

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
\$3,330,000
CROSSWINDS MUNICIPAL UTILITY DISTRICT
(A political subdivision located within Hays County, Texas)
UNLIMITED TAX ROAD BONDS
SERIES 2020**

Bonds Offered for Sale at Competitive Bid:

The Board of Directors (the "Board") of Crosswinds Municipal Utility District (the "District") is offering for sale at competitive bid \$3,330,000 Unlimited Tax Road Bonds, Series 2020 (the "Bonds"). Options to submit bids on the Bonds include:

- 1.) Deliver bids directly to the District as described below in "Sealed Bids Delivered Directly 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 Thursday, February 20, 2020 at 9:00 a.m., Houston time, at the offices of The GMS Group, L.L.C., 5075 Westheimer, Suite 1175, Houston, Texas 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 9:00 a.m., Houston Time, 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 12:00 noon, Houston time, on Thursday, February 20, 2020 (the "Sale Date"). The meeting will be held at the offices of Carlson, Brigrance & Doering, Inc., located at 5501 West William Cannon Drive, Austin, Texas, 78749.

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, Crosswinds Municipal Utility District." 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 9:00 a.m., Houston time, on Thursday, February 20, 2020. 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 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, Corey Howell, The GMS Group, (713) 622-7620.

Award of the Bonds:

The Board will take action to adopt an order 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 March 1, 2020, with interest payable on October 1, 2020, and each April 1 and October 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 UMB, N.A. in Austin, Texas). 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 Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2023	\$75,000	2036	\$125,000
2024	\$75,000	2037	\$150,000
2025	\$75,000	2038	\$150,000
2026	\$75,000	2039	\$150,000
2027	\$100,000	2040	\$150,000
2028	\$100,000	2041	\$175,000
2029	\$100,000	2042	\$175,000
2030	\$100,000	2043	\$175,000
2031	\$100,000	2044	\$175,000
2032	\$125,000	2045	\$200,000
2033	\$125,000	2046	\$200,000
2034	\$125,000	2047	\$205,000
2035	\$125,000		

The Bonds maturing on or after April 1, 2026, are subject to redemption at the option of the District, prior to maturity, in whole or in part, on April 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 shown above by converting the principal amounts of a Serial Bond maturing in the years 2026 through 2047 into "Term Bonds," such "Term Bonds" shall be subject to mandatory redemption on the April 1 next following the last maturity for Serial Bonds in the same principal amount as shown on the Maturity Schedule shown above, 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 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 Rating:

The District has not made an application for an underlying rating on the Bonds to any municipal bond rating service. It is not anticipated that the District would have received an investment grade rating had such rating been applied for.

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 4.73% as calculated pursuant to Chapter 1204, Public Security Procedures Act Texas Government Code Annotated. 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, and in accordance with Chapter 1204, Texas Government Code, 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 "Initial Purchaser") 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:

Establishment of Issue Price. (a) The winning bidder shall assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at 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 as an exhibit, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the District and Bond Counsel (identified in the Preliminary Official Statement). All actions to be taken by the District under this Notice of Sale and Bidding Instructions 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.

(b) 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 and Bidding Instructions 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 may 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 and Bidding Instructions.

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

(c) In the event that the District does not receive sufficient qualified bids to satisfy the competitive sale requirements of Treasury Regulation Section 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 Initial Purchaser 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: (i) the date on which the Initial Purchaser 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 (ii) the close of the fifth business day after the sale date. The Initial Purchaser agrees to promptly report to the District's financial advisor when it has sold 10 percent 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. The attached Issue Price Certificate includes alternative language for use (I) when the competitive sale requirements of Treasury Regulation Section 1.148-1(f)(3)(i) are met and (II) when such requirements are not met.

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

By submission of a bid, the bidder represents that neither it nor any of its parent company, wholly or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

- <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
- <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
- <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Texas or Federal law and excludes the bidder and each of its parent company, wholly or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The bidder understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the bidder and exists to make a profit.

In addition, by submission of a bid, the bidder hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this bid is a contract for goods or services, will not boycott Israel during the term of this contract to purchase the Bonds. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Texas or Federal law. As used in the foregoing verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The bidder understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the bidder and exists to make a profit.

Good Faith Deposit:

Each bid must be accompanied by a bank's cashier's check, payable to the order of Crosswinds Municipal Utility District, in the amount of \$66,600.00 (the "Good Faith Deposit"). The Good Faith Deposit submitted by the Initial Purchaser will be retained uncashed by the District pending the Initial Purchaser's compliance with the terms of the Official Bid Form and the Official Notice of Sale. In the event the Initial Purchaser 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.

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 Winstead PC, 401 Congress Avenue, Suite 2100, Austin, Texas, 78701) 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 (12:00 noon, Houston time, on Thursday, February 20, 2020). 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 "Crosswinds Municipal Utility District" and the contract ID number is "CROSSMUD-S2020-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 Initial Purchaser 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 Initial Purchaser.

