

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.

**OFFICIAL NOTICE OF SALE
BOOK-ENTRY ONLY
\$3,335,000
WALLER COUNTY ROAD IMPROVEMENT DISTRICT No. 1
(A political subdivision located within Waller County, Texas)**

**UNLIMITED TAX BONDS
SERIES 2019**

Bonds Offered for Sale at Competitive Bid:

The Board of Directors (the "Board") of Waller County Road Improvement District No. 1 (the "District") is offering for sale at competitive bid \$3,335,000 Unlimited Tax Bonds, Series 2019 (the "Bonds"). Options to submit bids on the Bonds include:

- 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;" or
- 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 by telephone, for the purchase of the Bonds on Tuesday, August 20, 2019, at 10:00 a.m. 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 10:00 a.m. at the offices of The GMS Group, L.L.C. The Board will take action to reject the bids or accept the bid that produces the lowest net effective interest rate for the Bonds at a meeting that will begin at 11:00 a.m. Houston time on Tuesday, August 20, 2019, (the "Sale Date"), at the District's regular meeting place, Bacon & Wallace, L.L.P., 6363 Woodway, Suite 800, Houston, Texas 77057.

Sealed Bids Delivered Directly to the District:

Sealed bids, which must be submitted in duplicate on the Official Bid Form and plainly marked "Bid for Bonds" are to be addressed to "President and Board of Directors, Waller County Road Improvement District No. 1." All bids must be delivered to the offices of The GMS Group, L.L.C., at the above address prior to the above scheduled time for bid opening. Any bid received after such scheduled time for bid opening will not be accepted and will be returned unopened.

Electronic Bidding Procedures:

Any prospective bidder that intends to submit an electronic bid must submit its electronic bid through the facilities of PARITY by 10:00 a.m., Houston time, on Tuesday, August 20, 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 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, (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 after reviewing the bids at the District’s Board meeting. 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 September 1, 2019, with interest payable on March 1, 2020, and each November 1 and March 1, thereafter until the earlier of maturity or redemption. The District intends to utilize the Book-Entry-Only System of the Depository Trust Company ("DTC"). See "BOOK-ENTRY-ONLY SYSTEM" in the Official Statement. Principal and redemption price of the Bonds will be payable to the registered owner at maturity or redemption upon presentation to the Paying Agent/Registrar (initially The Bank of New York Mellon Trust Company, N.A.). 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 March 1, as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2022	\$50,000	2036*	\$125,000
2023	\$50,000	2037*	\$125,000
2024	\$75,000	2038*	\$150,000
2025	\$75,000	2039*	\$150,000
2026*	\$75,000	2040*	\$150,000
2027*	\$75,000	2041*	\$150,000
2028*	\$75,000	2042*	\$175,000
2029*	\$100,000	2043*	\$175,000
2030*	\$100,000	2044*	\$175,000
2031*	\$100,000	2045*	\$175,000
2032*	\$100,000	2046*	\$185,000
2033*	\$100,000	2047*	\$200,000
2034*	\$100,000	2048*	\$200,000
2035*	\$125,000		

The Bonds maturing on or after March 1, 2026, are subject to redemption at the option of the District, prior to maturity, in whole or in part, on March 1, 2025, 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 less than all of the Bonds are redeemed at any time, the Bonds to be redeemed shall be selected by the Paying Agent/Registrar on behalf of the District. 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.

Term Bonds; Mandatory Sinking Fund:

Any successful bidder may elect in its written bid to alter the Maturity Schedule reflected on the cover by converting the principal amounts of a Serial Bond maturing in the years 2026 through 2048 into “Term Bonds,” such “Term Bonds” shall be subject to mandatory redemption on the March 1 next following the last maturity for Serial Bonds in the same principal amount as shown on the Maturity Schedule shown on the cover page, and annually thereafter on each March 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 on the cover had no conversion to Term Bond occurred. At least 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 provided below.

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.

