

**NOTICE OF SALE
AND
BIDDING INSTRUCTIONS**

ON

\$4,600,000

**VERANDAH MUNICIPAL UTILITY DISTRICT OF HUNT COUNTY
UNLIMITED TAX UTILITY BONDS, SERIES 2020**

Sealed Bids Due Tuesday, December 1, 2020, at 10:00 A.M., Central Time

THE BONDS WILL BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS

THE SALE

BONDS OFFERED FOR SALE AT COMPETITIVE BIDDING . . . Verandah Municipal Utility District of Hunt County (the "District") is offering for sale its \$4,600,000 Unlimited Tax Utility Bonds, Series 2020 (the "Bonds"). Bidders may submit bids for the Bonds by any of the following methods:

- (1) Deliver bids directly to the District as described below in "Bids Delivered to District;" or
- (2) Submit bids electronically as described below in "Electronic Bidding Procedures"

BIDS DELIVERED TO DISTRICT . . . Sealed bids, plainly marked "Bid for Bonds", should be addressed and delivered to the District's Financial Advisor at 1201 Elm Street, Suite 3500, Dallas, Texas 75270, Attention: Andre Ayala, prior to 10:00 A.M., Central Time, on the date of the bid opening. All bids must be submitted on the Official Bid Form, without alteration or interlineation.

ELECTRONIC BIDDING PROCEDURES . . . Any prospective bidder that intends to submit an electronic bid must submit its electronic bid through the facilities of PARITY. Subscription to i-Deal'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 Notice of Sale and Bidding Instructions, 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 provision of this Notice of Sale and Bidding Instructions conflicts with information provided by PARITY as the approved provider of electronic bidding services, this Notice of Sale and Bidding Instructions 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, New York 10010, (212) 404-8102.

For purposes of both the written sealed bid process and the electronic bidding process, the time as maintained by i-Deal 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 "Basis of Award" below. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale and Bidding Instructions and the Official Bid Form.**

Hilltop Securities Inc. will not be responsible for submitting any bids received after the above deadlines.

PLACE AND TIME OF BID OPENING . . . The bids for the Bonds will be publicly opened and read at the District's Financial Advisor office located at 1201 Elm Street, Suite 3500, Dallas, Texas 75270, at 10:00 A.M., Central Time, Tuesday, December 1, 2020. For purposes of both the written sealed bid process and the electronic bidding process, the time as maintained by PARITY constitutes the official time.

AWARD OF THE BONDS . . . The Board of Directors of the District (the "Board") will take action to award the Bonds (or reject all bids) at a meeting scheduled to convene at 12:00 P.M., Central Time, Tuesday, December 1, 2020, at the District's Meeting Place, 2728 N. Harwood Street, Suite 500, Dallas, TX 75201, and adopt an order (the "Bond Order") authorizing the issuance of the Bonds and approving the Official Statement.

THE BONDS

DESCRIPTION. . . The Bonds will be dated December 1, 2020 (the "Dated Date"). Interest will accrue from the Dated Date and will be payable on September 1, 2021, and each March 1 and September 1 thereafter until the earlier of maturity or prior redemption. The Bonds will be issued only in fully registered form in any integral multiple of \$5,000 for any one maturity. The Bonds will mature on September 1 in each year as follows:

MATURITY SCHEDULE

<u>Maturity Amount</u>	<u>Maturity (September 1)</u>	<u>Maturity Amount</u>	<u>Maturity (September 1)</u>
\$ 145,000	2023	\$ 205,000	2035
150,000	2024	210,000	2036
155,000	2025	215,000	2037
160,000	2026	220,000	2038
165,000	2027	225,000	2039
165,000	2028	230,000	2040
170,000	2029	240,000	2041
175,000	2030	245,000	2042
180,000	2031	250,000	2043
185,000	2032	260,000	2044
190,000	2033	265,000	2045
195,000	2034		

OPTIONAL REDEMPTION. . . The District reserves the right, at its option, to redeem Bonds having stated maturities on and after September 1, 2027, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on September 1, 2026, or any date thereafter, at a price equal to the principal amount thereof plus accrued interest to the date fixed for redemption.

SERIAL BONDS AND/OR TERM BONDS. . . Bidders may provide that all of the Bonds be issued as Bonds maturing serially as shown above (the "Serial Bonds") or may provide that any two or more consecutive maturing annual principal amounts be combined into one or more "Term Bonds."

MANDATORY SINKING FUND. . . If the successful bidder elects to alter the Maturity Schedule reflected above and convert principal amounts of the Serial Bonds into Term Bonds, such Term Bonds shall be subject to mandatory redemption on the first September 1 next following the last maturity for Serial Bonds, and annually thereafter on each September 1 until the stated maturity for the Term Bonds at the redemption prices of par plus accrued interest to the date of redemption. The principal amounts of the Term Bonds to be redeemed on each mandatory redemption date will be the principal amounts 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 (hereinafter defined) will select by lot the Term Bonds to be redeemed and cause a notice of redemption to be given in the manner provided in the Bond Order and described in the Preliminary Official Statement.

