

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

\$3,910,000

HARRIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 238, OF HARRIS COUNTY, TEXAS

(A political subdivision of the State of Texas, located in Harris County, Texas)

UNLIMITED TAX BONDS, SERIES 2020

Bonds Offered for Sale at Competitive Bid:

The Board of Directors (the "Board") of Harris County Municipal Utility District No. 238, of Harris County, Texas (The "District"), is offering for sale at competitive bid \$3,910,000 Unlimited Tax 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 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 bids, and envelopes provided for purposes of electronic bidding and bids by telephone, for the purchase of the Bonds on Tuesday, September 22, 2020, at 10:00 AM, Houston, Texas time, at the offices of Huntington Securities Inc., dba Huntington Capital Markets, (the District's Financial Advisor and authorized representative of the District for purposes of receiving bids for the Bonds) 4545 Post Oak Place, Suite 215, Houston, Texas, 77027. 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 to be held on Tuesday, September 22, 2020, at 1:00 PM, Houston, Texas time, at the District's regular meeting place of 17332 Groeschke Road, Houston, Harris County, Texas 77084. The District reserves the right to reject any and all bids and to waive any irregularities except for time of filing.

Sealed Bids Delivered Directly to the District:

If sealed bids are submitted, then such sealed bids must be submitted in duplicate on the Official Bid Form plainly marked "Bid for Bonds," and are to be addressed to "President and Board of Directors, Harris County Municipal Utility District No. 238." All bids must be delivered to 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 AM, Houston, Texas time, on Tuesday, September 22, 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 an irrevocable offer to purchase the Bonds on the terms provided in this Official Notice of Sale and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the District. The District shall not be responsible for any malfunction or mistake made by, or as a result of, the use of the facilities of PARITY or the use of such facilities being the sole risk of the prospective bidder.

If any provision 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, Ryan O’Hara, Huntington Capital Markets (713) 621-4020.

Award of the Bonds:

The Board will take action to adopt an order (the “Bond Order”) authorizing the issuance and awarding sale of the Bonds or will reject all bids promptly after the opening of the bids. Sale of the Bonds will be made subject to the terms, conditions, and provisions of the Bond Order to which reference is hereby made for all purposes.

The Board reserves the right to reject any and all bids and to waive any irregularities except time of filing. No bid will be accepted unless the provider of such bid complies with the requirements listed in “CONDITIONS OF SALE – Provision of Texas Ethics Commission Form 1295 (“TEC Form 1295”) by Bidders”.

THE BONDS

Description of Certain Terms of the Bonds:

The Bonds will be dated October 27, 2020, interest will begin accruing on October 27, 2020 (Delivery Date) payable on April 1, 2021, and each April 1 and October 1 thereafter until the earlier of maturity or prior redemption. The Bonds will be issued only in fully registered form. Principal and semi-annual interest will be paid by the District through the designated payment office of the Paying Agent/Registrar, initially BOKF, N.A., currently in Austin, Texas. Principal and redemption price of the Bonds will be payable to the registered owner at maturity or redemption upon presentation and surrender to the Paying Agent/Registrar. The District intends to utilize the Book-Entry-Only System of The Depository Trust Company (“DTC”). The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), which will act as securities depository for the Bonds. Beneficial owners of the Bonds will not receive physical certificates representing the Bonds but will receive a credit balance on the books of the nominees of such beneficial owners. So long as Cede & Co. is the registered owner of the Bonds, the principal of and interest on the Bonds will be paid by the Paying Agent/Registrar directly to DTC, which will, in turn, remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein. See “THE BONDS – Book-Entry-Only System” in the Preliminary Official Statement.