No Municipal Bond Underlying Rating:

In connection with the sale of the Bonds, the District has not made a formal application for a municipal bond rating, and does not believe that it would receive an investment grade rating if an application were made. See "NO MUNICIPAL BOND RATING."

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 Preliminary Official Statement.

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 5.45% as calculated pursuant to Chapter 1204, Public Security Procedures Act Texas Government Code Annotated, as amended. 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 in any maturity may not exceed the lowest interest rate bid in 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.

Establishing the Issue Price for the Bonds

General: In order to provide the District with information that enables it to comply with certain requirements of the Internal Revenue Code of 1986, as amended, relating to the exclusion of interest on the Bonds from the gross income of their owners, the winning bidder will be required to complete, execute, and deliver to the District or to the District's Financial Advisor at least five business days before the delivery date of the Bonds, a certification as to the Bonds' "issue price" (the "Issue Price Certificate") substantially in one of the forms and to the effect attached hereto or accompanying this Notice of Sale. In the event the winning bidder will not reoffer any maturity of the Bonds for sale to the Public (as defined herein) by the delivery date of the Bonds, the Issue Price Certificate may be modified in a manner approved by the District and Bond Counsel (identified in the Preliminary Official Statement). Each bidder, by submitting its bid, agrees to complete, execute, and timely deliver the appropriate Issue Price Certificate, if its bid is accepted by the District. It will be the responsibility of the winning bidder to institute such syndicate reporting requirements, to make such investigation, or otherwise to ascertain such facts as are necessary to enable it to make such certification with reasonable certainty. Any questions concerning such certification should be directed to Bond Counsel (identified in the Preliminary Official Statement).

Defined Terms: For purposes of this section of this Notice of Sale:

- (i) "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.
- (ii) "Underwriter" means (A) any person that agrees pursuant to a written contract with the District (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).
- (iii) "Related Party" means any two or more persons who are subject, directly or indirectly, to (A) more than 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), (B) 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 (C) 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).
- (iv) "Sale Date" means the date that the Bonds are awarded by the District to the winning bidder.

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 Financial Advisor, and any notice or report to be provided to the District may be provided to the Financial Advisor.

The District will consider any bid submitted pursuant to this Notice of Sale to be a firm offer for the purchase of the Bonds, as specified in the bid.

Three Bid Requirement: The District intends to rely on Treasury Regulation section 1.148-1(f)(3)(i) for purposes of establishing the issue price of municipal bonds, which requires, among other things, that the District receives bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (the "Three Bid Requirement"). In the event that the Three Bid Requirement is not satisfied, Treasury Regulations permit the issue price for any maturity of the Bonds to be determined based upon either (i) the first price at which 10% of such maturity is sold to the Public (the "10% Test") or (ii) if the requirements of the "Hold-the-Offering-Price Rule" described below are met, the initial offering price to the Public as of the Sale Date. For purposes hereof, if different interest rates apply within a maturity, each separate CUSIP number will be treated separately.

In the event that the Three Bid Requirement is satisfied, the sale of the Bonds will be awarded to the bidder making a bid that conforms to the specifications herein. In the event that the Three Bid Requirement is not satisfied, the District will notify the prospective winning bidder to that effect, and the prospective winning bidder will advise the District any maturity of the Bonds that satisfies the 10% Test. For any maturity of the Bonds that does not meet the 10% Test, it is the District's intention to apply the "Hold-the-Offering-Price Rule" to any maturity of the Bonds, as described below.

Hold-the-Offering-Price Rule: If the "Hold-the-Offering-Price Rule" is applied to any maturity of the Bonds (each, a "Held Maturity"), the winning bidder agrees, on behalf of each Underwriter participating in the purchase of the Bonds, that each Underwriter will neither offer nor sell any Held 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:

- (1) the close of the fifth business day after the Sale Date; or
- (2) the date on which the Underwriters have satisfied the 10% Test with respect to that Held Maturity at a price that is no higher than the initial offering price to the Public.

