial offering price to the public of each maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule." So long as the hold-the-offering-price rule applies to any maturity of the Bonds, the Underwriter will neither offer nor sell that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following: (a) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public; or (b) the close of the fifth business day after the sale date. The Underwriter agrees to report to the District's financial advisor when it has sold 10% of a maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public if that occurs prior to the close of the fifth business day after the sale date. Alternative Certificates of Underwriter are attached for use when the competitive sale requirements of Treasury Regulation § 1.148-1(f)(3)(i) are met and when such requirements are not met.

### **DELIVERY AND ACCOMPANYING DOCUMENTS**

#### **CUSIP Numbers:**

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the Underwriter to accept delivery of or make payment for the Bonds in accordance with the terms of the Official Bid Form and this Official Notice of Sale. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid by the District; however, the CUSIP Service Bureau charge for the assignment of the numbers shall be paid by the Underwriter.

#### **Delivery of Initial Bonds:**

Initial delivery will be accomplished by the issuance of one initial Bond for the entire principal amount of the Bonds, payable in stated installments (the "Initial Bond"), either in typed or printed form, in the aggregate principal amount of \$5,635,000 registered in the name of Cede & Co., signed by the President and Secretary of the Board, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas or his authorized representative. Initial delivery will be at the Houston, Texas principal payment office of the Paying Agent/Registrar. One definitive Bond for each maturity will be registered and delivered only to Cede & Co., and deposited with DTC in connection with DTC's Book-Entry-Only System. Payment for the Initial Bonds must be made in immediately available funds for unconditional credit to the District, or as otherwise directed by the District. The Underwriter will be given five (5) business days notice of the date fixed for delivery of the Initial Bond. It is anticipated that initial delivery can be made on or about March 21, 2019, and it is understood and agreed that the Underwriter will accept delivery and provide payment for the Initial Bonds by 10:00 A.M., Houston time, on March 21, 2019, or thereafter on the date the Bonds are tendered for delivery, up to and including April 18, 2019. If for any reason the District is unable to make delivery on or before April 18, 2019, then the District shall immediately contact the Underwriter and offer to allow the Underwriter to extend its offer for an additional thirty (30) days. If the Underwriter does not elect to extend its offer within six (6) days thereafter, then its Good Faith Deposit will be returned, and both the District and the Underwriter shall be relieved of any further obligation. In no event shall the District be liable for any damages by reason of its failure to deliver the Initial Bond, provided such failure is due to circumstances beyond the District's reasonable control.

#### **Initial Exchange for Definitive Bonds:**

Upon presentation by the Underwriter of the Initial Bond to the Paying Agent/Registrar, the Paying Agent/Registrar shall, in the time and manner provided in the Bond Order, exchange the Initial Bond for registered Bonds in the name of Cede & Co. in denominations of \$5,000 or any integral multiple thereof.

#### **Conditions of Delivery:**

The Underwriter's obligation to take delivery and pay for the Initial Bond is subject to the issuance of the Texas Attorney General's opinion and the Underwriter's receipt of the legal opinion of Bond Counsel and the no-litigation certificate, all as described below.

#### **Legal Opinion:**

The District will furnish to the Underwriter a transcript of certain proceedings held incident to the authorization and issuance of the Bonds, including a certified copy of the approving opinion 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 legally binding obligations of the District. The District will also furnish the approving legal opinion of Radcliffe Bobbitt Adams Polley PLLC, Houston, Texas, Bond Counsel for the District ("Bond Counsel"), to the effect that, based upon an examination of such transcript, the Bonds are validly issued under the Constitution and laws of the State of Texas, and to the effect that (i) interest on the Bonds is excludable from gross income for federal income tax purposes under existing law (ii) certain original issue discount on the Bonds is excludable from gross income for federal income tax purposes under existing law as

described more fully in "Tax Accounting Treatment of Original Issue Discount Bonds" and (iii) interest on the Bonds will not be subject to the alternative minimum tax on individuals and corporations, except as described in the adjusted current earning adjustments for corporations.

Errors or omissions in the printing of such legal opinion shall not affect the validity of the Bonds nor constitute cause for the failure or refusal by the Underwriter to accept delivery and to pay for the Bonds. Certain legal matters will be passed upon for the District by Norton Rose Fulbright US LLP, Houston, Texas, as Disclosure Counsel.

**Qualified Tax-Exempt Obligations - Purchase of Bonds by Financial Institutions:**

The District will designate the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended. Pursuant to that section of the Code, a qualifying financial institution will be allowed a deduction from its own federal corporate income tax for the portion of interest expense the financial institution is able to allocate to designated "bank-qualified" investments.