The Bonds will mature serially on April 1, as follows:

<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>
2021	\$10,000	2031	\$275,000
2022	65,000	2032	285,000
2023	55,000	2033	295,000
2024	55,000	2034	310,000
2025	55,000	2035	320,000
2026	60,000	2036	335,000
2027	15,000	2037	350,000
2028	10,000	2038	365,000
2029	10,000	2039	380,000
2030	265,000	2040	395,000

The Bonds maturing on or after April 1, 2030, are subject to redemption at the option of the District, prior to maturity, in whole or in part, on April 1, 2029, or on any date thereafter, at a price of the par value thereof plus accrued interest from the most recent interest payment date to the date fixed for redemption. If fewer than all of the Bonds are redeemed at any time, the District shall determine the maturity or maturities and the amounts thereof to be redeemed, in integral multiples of \$5,000 in principal amount, and if fewer than all of the bonds within a maturity are to be redeemed, the Paying Agent/Registrar shall select by lot or other random selection method. The registered owner of any Bond, all or a portion of which has been called for redemption, shall be required to present same to the Paying Agent/Registrar for payment of the redemption price on the portion of the Bond so called for redemption and the issuance of a new Bond in the principal amount equal to the portion of the Bond not redeemed.

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 Serial Bonds maturing in the years 2030 through 2040 into “Term Bonds,” such “Term Bonds” shall

be subject to mandatory redemption on the April 1 next following the last maturity for Serial Bonds, and annually thereafter on each April 1, until the stated principal amount of the Term Bonds to be redeemed on each mandatory redemption date shall be the principal amount that would have been due and payable in the Maturity Schedule shown on the cover had no conversion to Term Bonds occurred. At least thirty (30) days prior to each mandatory redemption date, the Paying Agent/Registrar shall select by lot the Term Bonds to be redeemed and issue a notice of redemption in the manner 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.

Security for Payment:

The Bonds, when issued, will constitute valid and binding obligations of the District, payable as to the principal of and interest on 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.

Municipal Bond Rating and Municipal Bond Insurance:

Application was made to S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), for a municipal bond rating, and S&P has assigned an underlying rating of "___" to the District. Application has also been made for the qualification of the Bonds for municipal bond insurance. If qualified, such insurance will be available at the option of the Underwriter and at the Underwriter's expense. The rating fees of S&P will be paid by the District; any other rating fees associated with the insurance will be the responsibility of the Underwriter. A downgrade of the insurer by any rating agency subsequent to submitting a bid with municipal bond insurance and before the closing of the transaction is not a material adverse change nor is it a basis for the Underwriter to terminate its obligations to pay for the Bonds at closing.

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 4.22% as calculated pursuant to Chapter 1204, Texas Government Code, 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 for any maturity may not exceed the lowest interest rate bid for any maturity by more than two and one half (2-1/2) percentage points. Each bidder shall state in its bid the total and net interest cost in dollars and the net effective interest rate determined thereby, which shall be considered informative only and not as a part of the bid.

Basis of Award:

For the purpose of awarding the sale of the Bonds, the interest cost of each bid will be computed by determining, at the interest rates specified therein, the total dollar value of all interest on the Bonds from the date thereof to their respective maturities and adding thereto the discount, if any. Subject to the District's right to reject any or all bids, the 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.

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

Effective January 1, 2016, 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 unless the bidder, and each syndicate member listed on the Official Bid Form, have provided to the District a completed and signed TEC Form 1295 which has been assigned a certificate number by the Texas Ethics Commission (the "TEC"). Pursuant to the rules prescribed by the TEC, the TEC

Form 1295 must be completed online through the TEC's website, assigned a certificate number, printed, signed and provided to the District. The TEC Form 1295 may accompany the Official Bid Form or may be submitted separately, but must be provided to the District prior to the time prescribed for the formal written award of the Bonds by the Board of Directors. The TEC Form 1295 may be provided to the District via facsimile or electronically, however, the original signed TEC Form 1295, complete with certificate number, must be physically delivered to the District within three business days of the award of the sale of the Bonds by the District's Board of Directors. For purposes of delivering the TEC Form 1295, the following address should be used: Harris County Municipal Utility District No. 238, c/o Roach & Associates, PLLC, 2001 Timberloch Place, Suite 500, The Woodlands, Texas 77380. 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 (for box #2) is Harris County Municipal Utility District No. 238 and the contract ID number (for box #3) is HCMUD238-S2020. 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 to advise any bidder with respect to the proper completion of the TEC Form 1295. Consequently, an entity intending to bid on the Bonds should consult its own advisors to the extent it deems necessary and be prepared to submit the completed form promptly upon notification from the District that its bid is the apparent winning bid.