The winning bidder shall promptly advise the District when the Underwriters have satisfied the 10% Test with respect to each Held Maturity 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. On or after the sixth business day after the Sale Date, if requested by the District, the winning bidder will confirm that the Underwriters have complied with the Hold-the-Offering-Price-Rule. If at any time the winning bidder becomes aware of any noncompliance by an Underwriter with respect to the Hold-the-Offering Price Rule, the winning bidder will promptly report such noncompliance to the District.

Additional Requirements: By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires.

Compliance with Laws Prohibiting Contracts with Companies that Boycott 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 Company¹ 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 Company² (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.

In *Amawi v. Pflugerville Independent School District* (1:18-cv-01091), the United States District Court for the Western District of Texas issued a preliminary injunction preventing the defendant school district from enforcement of Texas House Bill 89, codified at Texas Government Code § 2270.001 et. seq, or any "No Boycott of Israel" clause (collectively, Anti-Israel Boycotts) in any state contract while litigation proceeds. The following verification is being voluntarily made for the purpose of compliance with current state statute pending a final decision on the merits determining the validity of Anti-Israel Boycotts.

Good Faith Deposit:

Each bid must be accompanied by a bank's cashier's check, payable to the order of Waller County Road Improvement District No. 1, in the amount of \$66,700.00 (the "Good Faith Deposit"). The Good Faith Deposit submitted by the Underwriter will be retained uncashed 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 authorize its use as a Good Faith Deposit by the bidder(s) to be named in such instructions.

¹ "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.

² "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.

Provision of Texas Ethics Commission Form 1295 ("TEC Form 1295") 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, have provided to the District (c/o Bacon & Wallace L.L.P., 6363 Woodway, Suite 800, Houston, Texas, 77057) 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 be provided to the District via facsimile or electronically prior to the time prescribed for the award of the Bonds (11:00 a.m. Houston time on Tuesday, August 20, 2019).

However, the original signed TEC Form 1295 complete with certificate number must be physically delivered to the District (c/o Bacon & Wallace, L.L.P., 6363 Woodway, Suite 800, Houston, Texas, 77057) within three business days of the award (August 23, 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 Waller County Road Improvement District No. 1 and the contract ID number is **WCRID1-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.

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.

DTC Definitive Bonds:

After delivery of the initial Bonds, the Bonds will be issued in book-entry-only form. Cede & Co. is the nominee for DTC. All references herein to the Registered Owners of the Bonds shall mean Cede & Co. and not the Beneficial Owners of the Bonds. Purchase of beneficial interests in the Bonds will be made in book-entry-only form (without registered Bonds) in the denomination of \$5,000 principal amount or any integral multiple thereof. Under certain limited circumstances described herein, the District may determine to forego immobilization of the Bonds at DTC, or another securities depository, in which case, such beneficial interests would become exchangeable for one or more fully registered Bonds of like principal amount for the Bonds. See "BOOK-ENTRY-ONLY SYSTEM" in the Preliminary Official Statement.

Delivery of Initial Bonds:

Initial delivery will be accomplished by the issuance of one initial Bond (the "Initial Bond"), either in typed or printed form, in the aggregate principal amount of \$3,335,000 registered to the person or entity designated by the Underwriter in the Official Bid, signed manually or in facsimile 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 her authorized deputy. Initial delivery will be through the Depository Trust Company ("DTC"). One definitive Bond for each maturity will be registered and delivered in the name of Cede & Co., and deposited with DTC in connection with DTC's Book-Entry-Only System. Payment for the Initial Bond 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 six 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 September 26, 2019, and it is understood and agreed that the Underwriter will accept delivery and provide payment for the Initial Bond by 10:00 a.m., (Houston time) on September 26, 2019, or thereafter on the date the Bonds are tendered for delivery, up to and including October 24, 2019. If for any reason the District is unable to make delivery on or before October 24, 2019, then the District shall immediately contact the Underwriter and offer to allow the Underwriter to extend its offer for an additional 30 days. If the Underwriter does not elect to extend its offer within six 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.