**No-Litigation Certificate:**

On the date of delivery of the Initial Bond to the Underwriter, the District will deliver to the Underwriter a certificate, dated as of the same date, to the effect that the District has no knowledge of litigation of any nature filed or pending to restrain or enjoin the issuance or delivery of the Bonds, or which would affect the provisions made for their payment or security or in any manner question the validity of the Bonds.

**Establishment of Issue Price:**

By submitting a bid, the Underwriter agrees to assist the District in establishing the issue price of the Bonds and agrees to execute and deliver to the District at least 5 business days before the date of delivery of the Bonds an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the District and Bond Counsel. It will be the responsibility of the Underwriter to institute such syndicate reporting requirements, to make such investigation, and otherwise to ascertain the facts necessary to enable it to make such certification with reasonable certainty. All actions to be taken by the District under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the District by the District's Financial Advisor identified herein and any notice or report to be provided to the District may be provided to the District's Financial Advisor.

The District intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

- (1) the District shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the District expects to receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the District anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

In the event that the District does not receive sufficient qualified bids to satisfy the competitive sale requirements of Treasury Regulation § 1.148-1(f)(3)(i), allowing the District to treat the reasonably expected initial offering price to the public as of the Sale Date as the issue price of the Bonds, the "hold-the-offering-price rule" shall apply, which will allow the District to treat the initial offering price to the public of each maturity as of the Sale Date as the issue price of that maturity (the "hold-the-offering-price rule.") So long as the hold-the-offering-price rule applies to any maturity of the Bonds, the Underwriter agrees that it will neither offer nor sell any Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the Sale Date and ending on the earlier of the following: (i) the date on which the Underwriter has sold at least 10 percent of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public or (b) the close of the fifth business day after the Sale Date. The Underwriter agrees to promptly report to the District's Financial Advisor when it has sold 10 percent of the Bonds of a maturity to the public at a price that is no higher than the initial offering price to the public if that occurs prior to the close of the fifth business day after the Sale Date.

## **GENERAL CONSIDERATIONS**

### **Registration, Transfer, and Exchange:**

The Bonds may be transferred, registered and assigned only on the registration books (the "Register") of the Paying Agent/Registrar, and such registration (exclusive of any tax or governmental charge therefore) shall be at the expense of the District. A Bond may be assigned by execution of the assignment form on the Bonds or by such other instrument of transfer acceptable to the Paying Agent/Registrar. New Bonds will be delivered by the Paying Agent/Registrar to the last assignee (the new Registered Owner) in exchange for such transferred and assigned Bonds not more than three (3) business days after receipt of the Bonds to be transferred in proper form. New Bonds must be in the denomination of \$5,000 for any one maturity, or any integral multiple thereof. The Bonds are transferable only on the Register upon surrender and reissuance. The Bonds are exchangeable for an equal principal amount of Bonds of the same maturity in any authorized denomination upon surrender of the Bonds to be exchanged at a corporate trust office of the Paying Agent/Registrar.

### **Record Date:**

The record date ("Record Date") for the interest payable on any interest payment date means the 15th calendar day of the month next preceding such interest payment date.

### **Limitation on Transfers and Exchanges:**

Neither the District nor the Paying Agent/Registrar shall be required 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, to issue, transfer or exchange any Bond selected for redemption during a period beginning at the opening of business 15 days before the day of the first mailing of a notice of redemption of Bonds and ending at the close of business on the day of such mailing, or to transfer or exchange any Bond so selected for redemption in whole or in part when such redemption is scheduled to occur within 30 calendar days thereafter.

### **Investment Considerations:**

The Bonds involve special investment considerations. Prospective bidders are urged to examine carefully the Preliminary Official Statement with respect to the investment risks pertaining to the Bonds. Particular attention should be given to the information set forth therein under "INVESTMENT CONSIDERATIONS."

### **No Registration or Qualification Under Securities Laws:**

The offer and sale of the Bonds has not been registered with the 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, as amended, in reliance upon various exemptions contained therein; nor have the Bonds been registered or qualified under the securities laws of any other jurisdiction. The District assumes no responsibility for registration or qualification of the Bonds under the securities laws of any other jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions. In those jurisdictions where persons registered or licensed as dealers or brokers may offer and sell the Bonds, it is assumed that such persons have complied and will comply with all applicable statutes and regulations concerning dealers and brokers and concerning the registration or licensing of agents or salesmen.