COMPLIANCE WITH LAWS PROHIBITING CONTRACTS WITH COMPANIES THAT BOYCOTT ISRAEL:

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 bid for the Bonds represents a contract for goods or services within the meaning of Section 2271.002 of the Texas Government Code, as amended, solely for purposes of Chapter 2271 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, at the time of execution and delivery of this bid and through the end of the underwriting period as defined by United States Securities and Exchange Commission Rule 15c2-12, neither the bidder nor a syndicate member listed on the Official Bid Form, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, boycotts or will boycott Israel. The terms "boycotts Israel" and "boycott Israel" as used in this paragraph have the meanings assigned to the term "boycott Israel" in Section 808.01 of the Texas Government Code, as amended.

COMPLIANCE WITH LAWS PROHIBITING CONTRACTS WITH CERTAIN COMPANIES ENGAGED IN BUSINESS WITH IRAN, SUDAN, OR FOREIGN TERRORIST ORGANIZATIONS:

Pursuant to Chapter 2252 of the Texas Government Code, the winning bidder will be required to verify that neither the bidder nor any syndicate member listed on the Official Bid Form, nor any parent company, wholly- or majority-owned subsidiaries, or other affiliates of the same are companies 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/sudanlist.pdf>,
- <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
- <https://comptroller.texas.gov/purchasing/docs/ftolist.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 winning bidder or any syndicate member listed on the Official Bid Form and each parent company, wholly- or majority-owned subsidiaries, and other affiliates, of the same, 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 or any syndicate member listed on the Official Bid Form 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 Harris County Municipal Utility District No. 238, in the amount of \$78,200.00 (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.

DELIVERY AND ACCOMPANYING DOCUMENTS

CUSIP Numbers:

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

Delivery of Initial Bonds:

Initial delivery will be accomplished by the issuance of one initial Bond for each maturity payable in stated installments (the "Initial Bonds"), either in typed or printed form, in the aggregate principal amount of \$3,910,000 registered to the person or entity designated by the Underwriter in the Official Bid Form that has been signed manually or in facsimile by the President or Vice President and Secretary or Assistant Secretary of the Board, approved by the Attorney General of Texas, registered, and manually signed by the Comptroller of Public Accounts of the State of Texas or authorized representative. Initial delivery will be through DTC. One definitive Bond for each maturity will be registered and delivered in the name of Cede & Co., and deposited with or under agreement with DTC in connection with DTC's Book-Entry-Only System. Payment for the Initial Bonds must be made in immediately available funds for unconditional credit to the District, or as otherwise directed by the District. The Underwriter will be given five (5) business days notice of the date fixed for delivery of the Initial Bonds. It is anticipated that Initial Delivery can be made on or about October 27, 2020, and it is understood and agreed that the Underwriter will accept delivery and provide payment for the Initial Bonds by 10:00 A.M., Houston, Texas time, on October 27, 2020, or thereafter on the date the Bonds are tendered for delivery, up to and including November 16, 2020. If for any reason the District is unable to make delivery on or before November 16, 2020, then the District shall immediately contact the Underwriter and offer to allow the Underwriter to extend its offer for an additional thirty (30) days. If the Underwriter does not elect to extend its offer within six (6) days thereafter, then its Good Faith Deposit will be returned and both the District and the Underwriter shall be relieved of any further obligation. In no event shall the District be liable for any damages by reason of its failure to deliver the Initial Bonds, provided such failure is due to circumstances beyond the District's reasonable control.

Initial Exchange for Definitive Bonds:

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

Conditions of Delivery:

The Underwriter's obligation to take delivery and pay for the Initial Bonds is subject to the issuance of the Texas Attorney General's opinion as to the legality of the Bonds and the Underwriter'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 material events in accordance with Securities and Exchange Commission Rule 15c2-12, as described in the Preliminary Official Statement under "CONTINUING DISCLOSURE OF INFORMATION." The Underwriter's obligation to accept and pay for the Bonds is conditioned upon delivery to the Underwriter or its 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 respects with all continuing disclosure agreements made by them in accordance with SEC Rule 15c2-12.