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, and the nonoccurrence of the events described below under the caption "No Material Adverse Change."

Continuing Disclosure Agreement:

The District will agree in the Bond Order to provide certain periodic information and notices of specified events in accordance with Securities and Exchange Commission Rule 15c2-12, as described in the Preliminary Official Statement under "Continuing Disclosure of Information." 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.

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 Bacon & Wallace L.L.P., 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.

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 Sanford Kuhl Hagan Kugle Parker Kahn LLP, Houston, Texas, as Disclosure Counsel.

Qualified Tax-Exempt Obligations:

Section 265(a) of the Internal Revenue Code of 1986, as amended, ("the Code") requires a pro rata reduction in the interest expense deduction of a financial institution to reflect such financial institution's investment in tax-exempt obligations acquired after August 7, 1986. An exception to the foregoing provision is provided in the Code for "qualified tax-exempt obligations," which include tax-exempt obligations, such as the Bonds that are: (a) designated by the issuer as "qualified tax-exempt obligations," and (b) issued by a political subdivision for which the aggregate amount of tax-exempt obligations (not including private activity bonds other than qualified 501(c) (3) bonds) to be issued during the calendar year is not expected to exceed \$10,000,000.

The District will designate the Bonds as "qualified tax-exempt obligations" and has represented that the aggregate amount of tax-exempt bonds (including the Bonds) issued by the District and entities aggregated with the District under the Code during calendar year 2019 is not expected to exceed \$10,000,000 and that the District and entities aggregated with the District under the Code have not designated more than \$10,000,000 in "qualified tax-exempt obligations" (including the Bonds) during calendar year 2019.

Notwithstanding this exception, financial institutions acquiring the Bonds will be subject to a 20% disallowance of allocable interest expense.

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 there is no litigation of any nature pending or, to the knowledge of the signatories, threatened, 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.

Event Notices

The District will provide timely notices of certain events to the MRSB, but in no event will such notices be provided to the MRSB 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 determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds; (7) modifications to rights of beneficial owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy,

insolvency, receivership, or similar event of the District or other obligated person within the meaning of the Rule; (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person within the meaning of the Rule or the sale of all or substantially all of the assets of the District or other obligated person within the meaning of the Rule, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District or other obligated person within the meaning of the Rule, if material, or agreements to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or other obligated person within the meaning of the Rule, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the District or other obligated person within the meaning of the Rule, any of which reflect financial difficulties. The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with 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, liquidity enhancement, the pledge of property (other than ad valorem tax revenues) to secure payment of the Bonds, or appointment of a trustee. 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." 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, liquidity enhancement, the pledge of property (other than ad valorem tax and net system revenues) to secure payment of the Bonds, or appointment of a trustee. 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."

Establishment of Issue Price:

At least five business days before the delivery date of the Bonds, the Underwriter will complete, execute, and deliver the Issue Price Certificate to the District or to the District's Financial Advisor.

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 "RISK FACTORS."

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 specified events in accordance with Securities and Exchange Commission Rule 15-c2-12, as described in the Preliminary Official Statement under "CONTINUING DISCLOSURE OF INFORMATION – SEC RULE 15-c2-12." 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(f)(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 91st day after the "end of the underwriting period" {as defined in SEC Rule 15-c(2)-12(f)(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 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(f)(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

[THREE BID REQUIREMENT SATISFIED]

I, the undersigned officer of _____ (the "Purchaser"), acting on behalf of itself and any underwriting syndicate, make this certification in connection with the Waller County Road Improvement District No. 1 Unlimited Tax Bonds, Series 2019 (the "Bonds") issued by Waller County Road Improvement District No. 1 (the "District").

1. I hereby certify as follows in good faith as of the date hereof:

(a) I am the duly chosen, qualified and acting officer of the Purchaser for the office shown below my signature; as such, I am familiar with the facts herein certified and I am duly authorized to execute and deliver this certificate on behalf of the Purchaser and any underwriting syndicate. I am the officer of the Purchaser charged, along with other officers of the Purchaser and any underwriting syndicate, with responsibility for the Bonds.