By the submission of its bid, the Underwriter represents that the offer and sale of the Bonds in states other than Texas will be made only pursuant to exemptions from registration or qualification, or where necessary, the Underwriter will register or qualify the Bonds in accordance with the securities laws of the states in which the Bonds are offered or sold. The District agrees to cooperate, at the Underwriter's written request and expense, in registering or qualifying the Bonds, or in obtaining an exemption from registration or qualification in any state where such action is necessary, provided that the District shall not be required to file a general consent to service of process in any jurisdiction.

### **Continuing Disclosure:**

The District will agree in the Bond Order to provide certain periodic information and notices of material events in accordance with Securities and Exchange Commission Rule 15-c-2-12, as described in the Preliminary Official Statement under "CONTINUING DISCLOSURE OF INFORMATION – SEC RULE 15-c-2-12." The Underwriters' obligation to accept and pay for the Bonds is conditioned upon delivery to the Underwriters or their agent of a certified copy of the Bond Order containing the agreement described under such heading.

**Substantive Requirements for Official Statement:**

During the last five years, the District has complied in all material respects with all continuing disclosure agreements made by the District in accordance with SEC Rule 15-c2-12.

**Final Official Statement:**

The District has prepared the accompanying Preliminary Official Statement for dissemination to potential purchasers of the Bonds. The District will prepare a final Official Statement, which will describe the reoffering yields and underwriting discount bid, the interest rates and identity of the Underwriter, and the final debt service schedule and ratios and tax rates consequent thereon. The District does not intend to amend or supplement the Preliminary or final Official Statement, except to take into account certain subsequent events, if any, as described below. Accordingly, the District deems the accompanying Preliminary Official Statement to be final as of its date, within the meaning of SEC Rule 15-c2-12(b)(1), except for the omission of the foregoing items. By delivering the final Official Statement or any amendment or supplement thereto in the requested quantity to the Underwriter on or after the sale date, the District intends the same to be complete as of such date, within the meaning of SEC Rule 15-c2-12(e)(3). Notwithstanding the foregoing, the only representations concerning the absence of material misstatements or omissions from the Official Statement which are or will be made by the District are those described in the Official Statement under "OFFICIAL STATEMENT--Certification as to Official Statement."

**Changes to Official Statement:**

For the period beginning on the date of the award of the sale of the Bonds to the Underwriter and ending on the ninety-first (91st) day after the "end of the underwriting period" {as defined in SEC Rule 15-c(2)-12(e)(2)}, if any event shall occur of which the District has knowledge and as a result of which it is necessary to amend or supplement the Official Statement in order to make the statements therein, in light of the circumstances when the Official Statement is delivered to a prospective purchaser, not misleading, the District will promptly notify the Underwriter of the occurrence of such event and will cooperate in the preparation of a revised Official Statement, or amendments or supplements thereto, so that the statements in the Official Statement, as revised, amended or supplemented, will not, in light of the circumstances when such Official Statement is delivered to a prospective purchaser, be misleading.

**Delivery of Official Statements:**

The District will furnish to the Underwriter (and to each other participating underwriter of the Bonds, within the meaning of SEC Rule 15-c2-12(a), designated by the Underwriter), within seven (7) business days after the sale date, the aggregate number of Official Statements as requested by the Underwriter. The District will also furnish to the Underwriter a like number of any supplement or amendment prepared by the District for dissemination to potential purchasers of the Bonds as described above, as well as such additional copies of the Official Statement or any supplement or amendment as the Underwriter may request prior to the 90th day after the end of the underwriting period referred to in SEC Rule 15-c2-12(e)(2). The District will pay the expense of preparing up to 50 copies of the Official Statement and all copies of any supplement or amendment issued on or before the delivery date, but the Underwriter must pay for all other copies of the Official Statement or any supplement or amendment thereto. The District assumes no responsibility or obligation for the distribution or delivery of any copies of the Official Statement to anyone other than the Underwriter.

**Additional Copies:**

Additional copies of this Official Notice of Sale, the Official Bid Form and the Preliminary Official Statement may be obtained from John Howell, Senior Vice President, The GMS Group, L.L.C., 5075 Westheimer, Suite 1175, Houston, Texas 77056-5606; phone number (713) 622-7620.