Legal Opinion:

The District will furnish to the Underwriter a transcript of certain certified proceedings incident to the issuance and authorization 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 Attorney General has examined a transcript of proceedings authorizing the issuance of the Bonds, and that based upon such examination, the Bonds are valid and binding obligations of the District payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within the District. The District will also furnish the approving legal opinion of Roach & Associates, PLLC, Houston, Texas, Bond Counsel, to the effect that, based upon an examination of such transcript, the Bonds are valid and binding obligations of the District under the

Constitution and laws of the State of Texas, except to the extent that enforcement of the rights and remedies of the Registered Owners of the Bonds may be limited by laws relating to bankruptcy, reorganization, or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. The legal opinion of Bond Counsel will further state that the Bonds are payable, both as to principal and interest, from the levy of ad valorem taxes, without legal limitation as to rate or amount, upon all taxable property within the District. The District will also furnish the legal opinion of Orrick, Herrington & Sutcliffe LLP, Houston, Texas, Disclosure Counsel to the District, to the effect that interest on the Bonds is excludable from gross income of the owners for federal income tax purposes under existing law and not subject to the alternative minimum tax on individuals, or, except as described therein, corporations. See "TAX MATTERS."

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 Orrick, Herrington & Sutcliffe LLP, Houston, Texas, as Disclosure Counsel for the District.

No-Litigation Certificate:

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

Competitive Bidding and Certificate of Underwriter:

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

Issue Price:

To provide the District with information to enable it to comply with certain conditions of the Internal Revenue Code of 1986, as amended, relating to the exclusion of interest on the Bonds from gross income for federal income tax purposes, the Underwriter will be required to complete, execute and deliver to the District, on or before the date of delivery of the Bonds, a certification regarding "issue price" substantially in the form accompanying this Notice of Sale. If the Underwriter will not reoffer the Bonds for sale or has not sold a substantial amount of the Bonds of any maturity by the date of delivery, such certificate may be modified in a manner approved by the District and Bond Counsel. In no event will the District fail to deliver the Bonds as a result of the Underwriter's inability to certify actual sales of the Bonds at a particular price prior to delivery. Each bidder, by submitting its bid, agrees to complete, execute, and deliver such certificate by the date of delivery of the Bonds if its bid is accepted by the District. It will be the responsibility of the successful bidder to institute such syndicated reporting requirements, to make such investigation, or otherwise to ascertain the facts necessary to enable it to make such certification with reasonable certainty. Any questions concerning such certification should be directed to Bond Counsel.

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 therefor) 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 the 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 risk factors. Prospective bidders are urged to examine carefully the Preliminary Official Statement with respect to the investment risks pertaining to the Bonds. Particular attention should be given to the information set forth therein under "INVESTMENT CONSIDERATIONS."

No Registration or Qualification Under Securities Laws:

The offer and sale of the Bonds has not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended, in reliance upon exemptions provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas, as amended, in reliance upon various exemptions contained therein; nor have the Bonds been registered or qualified under the securities laws of any other jurisdiction. The District assumes no responsibility for registration or qualification of the Bonds under the securities laws of any other jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions. In those jurisdictions where persons registered or licensed as dealers or brokers may offer and sell the Bonds, it is assumed that such persons have complied and will comply with all applicable statutes and regulations concerning dealers and brokers and concerning the registration or licensing of agents or salesmen.

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

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

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: (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 is expected to designate the Bonds as "qualified tax-exempt obligations" and will represent 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 2020 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 2020. Notwithstanding this exception, financial institutions acquiring the Bonds will be subject to a twenty percent (20%) disallowance of allocable interest expense.