The principal amount of the Term Bonds required to be redeemed pursuant to the operation of such mandatory redemption provisions may be reduced, at the option of the District, by the principal amount of the Term Bonds of the same maturity which at least 45 days prior to mandatory redemption date have been (i) acquired by the District and delivered to the Paying Agent/Registrar for cancellation or (ii) redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.

A final Official Statement will incorporate the mandatory redemption provisions for the Bonds in the event the successful bidder elects to convert serial maturities into one or more Term Bonds.

BOOK-ENTRY-ONLY SYSTEM. . . The District intends to utilize the Book-Entry-Only System of The Depository Trust Company ("DTC"). See "THE BONDS - Book-Entry-Only System" in the Preliminary Official Statement.

PAYING AGENT/REGISTRAR. . . The initial Paying Agent/Registrar is BOKF, NA, Dallas, Texas. See "THE BONDS - Description" in the Preliminary Official Statement.

SECURITY AND SOURCE OF PAYMENT. . . The Bonds will constitute valid and legally binding obligations of the District, with principal and interest payable solely from the proceeds of a continuing annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District.

Further details regarding the Bonds are set forth in the Preliminary Official Statement.

MUNICIPAL BOND RATING . . . It is expected that Moody’s Investors Service (“Moody’s”), will assign its municipal bond rating of “Baa3” to this issue of Bonds without credit enhancement. The rating reflects only the view of Moody’s and the District makes no representation as to the appropriateness of the rating.

CONDITIONS OF THE SALE

TYPE OF BIDS AND INTEREST RATES . . . The Bonds will be sold in one block, “all or none” and no bid of less than ninety-seven percent (97%) of the principal amount thereof plus accrued interest to the date fixed for delivery will be considered. Bidders are to name the rate or rates of interest to be borne by the Bonds, provided that each interest rate bid must be in a multiple of 1/8 of 1% or 1/20 of 1%. No bid which results in a net effective interest rate as defined by Chapter 1204, Texas Government Code, as amended, in excess of 15% will be considered. No bid generating a cash premium greater than \$5,000 will be accepted. Subject to the conditions below, no limitation will be imposed upon bidders as to the number of interest rates that may be used, but each rate of interest specified for the Bonds maturing in the years 2026 (base year) through 2045 shall not be less than the rate of interest specified for any earlier maturity in the years 2026 through 2045 and the highest interest rate bid may not exceed the lowest interest rate bid by more than three percent (3%) in rate. All Bonds maturing within a single year must bear the same rate of interest, and no bids for the Bonds involving supplemental interest rates will be considered. 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. If the Bonds are qualified for municipal bond insurance, each bidder must purchase municipal bond insurance. See “MUNICIPAL BOND INSURANCE REQUIRED” below.”

BASIS FOR AWARD . . . For the purpose of awarding the sale of the Bonds, the interest cost of each bid will be computed by determining, at the rate or rates specified therein, the total dollar cost of all interest on the Bonds from the Dated Date to their respective maturities, and adding thereto the dollar amount of the discount bid, if any, or deducting therefrom the premium bid, if any (the “Net Interest Cost Calculation”). Subject to the District’s right to reject any or all bids and to waive any irregularities except time of filing, the Bonds will be awarded to the bidder or syndicate account manager whose name first appears on the Official Bid Form (the “Initial Purchaser”) whose bid, based on the Net Interest Cost Calculation, produces the lowest net effective interest cost to the District. In the event of a bidder’s error in interest cost rate calculations, the interest rates, and premium, if any, set forth in the Official Bid Form will be considered as the intended bid.

GOOD FAITH DEPOSIT . . . A Good Faith Deposit, payable to the “Verandah Municipal Utility District of Hunt County”, in the amount of \$92,000.00 is required. Such Good Faith Deposit shall be a bank cashier’s check or certified check, which is to be retained uncashed by the District pending the Initial Purchaser’s compliance with the terms of the bid and the Notice of Sale and Bidding Instructions. The Good Faith Deposit may accompany the Official Bid Form or it may be submitted separately. If submitted separately, it must be made available to the District prior to the opening of the bids and accompanied by instructions from the bank on which drawn that authorize its use as a Good Faith Deposit by the Initial Purchaser who shall be named in such instructions. **The Good Faith Deposit of the Initial Purchaser will be returned to the Initial Purchaser upon payment for the Bonds.** No interest will be allowed on the Good Faith Deposit. In the event the Initial Purchaser should fail or refuse to take up and pay for the Bonds in accordance with the bid, then said check will be cashed and accepted by the District as full and complete liquidated damages. The checks accompanying bids other than the winning bid will be returned immediately after the bids are opened, and an award of the Bonds has been made.