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 \$3,330,000 registered to the person or entity designated by the Initial Purchaser 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 an 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 Initial Purchaser will be given six (6) business days' notice of the date fixed for delivery of the Bonds. It is anticipated that initial delivery can be made on or about March 19, 2020, and it is understood and agreed that the Initial Purchaser will accept delivery and provide payment for the Initial Bond by 10:00 a.m., Houston time, on March 19, 2020 or thereafter on the date the Bonds are tendered for delivery, up to and including April 17, 2020. If for any reason the District is unable to make delivery on or before April 17, 2020, then the District shall immediately contact the Initial Purchaser and offer to allow the Initial Purchaser to extend its offer for an additional thirty (30) days. If the Initial Purchaser 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 Initial Purchaser 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 Bonds, provided such failure is due to circumstances beyond the District's reasonable control.

Conditions of Delivery:

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

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 Initial Purchasers' obligation to accept and pay for the Bonds is conditioned upon delivery to the Initial Purchasers or their agent of a certified copy of the Bond Order containing the agreement described under such heading.

Compliance With Prior Undertakings:

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

Legal Opinion:

The District will furnish to the Initial Purchaser 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 Winstead PC, Austin, Texas, Bond Counsel for the District ("Bond Counsel"), to a like effect and to the effect that the interest on the Bonds is excludable from gross income for purposes of federal income taxation and not subject to the alternative minimum tax on individuals. See "TAX MATTERS" in the Preliminary Official Statement.

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 Initial Purchaser to accept delivery and to pay for the Bonds. Certain legal matters will be passed upon for the District by Orrick, Herrington & Sutcliffe LLP, Austin, Texas, as Disclosure Counsel.

Qualified Tax-Exempt Obligations:

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, (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 subordinate to the District during calendar year 2020 is not expected to exceed \$10,000,000 and that the District and entities subordinate to the District have not designated more than \$10,000,000 in "qualified tax-exempt obligations" (including the Bonds) during calendar year 2020. 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 Initial Purchaser, the District will deliver to the Initial Purchaser 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 questioning the validity of the Bonds.

Establishment of Issue Price:

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

GENERAL CONSIDERATIONS

This Notice of Sale generally describes how ownership of the Bonds is to be transferred, and how the principal of, premium, if any, and interest on the Bonds are to be paid to registered owners if the Bonds are not registered in DTC's nominee's name. See "BOOK-ENTRY-ONLY SYSTEM" in the Preliminary Official Statement for a description of how these matters will be handled while the Bonds are registered in DTC's nominee's name

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, or 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.

Risk Factors:

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 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 Initial Purchaser 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 Initial Purchaser 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 Initial Purchaser'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.

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 Initial Purchaser, 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 Initial Purchaser 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:

If, subsequent to the date of the Official Statement, the District learns or is notified by the Initial Purchaser of any adverse event that causes any of the key representations in the Official Statement to be materially misleading, the District will promptly prepare and supply to the Initial Purchaser a supplement to the Official Statement that corrects such representation to the reasonable satisfaction of the Initial Purchaser unless the Initial Purchaser elects to terminate its obligation to purchase the Bonds as described above. See "DELIVERY AND ACCOMPANYING DOCUMENTS – Conditions of Delivery." The obligation of the District to supplement the Official Statement will terminate when the District delivers the Bonds to the Initial Purchaser unless the Initial Purchaser notifies the District that fewer than all of the Bonds have been sold to ultimate customers on or before such date, in which case the obligation will extend for an additional period of time (but not for more than 90 days after the sale date) until all of the Bonds have been sold to ultimate purchasers.

Delivery of Official Statements:

The District will furnish to the Initial Purchaser (and to each other participating underwriter of the Bonds, within the meaning of SEC Rule 15-c2-12(a), designated by the Initial Purchaser), within seven (7) business days after the sale

date, the aggregate number of Official Statements as requested by the Initial Purchaser. The District will also furnish to the Initial Purchaser 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 Initial Purchaser 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 Initial Purchaser 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 Initial Purchaser.

Additional Copies:

Additional copies of this Official Notice of Sale, the Official Bid Form and the Preliminary Official Statement may be obtained from Corey Howell, 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, being a duly authorized representative of the Initial Purchaser or the manager of the syndicate of initial purchasers (the "Initial Purchaser"), hereby certifies as set forth below with respect to the sale of the Crosswinds Municipal Utility District \$3,330,000 Unlimited Tax Road Bonds, Series 2020 (the "Bonds").

1. **Reasonably Expected Initial Offering Price.**

(a) The undersigned is a duly authorized representative of the Initial Purchaser or of the manager of the syndicate of Initial Purchasers that purchased the Bonds from the Crosswinds Municipal Utility District (the "Issuer") pursuant to a competitively bid sale (such Initial Purchaser or syndicate of Initial Purchaser's is referred to herein as the "Purchaser"). In this capacity, the undersigned is familiar with the facts stated herein.

(b) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Initial Purchaser are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Initial Purchaser in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Initial Purchaser to purchase the Bonds.

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

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

(e) The Initial Purchaser has made a bona fide offering to the Public of all the Bonds of each Maturity at the respective Expected Offering Price set forth in Schedule A.

If the Issuer received fewer than three bids for the Bonds, complete paragraph 2.