(b) The reasonably expected initial offering prices of the Bonds to the Public by the Purchaser as of the Sale Date are the prices set forth on the inside cover of the Official Statement prepared in connection with the Bonds (the "Initial Offering Prices"). The Initial Offering Prices are the applicable prices for the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached hereto as Attachment I is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

(c) The Purchaser was not given the opportunity to review other bids prior to submitting its bid.

(d) The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.

(e) The aggregate of the Initial Offering Prices of all maturities of the Bonds is \$_____. The Bonds were sold with pre-issuance accrued interest in the amount of \$_____. The sum of these two amounts is \$_____.

(f) Please choose the appropriate statement:

The Purchaser will not purchase bond insurance for the Bonds.

The Purchaser will purchase bond insurance from _____ (the "Insurer") for a fee/premium of \$_____ (the "Fee"). In our judgment, the Fee is a reasonable amount payable solely for the transfer of credit risk for the payment of debt service on the Bonds and does not include any amount payable for a cost other than such guarantee, e.g., a credit rating or legal fees. The Purchaser has calculated that the present value of the Fee for each obligation constituting the Bonds to which such Fee is properly allocated and which are insured thereby is less than the present value of the interest reasonably expected to be saved as a result of the insurance on each obligation constituting the Bonds. The Fee has been paid to a person who is not exempt from federal income taxation and who, to the best of our knowledge, is not a user or related to the user of any proceeds of the Bonds. In determining present value for this purpose, the yield of the Bonds (determined with regard to the payment of the guarantee fee) has been used as the discount rate. No portion of the Fee is refundable upon redemption of any of the Bonds in an amount which would exceed the portion of such Fee that has not been earned. The Purchaser will also be responsible for payment of any rating fees on the Bonds, if and as required by the Insurer to be obtained in connection with the purchase of insurance.

2. For purposes of this Issue Price Certificate, the following definitions apply:

(a) "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.

(b) "Related Party" means any two or more persons who are subject, directly or indirectly, to (i) more than 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 interest or profits interest 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).

(c) "Sale Date" means the first day on which there is a binding contract in writing for the sale or exchange of the Bonds. The Sale Date of the Bonds is August 20, 2019.

(d) "Underwriter" means (i) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the statements made herein above will be relied upon by the District with respect to certain of the representations set forth in the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bacon & Wallace, L.L.P. in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the District from time to time relating to the Bonds. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any other party or for any other purpose.

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 as of this _____ day of August 2019.

[NAME OF PURCHASER OR MANAGER OF PURCHASING SYNDICATE]

By: _____

Name: _____

Title: _____

ISSUE PRICE CERTIFICATE

[THREE BID REQUIREMENT NOT SATISFIED – HOLD-THE-OFFERING-PRICE RULE]

I, the undersigned officer of _____ (the "Purchaser"), acting on behalf of itself and any underwriting syndicate, make this certification in connection with the Waller County Road Improvement District No. 1 Unlimited Tax Bonds, Series 2019 (the "Bonds") issued by Waller County Road Improvement District No. 1 (the "District").

1. I hereby certify as follows in good faith as of the date hereof:

(a) I am the duly chosen, qualified and acting officer of the Purchaser for the office shown below my signature; as such, I am familiar with the facts herein certified and I am duly authorized to execute and deliver this certificate on behalf of the Purchaser and any underwriting syndicate. I am the officer of the Purchaser charged, along with other officers of the Purchaser and any underwriting syndicate, with responsibility for the Bonds.

(b) For the Bonds maturing in _____, the first price at which at least 10% of each maturity was sold to the Public is the price for each such maturity set forth on the inside cover of the Official Statement prepared in connection with the Bonds (each, an "Actual Sales Price").