ADDITIONAL CONDITION OF AWARD – DISCLOSURE OF INTERESTED PARTY FORM:

Obligation of the District to Receive Information from Initial Purchaser . . . Pursuant to Texas Government Code, Section 2252.908 (the “Interested Party Disclosure Act”), the District may not award the Bonds to a bidder unless the bidder either: (a) submits a Certificate of Interested Parties Form 1295 (the “Disclosure Form”) to the District as prescribed by the Texas Ethics Commission (“TEC”), or (b) represents to the District by marking the appropriate check box on the signature page of the Official Bid Form that the bidder represents to the District that it is a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity (the “Publicly Traded Entity Representation”). In the event that the bidder’s bid for the Bonds is the best bid received and the bidder does not provide the Publicly Traded Entity Representation, the District, acting through its financial advisor, will promptly notify the bidder. That notification will serve as the conditional verbal acceptance of the bid and the winning bidder must promptly file the materials described below.

Process for Completing the Disclosure Form . . . The Disclosure Form can be found at https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm and reference should be made to the following information to complete it: (a) item 2 – Verandah Municipal Utility District of Hunt County, Texas (b) item 3 - (identification number assigned to this contract) “Unlimited Tax Utility Bonds, Series 2020 – Award” and (c) item 3 – (description of goods or services) Initial Purchaser of Bonds.

If the bidder doesn’t provide the Publicly Traded Entity Representation, the District cannot accept your bid unless and until you: (i) complete the Disclosure Form electronically at the TEC’s “electronic portal”, and (ii) print, sign and deliver a copy of the Disclosure Form that is generated by the TEC’s “electronic portal.” These materials must be delivered electronically to the District’s Bond Counsel at rmartin@winstead.com, nhagquist@winstead.com and Financial Advisor at andre.ayala@hilltopsecurities.com no later than 11:00 am (Central Time) on the bid due date.

If the Disclosure Form is required, time will be of the essence in submitting the form to the District, and no bid will be accepted by the District unless a completed Disclosure Form is received on time. If multiple entities are listed on the winning Official Bid Form and the Publicly Traded Entity Representation is not provided, each such entity will be required to submit a Disclosure Form to the District.

Neither the District nor its consultants have the ability to verify the information included in a Disclosure Form, and neither have an obligation nor undertake responsibility for advising any bidder with respect to the proper completion of the Disclosure Form. 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 conditional winning bid.

Selection of Alternate Winning Bid....If the apparent winning bidder fails to promptly file the Disclosure Form, the District reserves the right to reject such bid and, through its Financial Advisor, provide conditional verbal acceptance to the bidder submitting a bid, conforming to the specifications herein, which produces the next, lowest net effective interest cost rate to the District.

Impact of Bidding Syndicate on Award....For purposes of contracting for the sale of the Bonds, the entity signing the bid form as Initial Purchaser shall be solely responsible for the payment of the purchase price of the Bonds. The Initial Purchaser may serve as a syndicate manager and contract under a separate agreement with other syndicate members. However, the District is not a party to that agreement and any information provided regarding syndicate managers would be for the informational purposes only.

Iran, Sudan and Foreign Terrorist Organizations. . . By submission of a bid, the bidder represents that, to the extent this bid form constitutes a governmental contract within the meaning of Section 2252.151 of the Texas Government Code solely for purposes of compliance with Chapter 2252 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, neither the bidder, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the bidder is a company listed by the Texas Comptroller of Public Accounts under Sections 2270.0201, or 2252.153 of the Texas Government Code.

Anti-Boycott Verification. . .By submission of a bid, the bidder represents that, to the extent this bid form constitutes a contract for goods or services within the meaning of Section 2271.002 of the Texas Government Code solely for purpose of compliance with Chapter 2271 of the Texas Government Code, and subject to applicable Federal law including without limitation, 50 U.S.C. Section 4607, neither the bidder, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the bidder (i) boycotts Israel or (ii) will boycott Israel through the term of this bid form. 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.

DELIVERY OF THE BONDS AND ACCOMPANYING DOCUMENTS

CUSIP NUMBERS . . . It is anticipated that CUSIP identification numbers will appear on the Bonds, but neither the failure to print or type such number on any Bond nor any error with respect thereto will constitute cause for a failure or refusal by the Initial Purchaser to accept delivery of and pay for the Bonds in accordance with the terms of this Notice of Sale and Bidding Instructions and the terms of the Official Bid Form. All expenses in relation to the printing or typing of CUSIP numbers on the Bonds will be paid by the District; provided, however, that the CUSIP Service Bureau charge for the assignment of the numbers is the responsibility of and will be paid for by the Initial Purchaser.