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 for the Bonds determined as described above, 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 15c2-12(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 Underwriters on or after the sale date, the District represents the same to be complete as of such date, within the meaning of SEC Rule 15c2-12(e)(3). Notwithstanding the foregoing, the only representations concerning the absence of material misstatements or omissions from the Official Statement which are or will be made by the District are those described in the Official Statement under "OFFICIAL STATEMENT--Certification as to Official Statement."

Changes to Official Statement:

If, subsequent to the date of the Official Statement, the District learns or is notified by the Underwriter of any adverse event which causes any of the key representations in the Official Statement to be materially misleading, the District will promptly prepare and supply to the Underwriter a supplement to the Official Statement which corrects such representation to the reasonable satisfaction of the Underwriter, unless the Underwriter 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 Underwriter, unless the Underwriter notifies the District that less 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 Underwriter (and to each other participating underwriter of the Bonds, within the meaning of SEC Rule 15c2-12(a) designated by the Underwriter) within seven (7) business days after the sale date, the aggregate number of Official Statements as requested by the Underwriter. The District will also furnish to the Underwriter a like number of any supplements or amendments 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 15c2-12(e)(2). The District will pay the expense of preparing up to 50 copies of the Official Statement and all copies of any supplements or amendments issued on or before the delivery date, but the Underwriter must pay for all other copies of the Official Statement or any supplements or amendments 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 Ryan O'Hara, Managing Director, Huntington Capital Markets, 4545 Post Oak Place, Suite 215, Houston, Texas, 77027; phone number (713) 620-4020.

/s/ Randy Love
President, Board of Directors
Harris County Municipal Utility District No. 238,
of Harris County, Texas

ATTEST:
/s/ C.L. "Steve" Crane
Secretary, Board of Directors
Harris County Municipal Utility District No. 238,

of Harris County, Texas

_____, 2020

CERTIFICATE OF UNDERWRITER – FEDERAL TAX COMPETITIVE BIDDING REQUIREMENTS MET

The undersigned hereby certifies as follows with respect to the sale of \$3,910,000 Harris County Municipal Utility District No. 238, of Harris County, Texas, Unlimited Tax Bonds, Series 2020 (the "Bonds"):

1. The undersigned is the underwriter or the manager of the syndicate of underwriters (the "Underwriter") that has purchased the Bonds from Harris County Municipal Utility District No. 238 (the "District") at competitive sale.
2. The Underwriter was not given the opportunity to review other bids prior to submitting its bid, and the bid submitted by the Underwriter constituted a firm bid to purchase the Bonds.
3. As of the sale date, the reasonably expected initial offering prices of the Bonds to the public by the Underwriter (expressed as a percentage of principal amount and exclusive of any accrued interest) is as set forth below:

<u>Principal Amount</u>	<u>Year</u>	<u>Offering Yield</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Offering Yield</u>
\$10,000	2021	_____ %	\$275,000	2031	_____ %
65,000	2022	_____ %	285,000	2032	_____ %
55,000	2023	_____ %	295,000	2033	_____ %
55,000	2024	_____ %	310,000	2034	_____ %
55,000	2025	_____ %	320,000	2035	_____ %
60,000	2026	_____ %	335,000	2036	_____ %
15,000	2027	_____ %	350,000	2037	_____ %
10,000	2028	_____ %	365,000	2038	_____ %
10,000	2029	_____ %	380,000	2039	_____ %
265,000	2030	_____ %	395,000	2040	_____ %

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

5. The term "public" means any person (including an individual, trust, estate, partnership, association, company or corporation) other than an underwriter or a related party to an underwriter. A related party generally means two or more persons with greater than 50 percent common ownership, directly or indirectly.

6. Sale date means the first date on which there is a binding contract in writing for the sale of the Bonds. The sale date of the Bonds is September 22, 2020.

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

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

EXECUTED AND DELIVERED this _____ day of _____, 2020.

(Name of Underwriter or Manager)

By _____
Title _____

The undersigned hereby certifies as follows with respect to the sale of \$3,910,000 Harris County Municipal Utility District No. 238, of Harris County, Texas, Unlimited Tax Bonds, Series 2020 (the "Bonds"):

1. The undersigned is the underwriter or the manager of the syndicate of underwriters (the "Underwriter") that has purchased the Bonds from Harris County Municipal Utility District No. 238, of Harris County, Texas (the "District") at competitive sale.