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

3. **Defined Terms.**

(a) **Maturity** means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(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. 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 Issuer (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 Issuer 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 with greater than 50 percent common ownership, directly or indirectly.

(c) **Sale Date** means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is February 20, 2020.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter'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 foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Winstead PC 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 the Internal Revenue Service Form 8038G, and other federal income tax advice that it may give to the Issuer 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 _____, 2020.

[NAME OF PURCHASER OR MANAGER OF PURCHASING SYNDICATE]

By: _____

Name: _____

Title: _____

**CROSSWINDS MUNICIPAL UTILITY DISTRICT
UNLIMITED TAX ROAD BONDS
SERIES 2020
OFFICIAL BID FORM**

President and Board of Directors
Crosswinds Municipal Utility District
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 Crosswinds Municipal Utility District (the "District"), relating to its \$3,330,000 Unlimited Tax Road Bonds, Series 2020 (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>
2023	\$75,000	_____ %	2036*	\$125,000	_____ %
2024	\$75,000	_____ %	2037*	\$150,000	_____ %
2025	\$75,000	_____ %	2038*	\$150,000	_____ %
2026*	\$75,000	_____ %	2039*	\$150,000	_____ %
2027*	\$100,000	_____ %	2040*	\$150,000	_____ %
2028*	\$100,000	_____ %	2041*	\$175,000	_____ %
2029*	\$100,000	_____ %	2042*	\$175,000	_____ %
2030*	\$100,000	_____ %	2043*	\$175,000	_____ %
2031*	\$100,000	_____ %	2044*	\$175,000	_____ %
2032*	\$125,000	_____ %	2045*	\$200,000	_____ %
2033*	\$125,000	_____ %	2046*	\$200,000	_____ %
2034*	\$125,000	_____ %	2047*	\$205,000	_____ %
2035*	\$125,000	_____ %			

<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 on April 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 March 1, 2020	\$ _____
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 UMB, N.A. in Austin, Texas (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 that is ten days prior to 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 \$66,600.00 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 undersigned certifies that it [is/is not] _____ exempt from filing the TEC Form 1295 by virtue of being a publicly traded business entity or wholly owned subsidiary of a publicly traded business entity. 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, if that bidder is a privately held entity, a completed and signed TEC Form 1295 complete with a certificate number assigned by the Texas Ethics Commission ("TEC"), 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-conforming bid and will prohibit the District from considering this bid for acceptance.

By submission of a bid, the bidder represents that neither it nor any of its parent company, wholly or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

- <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
- <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
- <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Texas or Federal law and excludes the bidder and each of its parent company, wholly or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The bidder understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the bidder and exists to make a profit.

In addition, by submission of a bid, the bidder hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this bid is a contract for goods or services, will not boycott Israel during the term of this contract to purchase the Bonds. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Texas or Federal law. As used in the foregoing verification, "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The bidder understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the bidder and exists to make a profit.

We agree to make payment for the Bonds in immediately available funds at the office of UMB, N.A., Austin, Texas, not later than 10:00 a.m., Houston time, on March 19, 2020, or thereafter on the date the Bonds are tendered for delivery, pursuant to the terms set forth in the Notice of Sale.

Respectfully submitted,

By: _____

Authorized Representative

ACCEPTANCE CLAUSE

The above and foregoing bid is hereby in all things accepted by Crosswinds Municipal Utility District this 20th day of February, 2020.

Secretary, Board of Directors

President, Board of Directors

BOND YEARS

Dated: March 1, 2020

Due: April 1 (as noted below)

<u>Year</u>	<u>Amount</u>	<u>Bond Years</u>	<u>Accumulated Bond Years</u>
2023	\$75,000	231.2500	231.2500
2024	\$75,000	306.2500	537.5000
2025	\$75,000	381.2500	918.7500
2026	\$75,000	456.2500	1,375.0000
2027	\$100,000	708.3333	2,083.3333
2028	\$100,000	808.3333	2,891.6667
2029	\$100,000	908.3333	3,800.0000
2030	\$100,000	1,008.3333	4,808.3333
2031	\$100,000	1,108.3333	5,916.6667
2032	\$125,000	1,510.4167	7,427.0833
2033	\$125,000	1,635.4167	9,062.5000
2034	\$125,000	1,760.4167	10,822.9167
2035	\$125,000	1,885.4167	12,708.3333
2036	\$125,000	2,010.4167	14,718.7500
2037	\$150,000	2,562.5000	17,281.2500
2038	\$150,000	2,712.5000	19,993.7500
2039	\$150,000	2,862.5000	22,856.2500
2040	\$150,000	3,012.5000	25,868.7500
2041	\$175,000	3,689.5833	29,558.3333
2042	\$175,000	3,864.5833	33,422.9167
2043	\$175,000	4,039.5833	37,462.5000
2044	\$175,000	4,214.5833	41,677.0833
2045	\$200,000	5,016.6667	46,693.7500
2046	\$200,000	5,216.6667	51,910.4167
2047	\$205,000	5,552.0833	57,462.5000
Total Bond Years:		57,462.5000	
Average Maturity:		17.256006 Years	