**ISSUE PRICE CERTIFICATE**

The undersigned hereby certifies as follows with respect to the sale of \$5,635,000 Hunter's Glen Municipal Utility District Waterworks and Sewer System Combination Unlimited Tax and Revenue Bonds, Series 2019 (the "Bonds"):

1. The undersigned is the underwriter or the manager of the syndicate of underwriters (the "Underwriter") that has purchased the Bonds from Hunter's Glen Municipal Utility District (the "District") at competitive sale.

2. The Underwriter was not given the opportunity to review other bids prior to submitting its bid, and the bid submitted by the Underwriter constituted a firm bid to purchase the Bonds.

3. As of the Sale Date, the reasonably expected initial offering price of each maturity of the Bonds to the Public (the "initial Offering Price") by the Underwriter (expressed as a percentage of principal amount and exclusive of accrued interest) is as set forth on the pricing wire attached as Exhibit A. The Initial Offering Price for each maturity of the Bonds (a) represented the price (payable in cash, with no other consideration being included), at which the Underwriter reasonably expected that each such Bond would be sold to the Public, and (b) was the basis for the Underwriter's winning bid for the Bonds.

4. The Underwriter has made a bona fide offering to the Public of all the Bonds of each maturity at the respective Initial Offering Price set forth in paragraph 3 above.

**If the District received fewer than three bids for the Bonds, complete paragraph 5.**

5. At least 10% of each maturity of the Bonds was sold to the Public at its respective Initial Offering Price on the Sale Date, except for the Bonds maturing in the years \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_ (the "Excepted Maturities"). Neither the Underwriter, nor any person related to the Underwriter, offered nor sold to any person the Bonds of any Excepted Maturity at a price that is higher than the Initial Offering Price for the Bonds of that Excepted Maturity during the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day following the Sale Date, or (ii) the date on which the Underwriter sold at least 10% of the Bonds of that maturity to the Public at a price no higher than the Initial Offering Price.

6. The term "Public" means any person (including an individual, trust, estate, partnership, association, company or corporation) other than an underwriter or a related party to an underwriter. The term "underwriter" means any person that agrees to participate in the initial sale of the Bonds to the Public pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) or pursuant to a written contract directly or indirectly with any person which has entered into a written contract with the District or with the lead underwriter to form a syndicate (for example, a retail distribution agreement between a national lead underwriter and a regional firm under which the regional firm participates in the initial sale of the Bonds to the public). A "related party" generally means two or more persons that are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

7. Sale Date means the first date on which there is a binding contract in writing for the sale of the Bonds. The Sale Date of the Bonds is February 19, 2019.

8. The Underwriter [has] [has not] purchased bond insurance for the Bonds. The bond insurance has been purchased from \_\_\_\_\_ (the "Insurer") for a fee of \$\_\_\_\_\_ (net of any non-guarantee cost, e.g., rating agency fees). The amount of such fee is set forth in the Insurer's commitment and does not include any payment for any direct or indirect services other than the transfer of credit risk, unless the compensation for those other services is separately stated, reasonable, and excluded from such fee. Such fee does not exceed a reasonable, arms-length charge for the transfer of credit risk. The present value of the debt service savings expected to be realized as a result of such insurance exceeds the amount of the fee set forth above. For this purpose, present value is computed using the yield on the Bonds, determined by taking into account the amount of the fee set forth above, as the discount rate. No portion of the fee payable to the Insurer is refundable upon redemption of any of the Bonds in an amount which would exceed the portion of such fee that had not been earned.

9. The undersigned understands that the statements made herein above will be relied upon by the District and Bond Counsel in complying with the conditions imposed by the Internal Revenue Code of 1986, as amended, on the exclusion of interest on the Bonds from the gross income of their owners for federal income tax purposes.

10. The undersigned has calculated the total underwriting spread on the Bonds to be \$\_\_\_\_\_. As used herein, the term "total underwriting spread" means the cost for marketing and selling the Bonds, and includes (a) a total take down of \$\_\_\_\_\_, (b) a total management fee of \$\_\_\_\_\_, (c) fees and expenses of Underwriter's counsel in the estimated total amount of \$\_\_\_\_\_, and (d) other expenses in the total estimated amount of \$\_\_\_\_\_.

EXECUTED AND DELIVERED this \_\_\_\_\_ day of February, 2019.