2. As of the date of this Certificate, for each of the following maturities (the "Sold Maturities"), the first price at which a substantial amount (at least ten percent) of such maturity was sold to the public (expressed as a percentage of principal amount and exclusive of accrued interest) is set forth below:

<u>Principal Amount</u>	<u>Year</u>	<u>Offering Yield</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Offering Yield</u>
\$10,000	2021	_____ %	\$275,000	2031	_____ %
65,000	2022	_____ %	285,000	2032	_____ %
55,000	2023	_____ %	295,000	2033	_____ %
55,000	2024	_____ %	310,000	2034	_____ %
55,000	2025	_____ %	320,000	2035	_____ %
60,000	2026	_____ %	335,000	2036	_____ %
15,000	2027	_____ %	350,000	2037	_____ %
10,000	2028	_____ %	365,000	2038	_____ %
10,000	2029	_____ %	380,000	2039	_____ %
265,000	2030	_____ %	395,000	2040	_____ %

3. As of the sale date for the Bonds, each of the following maturities (the "Unsold Maturities") was offered to the public for purchase at the price (expressed as a percentage of principal amount and exclusive of accrued interest) set forth below:

<u>Principal Amount</u>	<u>Year</u>	<u>Offering Yield</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Offering Yield</u>
\$10,000	2021	_____ %	\$275,000	2031	_____ %
65,000	2022	_____ %	285,000	2032	_____ %
55,000	2023	_____ %	295,000	2033	_____ %
55,000	2024	_____ %	310,000	2034	_____ %
55,000	2025	_____ %	320,000	2035	_____ %
60,000	2026	_____ %	335,000	2036	_____ %
15,000	2027	_____ %	350,000	2037	_____ %
10,000	2028	_____ %	365,000	2038	_____ %
10,000	2029	_____ %	380,000	2039	_____ %
265,000	2030	_____ %	395,000	2040	_____ %

4. As set forth in the Notice of Sale, the Underwriter has agreed in writing that, for each of the Unsold Maturities, the Underwriter would neither offer nor sell any of the Bonds of such maturity to any person at a price that is higher than the initial offering price for each maturity, as set forth in the pricing wire or equivalent communication for the Bonds attached to this Certificate, during the Offering Period for such maturity, nor would the Underwriter permit a related party to do so. Pursuant to such agreement, the Underwriter has neither offered nor sold any of the Unsold Maturities at a price higher than the respective initial offering price for that maturity of the Bonds during the Offering Period.

* See "OFFICIAL NOTICE OF SALE – Competitive Bidding and Certificate of Underwriter."

5. The Underwriter [has] [has not] purchased bond insurance for the Bonds. The bond insurance has been purchased from _____ (the "Insurer") for a fee of \$ _____ (net of any non-guarantee cost, e.g., rating

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

6. The term "public" means any person (including an individual, trust, estate, partnership, association, company or corporation) other than an underwriter or a related party to an underwriter. A related party generally means two or more persons with greater than 50 percent common ownership, directly or indirectly.

7. Sale date means the first date on which there is a binding contract in writing for the sale of the Bonds. The sale date of the Bonds is September 22, 2020.

8. Offering Period means, with respect to an Unsold Maturity, the period beginning on the Sale Date and ending on the earlier of (a) the close of the fifth business day after the Sale Date or (b) the date on which the Underwriter has sold at least 10 percent of such Unsold Maturity to the public at a price that is no higher than the initial offering price for such Unsold Maturity.

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

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

EXECUTED AND DELIVERED this _____ day of _____, 2020.