(c) For the Bonds maturing in _____ (each, a "Held Maturity"), the Purchaser on or before the Sale Date offered for purchase each such maturity to the Public at the applicable initial offering price set forth on the inside cover of the Official Statement prepared in connection with the Bonds (each, an "Initial Offering Price"). A copy of the pricing wire evidencing the Initial Offering Prices is attached hereto as Attachment I. In connection with the offering of the Bonds, the Purchaser and each member of any underwriting syndicate agreed in writing that (i) during the Hold Period, it would neither offer nor sell any Held Maturity to any person at a price higher than the applicable Initial Offering Price (the "Hold-the-Offering-Price Rule") and (ii) any selling group agreement would contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement would contain the agreement of each broker-dealer who is a party to the retail distribution agreement, that, during the Hold Period, such party would comply with the Hold-the-Offering-Price Rule. In accordance with such agreements, no Underwriter offered or sold any of the Held Maturities at a price higher than the applicable Initial Offering Price for such Held Maturity during the Hold Period.

(d) The aggregate of the Actual Sales Prices and the Initial Offering Prices is \$ _____. The Bonds were sold with pre-issuance accrued interest in the amount of \$ _____. The sum of these two amounts is \$ _____.

(e) Please choose the appropriate statement:

The Purchaser will not purchase bond insurance for the Bonds.

The Purchaser will purchase bond insurance from _____ (the "Insurer") for a fee/premium of \$ _____ (the "Fee"). The Fee is a reasonable amount payable solely for the transfer of credit risk for the payment of debt service on the Bonds and does not include any amount payable for a cost other than such guarantee, e.g., a credit rating or legal fees. The Purchaser represents that the present value of the Fee for each obligation constituting the Bonds to which such Fee is properly allocated and which are insured thereby is less than the present value of the interest reasonably expected to be saved as a result of the insurance on each obligation constituting the Bonds. The Fee has been paid to a person who is not exempt from federal income taxation and who is not a user or related to the user of any proceeds of the Bonds. In determining present value for this purpose, the yield of the Bonds (determined with regard to the payment of the guarantee fee) has been used as the discount rate. No portion of the Fee is refundable upon redemption of any of the Bonds in an amount which would exceed the portion of such Fee that has not been earned. The Purchaser will also be responsible for payment of any rating fees on the Bonds, if and as required by the Insurer to be obtained in connection with the purchase of insurance.

2. For purposes of this Issue Price Certificate, the following definitions apply:

(a) "Hold Period" means, with respect to a Held Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date or (ii) the date on which the Underwriters have sold at least 10% of such Held Maturity to the Public at a price no higher than the applicable Initial Offering Price.

(b) "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.

(c) "Related Party" means any two or more persons who are subject, directly or indirectly, to (i) more than 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 interest or profits interest 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).

(d) "Sale Date" means the first day on which there is a binding contract in writing for the sale or exchange of the Bonds. The Sale Date of the Bonds is August 20, 2019.

(e) "Underwriter" means (i) any person that agrees pursuant to a written contract with the District (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the statements made herein above will be relied upon by the District with respect to certain of the representations set forth in the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bacon & Wallace L.L.P. in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the District from time to time relating to the Bonds.

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 as of this _____ day of August 2019.

[NAME OF PURCHASER OR MANAGER OF PURCHASING SYNDICATE]

By: _____

Name: _____

Title: _____

**WALLER COUNTY ROAD IMPROVEMENT DISTRICT No. 1
UNLIMITED TAX BONDS
SERIES 2019
OFFICIAL BID FORM**

President and Board of Directors
Waller County Road Improvement District No. 1
c/o The GMS Group, L.L.C.
Galleria Financial Center
5075 Westheimer, Suite 1175
Houston, Texas 77056-5606