\_\_\_\_\_  
(Name of Underwriter or Manager)

By \_\_\_\_\_  
Title \_\_\_\_\_

**HUNTER'S GLEN MUNICIPAL UTILITY DISTRICT**  
**WATERWORKS AND SEWER SYSTEM COMBINATION**  
**UNLIMITED TAX AND REVENUE BONDS**

**SERIES 2019**

**OFFICIAL BID FORM**

President and Board of Directors  
 Hunter's Glen Municipal Utility District  
 c/o The GMS Group L.L.C.  
 5075 Westheimer, Suite 1175  
 Houston, Texas 77056

Board of Directors:

We have read in detail your Official Notice of Sale and accompanying Preliminary Official Statement, which is hereby made a part hereof, of Hunter's Glen Municipal Utility District (the "District"), relating to its \$5,635,000 Waterworks and Sewer System Combination Unlimited Tax and Revenue Bonds, Series 2019 (the "Bonds"). We realize that the Bonds involve investment risks and that the ability of the District to service the Bonds depends on certain risk factors as set forth in the Preliminary Official Statement. We have made such inspection and investigation as we deem necessary relating to the investment quality of the Bonds. We offer to purchase the Bonds for a cash price of \$\_\_\_\_\_ (which represents \_\_\_\_\_% of par value) plus accrued interest to the date of delivery of the Bonds to us provided such Bonds bear interest at the following rates:

<u>Maturity (April 1)</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Maturity (April 1)</u>	<u>Amount</u>	<u>Interest Rate</u>
2021	\$50,000	_____ %	2034*	\$250,000	_____ %
2022	\$50,000	_____ %	2035*	\$250,000	_____ %
2023	\$50,000	_____ %	2036*	\$275,000	_____ %
2024	\$50,000	_____ %	2037*	\$275,000	_____ %
2025*	\$50,000	_____ %	2038*	\$300,000	_____ %
2026*	\$50,000	_____ %	2039*	\$300,000	_____ %
2027*	\$50,000	_____ %	2040*	\$325,000	_____ %
2028*	\$50,000	_____ %	2041*	\$325,000	_____ %
2029*	\$200,000	_____ %	2042*	\$350,000	_____ %
2030*	\$200,000	_____ %	2043*	\$350,000	_____ %
2031*	\$200,000	_____ %	2044*	\$375,000	_____ %
2032*	\$225,000	_____ %	2045*	\$400,000	_____ %
2033*	\$225,000	_____ %	2046*	\$410,000	_____ %

<u>Term Bond Maturity Date April 1</u>	<u>Year of First Mandatory Redemption</u>	<u>Principal Amount of Term Bond</u>	<u>Interest Rate</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

\* Subject to optional redemption in whole or in part April 1, 2024, or on any date thereafter, at a price of par plus accrued interest.

Our calculation (which is not a part of this bid) of interest cost from the above is:

Total Interest Cost from March 1, 2019	\$ _____
Plus: Cash Discount	\$ _____
Net Interest Cost	\$ _____
Net Effective Interest Rate	_____ %

If we purchase the Bonds, with bond insurance, and subsequent to the sale date and prior to the closing date, the Insurer's credit rating is downgraded we understand that we are still obligated to accept delivery of the Bonds.

The definitive Bonds shall be initially registered and delivered only to CEDE & Co., Inc., the Nominee of the Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described in the Official Statement. We will advise The Bank of New York Mellon Trust Company, N.A. (the "Paying Agent/Registrar"), on forms to be provided by the Paying Agent/Registrar, of our registration instructions at least five business days prior to the date set for initial delivery. We understand that the Paying Agent/Registrar will not be required to accept any further registration instructions after the five-day period.

The undersigned agrees to complete, execute, and deliver to the District, by the date of delivery of the Bonds, a certificate relating to the "issue price" of the Bonds in the form accompanying the Notice of Sale, with such changes thereto as may be acceptable to the District. In addition, in the event all of the Bonds are not sold to ultimate customers prior to the date of delivery of the Bonds, we will so notify the District on such date.

Cashier's Check No. \_\_\_\_\_, issued by \_\_\_\_\_ Bank, \_\_\_\_\_ and payable to your order in the amount of \$112,700.00 attached hereto or has been made available to you prior to the opening of this bid as a Good Faith Deposit for disposition in accordance with the Official Notice of Sale. Should we fail or refuse to make payment for the Bonds in accordance with the terms and conditions set forth in the Official Notice of Sale, this check shall be cashed and the proceeds retained by the District as complete liquidated damages against us. We understand that the sale of the Bonds has not been registered or qualified under the securities laws of any jurisdiction and that it is our responsibility to obtain such registration or qualification, if any is required.