(Name of Underwriter or Manager)
By _____
Title _____

OFFICIAL BID FORM

President and Board of Directors
 Harris County Municipal Utility District No. 238, of Harris County, Texas
 c/o Huntington Capital Markets
 4545 Post Oak Place, Suite 215
 Houston, Texas 77027

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 Harris County Municipal Utility District No. 238, of Harris County, Texas (the "District"), relating to its \$3,910,000 Unlimited Tax 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>
2021	\$ 10,000	_____%	2031	\$ 275,000*	_____%
2022	65,000	_____%	2032	285,000*	_____%
2023	55,000	_____%	2033	295,000*	_____%
2024	55,000	_____%	2034	310,000*	_____%
2025	55,000	_____%	2035	320,000*	_____%
2026	60,000	_____%	2036	335,000*	_____%
2027	15,000	_____%	2037	350,000*	_____%
2028	10,000	_____%	2038	365,000*	_____%
2029	10,000	_____%	2039	380,000*	_____%
2030	265,000*	_____%	2040	395,000*	_____%

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

* Subject to optional redemption in whole or in part April 1, 2029, or on any date thereafter, at a price of par plus any accrued interest.

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

Total Interest Cost from October 27, 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 down-graded; 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., the Nominee of the Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described in the Official Statement. We will advise BOKF, N.A., currently 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 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 \$78,200.00 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.

By executing this Official Bid Form, the bidder represents and verifies that, to the extent this bid for the Bonds represents a contract for goods or services within the meaning of Section 2271.002 of the Texas Government Code, as amended, solely for purposes of Chapter 2271 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, at the time of execution and delivery of this bid and through the end of the underwriting period as defined by United States Securities and Exchange Commission Rule 15c2- 12, neither the bidder nor a syndicate member listed on the Official Bid Form, nor any wholly owned subsidiary, majority owned subsidiary, parent company or affiliate of the same, boycotts or will boycott Israel. The terms "boycotts Israel" and "boycott Israel" as used in this paragraph have the meanings assigned to the term "boycott Israel" in Section 808.001 of the Texas Government Code, as amended.

Additionally, by submission of a bid, and as a condition of the award and delivery of the Bonds, the bidder represents that, neither the bidder nor any syndicate member listed on the Official Bid Form, nor any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the same, if any, are companies 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/sudanlist.pdf>;
- <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>; or
- <https://comptroller.texas.gov/purchasing/docs/ftolist.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 or any syndicate member listed on the Official Bid Form and each parent company, wholly- or majority-owned subsidiaries, and other affiliates of the same, 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 or any syndicate member listed on the Official Bid Form and exists to make a profit

We agree to make payment for the Bonds in immediately available funds at the office of BOKF, N.A, not later than 10:00 AM, Houston, Texas time, on Tuesday October 27, 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 Harris County Municipal Utility District No. 238, of Harris County, Texas, this 22nd day of September 2020.

Secretary, Board of Directors

President, Board of Directors

BOND YEARS

Dated: October 27, 2020

Due: April 1 (as noted below)

<u>Year of Maturity</u>	<u>Amount</u>	<u>Bonds Years</u>	<u>Accumulated Bond Years</u>
2021	\$ 10,000	4.4167	4.4167
2022	\$ 65,000	93.7083	98.1250
2023	\$ 55,000	134.2917	232.4167
2024	\$ 55,000	189.2917	421.7083
2025	\$ 55,000	244.2917	666.0000
2026	\$ 60,000	326.5000	992.5000
2027	\$ 15,000	96.6250	1,089.1250
2028	\$ 10,000	74.4167	1,163.5417
2029	\$ 10,000	84.4167	1,247.9583
2030	\$ 265,000	2,502.0417	3,750.0000
2031	\$ 275,000	2,871.4583	6,621.4583
2032	\$ 285,000	3,260.8750	9,882.3333
2033	\$ 295,000	3,670.2917	13,552.6250
2034	\$ 310,000	4,166.9167	17,719.5417
2035	\$ 320,000	4,621.3330	22,340.8750
2036	\$ 335,000	5,172.9583	27,513.8333
2037	\$ 350,000	5,754.5833	33,268.4167
2038	\$ 365,000	6,366.2083	39,634.6250
2039	\$ 380,000	7,007.8333	46,642.4583
2040	\$ 395,000	7,679.4583	54,321.9167

Total Bond Years: 54,321.92 years
Average Maturity: 13.893 years