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 Waller County Road Improvement District No. 1 (the "District"), relating to its \$3,335,000 Unlimited Tax 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 (March 1)</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Maturity (March 1)</u>	<u>Amount</u>	<u>Interest Rate</u>
2022	\$50,000	_____ %	2036*	\$125,000	_____ %
2023	\$50,000	_____ %	2037*	\$125,000	_____ %
2024	\$75,000	_____ %	2038*	\$150,000	_____ %
2025	\$75,000	_____ %	2039*	\$150,000	_____ %
2026*	\$75,000	_____ %	2040*	\$150,000	_____ %
2027*	\$75,000	_____ %	2041*	\$150,000	_____ %
2028*	\$75,000	_____ %	2042*	\$175,000	_____ %
2029*	\$100,000	_____ %	2043*	\$175,000	_____ %
2030*	\$100,000	_____ %	2044*	\$175,000	_____ %
2031*	\$100,000	_____ %	2045*	\$175,000	_____ %
2032*	\$100,000	_____ %	2046*	\$185,000	_____ %
2033*	\$100,000	_____ %	2047*	\$200,000	_____ %
2034*	\$100,000	_____ %	2048*	\$200,000	_____ %
2035*	\$125,000	_____ %			

<u>Term Bond Maturity Date March 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 March 1, 2025, 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 September 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 (5) 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 _____ and payable to your order in the amount of \$66,700.00 is 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.

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 Company¹ 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 Company² (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.

In *Amawi v. Pflugerville Independent School District* (1:18-cv-01091), the United States District Court for the Western District of Texas issued a preliminary injunction preventing the defendant school district from enforcement of Texas House Bill 89, codified at Texas Government Code § 2270.001 et. seq, or any "No Boycott of Israel" clause (collectively, Anti-Israel Boycotts) in any state contract while litigation proceeds. The following verification is being voluntarily made for the purpose of compliance with current state statute pending a final decision on the merits determining the validity of Anti-Israel Boycotts.

We agree to make payment for the Bonds in immediately available funds at the office The Bank of New York Mellon Trust Company, N.A., Houston, Texas, not later than 10:00 A.M., Houston time, on September 26, 2019, or thereafter on the date the Bonds are tendered for delivery, pursuant to the terms set forth in the Notice of Sale.

¹ "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.

² "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.

Respectfully submitted,

By: _____

Authorized Representative

ACCEPTANCE CLAUSE

The above and foregoing bid is hereby in all things accepted by Waller County Road Improvement District No. 1 this August 20, 2019.

Secretary, Board of Directors

President, Board of Directors

BOND YEARS

Dated: September 1, 2019

Due: March 1 (as noted below)

<u>Year</u>	<u>Amount</u>	<u>Bond Years</u>	<u>Accumulated Bond Years</u>
2022	\$50,000	125.0000	125.0000
2023	\$50,000	175.0000	300.0000
2024	\$75,000	337.5000	637.5000
2025	\$75,000	412.5000	1,050.0000
2026	\$75,000	487.5000	1,537.5000
2027	\$75,000	562.5000	2,100.0000
2028	\$75,000	637.5000	2,737.5000
2029	\$100,000	950.0000	3,687.5000
2030	\$100,000	1,050.0000	4,737.5000
2031	\$100,000	1,150.0000	5,887.5000
2032	\$100,000	1,250.0000	7,137.5000
2033	\$100,000	1,350.0000	8,487.5000
2034	\$100,000	1,450.0000	9,937.5000
2035	\$125,000	1,937.5000	11,875.0000
2036	\$125,000	2,062.5000	13,937.5000
2037	\$125,000	2,187.5000	16,125.0000
2038	\$150,000	2,775.0000	18,900.0000
2039	\$150,000	2,925.0000	21,825.0000
2040	\$150,000	3,075.0000	24,900.0000
2041	\$150,000	3,225.0000	28,125.0000
2042	\$175,000	3,937.5000	32,062.5000
2043	\$175,000	4,112.5000	36,175.0000
2044	\$175,000	4,287.5000	40,462.5000
2045	\$175,000	4,462.5000	44,925.0000
2046	\$185,000	4,902.5000	49,827.5000
2047	\$200,000	5,500.0000	55,327.5000
2048	\$200,000	5,700.0000	61,027.5000

Bond Years: 61,027.5000

Years to Maturity: 18.299100