Unless the bidder is exempt from such requirements pursuant to Texas Government Code §2252.908(c)(4), the District may not accept this bid until it has received from the bidder a completed and signed TEC Form 1295 complete with a certificate number assigned by the Texas Ethics Commission ("TEC"), pursuant to Texas Government Code § 2252.908 and the rules promulgated thereunder by the TEC. The undersigned understands that failure to provide said form complete with a certificate number assigned by the TEC as provided for in the Official Notice of Sale will result in a non-confirming bid and will prohibit the District from considering this bid for acceptance.

By executing this Official Bid Form, the bidder represents and verifies that, to the extent this Official Bid Form represents a contract for goods or services within the meaning of Section 2270.002 of the Texas Government Code, as amended, solely for purposes of Chapter 2270 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, at the time of execution and delivery of its bid and through the delivery date of the Bonds, neither the bidder nor a syndicate member listed on the Official Bid Form is a Company<sup>1</sup> that boycotts or will boycott Israel. The term "boycotts Israel" and "boycott Israel" as used in this paragraph have the meanings assigned to the term "boycott Israel" in Section 808.001 of the Texas Government Code, as amended.

Additionally, by executing this Official Bid Form, the bidder also represents and certifies that, to the extent the Official Bid Form represents a governmental contract within the meaning of Section 2252.151 of the Texas Government Code, as amended, solely for purposes of Chapter 2252 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, at the time of execution and delivery of its bid, neither the bidder nor a syndicate member listed on the Official Bid Form is a Company<sup>2</sup> (i) that engages in business with Iran, Sudan, or any foreign terrorist organization as described in Chapter 2270 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, or (ii) listed by the Texas Comptroller of Public Accounts under Section 2270.0201 or 2252.153 of the Texas Government Code. The term "foreign terrorist organization" as used in this paragraph has the meaning assigned to such term in Section 2252.151 of the Texas Government Code. The undersigned agrees to execute, at the request of the District, further written certifications as may be necessary or convenient for the District to establish compliance with these laws.

<sup>1</sup> Pursuant to Section 808.001(2) of the Texas Government Code, "Company" means a for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations that exists to make a profit.

<sup>2</sup> "Company" means a sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company, or other entity or business association whose securities are publicly traded, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations, that exists to make a profit.

We agree to make payment for the Bonds in immediately available funds at the office of Zions Bancorporation, National Association, in Houston, Texas, no later than 10:00 A.M., Houston time, on Thursday, March 21, 2019, or thereafter on the date the Bonds are tendered for delivery, pursuant to the terms set forth in the Notice of Sale.

Respectfully submitted,

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Authorized Representative

**ACCEPTANCE CLAUSE**

The above and foregoing bid is hereby in all things accepted by Hunter's Glen Municipal Utility District this 19<sup>th</sup> day of February, 2019.

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Secretary, Board of Directors

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President, Board of Directors

**BOND YEARS**

Dated: March 1, 2019

Due: April 1 (as noted below)

<b><u>Year</u></b>	<b><u>Amount</u></b>	<b><u>Bond Years</u></b>	<b><u>Accumulated Bond Years</u></b>
2021	\$50,000	104.1667	104.1667
2022	\$50,000	154.1667	258.3333
2023	\$50,000	204.1667	462.5000
2024	\$50,000	254.1667	716.6667
2025	\$50,000	304.1667	1,020.8333
2026	\$50,000	354.1667	1,375.0000
2027	\$50,000	404.1667	1,779.1667
2028	\$50,000	454.1667	2,233.3333
2029	\$200,000	2,016.6667	4,250.0000
2030	\$200,000	2,216.6667	6,466.6667
2031	\$200,000	2,416.6667	8,883.3333
2032	\$225,000	2,943.7500	11,827.0833
2033	\$225,000	3,168.7500	14,995.8333
2034	\$250,000	3,770.8333	18,766.6667
2035	\$250,000	4,020.8333	22,787.5000
2036	\$275,000	4,697.9167	27,485.4167
2037	\$275,000	4,972.9167	32,458.3333
2038	\$300,000	5,725.0000	38,183.3333
2039	\$300,000	6,025.0000	44,208.3333
2040	\$325,000	6,852.0833	51,060.4167
2041	\$325,000	7,177.0833	58,237.5000
2042	\$350,000	8,079.1667	66,316.6667
2043	\$350,000	8,429.1667	74,745.8333
2044	\$375,000	9,406.2500	84,152.0833
2045	\$400,000	10,433.3333	94,585.4167
2046	\$410,000	11,104.1667	105,689.5833

Average Maturity: 18.755915

Total Cumulative Bond Years: 105,689.5833