DELIVERY OF BONDS. . . Initial delivery ("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 \$4,600,000, payable in stated installments to the Initial Purchaser, signed by the authorized officers of the Board, approved by the Attorney General of the State of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas. Upon delivery of the Initial Bond, it will be immediately cancelled and one definitive Bond for each maturity will be registered and delivered only to Cede & Co., and deposited with DTC in connection with DTC's Book-Entry-Only System. Initial Delivery will be at the principal office of the Paying Agent/Registrar. Payment for the Bonds 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 five (5) business days' notice of the time fixed for delivery of the Bonds. It is anticipated that delivery of the Bonds can be made on or about December 22, 2020, and it is understood and agreed that the Initial Purchaser will accept delivery and make payment for the Bonds by 10:00 AM, Central Time, on December 22, 2020, or thereafter on the date the Initial Bond is tendered for delivery, on or about December 22, 2020. If for any reason the District is unable to make delivery on or before December 22, 2020, the District will immediately contact the Initial Purchaser and offer to allow the Initial Purchaser to extend its offer for an additional 30 days. If the Initial Purchaser does not elect to extend its offer within six days thereafter, then its Good Faith Deposit will be returned, and both the District and the Initial Purchaser will be relieved of any further obligation. In no event will 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 TO DELIVERY. . . The obligation of the Initial Purchaser to take up and pay for the Bonds is subject to the Initial Purchaser's receipt of (a) the legal opinion of Winstead PC, Dallas, Texas, Bond Counsel for the District, (b) the no-litigation certificate of the District's officers, (c) the certification of the District's officers as to the Official Statement, all as further described in the Preliminary Official Statement and (d) the non-occurrence of the events described under "No Material Adverse Change".

Establishment of Issue Price. 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. By submitting its bid, the winning bidder agrees, if the District receives fewer than three bids for the Bonds, that it will neither offer nor sell the Bonds of any maturity to any person at a price that is higher than the initial offering price to the public for the Bonds of that maturity during the period starting on the sale date and ending on the earlier of (i) the close of the 5th business day after the sale date, or (ii) the date on which the winning bidder has sold at least 10% of the Bonds of that maturity to the public at a price no higher than the initial offering price to the public. The District's Financial Advisor will advise the winning bidder of the number of bids received by the District on the sale date.

In order to provide the District with information required to enable it to comply with the Internal Revenue Code of 1986, as amended, relating to the exemption of interest on the Bonds from the gross income of their owners, the winning bidder will be required to complete, execute, and deliver to the District a certification as to their "issue price" substantially in the form and to the effect attached hereto or accompanying this Notice of Sale. In the event the successful bidder will not reoffer the Bonds for sale, such certificate may be modified in a manner approved by Bond Counsel. In no event will the District fail to deliver the Bonds as a result of the winning bidder's inability to sell a substantial amount of the Bonds at a particular price prior to delivery.

It will be the responsibility of the winning bidder to institute such syndicate 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.

NOTE. The Issue Price Regulation's requirements for a "competitive sale" are:

(1) the Notice of Sale is disseminated to potential underwriters in a manner that is reasonably designed to reach potential underwriters;

(2) all bidders shall have an equal opportunity to bid (no exclusive last look);

(3) at least three bids from underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (*IRS has indicated a bid from a Bank or other financial institution for their own account will count towards the three bid requirement*); and

(4) the issuer awards the sale to the bidder who submits a firm offer to purchase the bonds at the highest price (or lowest interest cost).

NO-LITIGATION CERTIFICATE. . . The District will furnish the Initial Purchaser a certificate executed by authorized officers of the Board, dated as of the date of delivery of the Bonds, to the effect that to their best knowledge no litigation of any nature is pending or threatened, either in state or federal courts, contesting or attacking the Bonds; restraining or enjoining the levy, assessment and collection of ad valorem taxes to pay the interest on or principal of the Bonds; in any manner questioning the authority or proceedings for the issuance, execution or delivery of the Bonds; or affecting the validity of the Bonds or the titles of the present officers of the District.

NO MATERIAL ADVERSE CHANGE. . The obligations of the District to deliver the Bonds and of the Initial Purchaser to accept delivery of and pay for the Bonds are subject to the condition that to the time for delivery of and receipt of payment for the Bonds, there shall be no material adverse change in the financial condition of the District from that set forth in or contemplated by the Preliminary Official Statement, as it may have been supplemented or amended through the date of sale.

RULE G-32 REQUIREMENTS. . . It is the responsibility of the Initial Purchaser to comply with the Municipal Securities Rule Making Board's Rule G-32 within the required time frame. The Initial Purchaser must send two copies of the Official Statement along with two complete Form G-32's to the appropriate address.

LEGAL OPINIONS. . . The Bonds are offered when, as and if issued, subject to the approval of the Attorney General of the State of Texas. Initial delivery of and payment for the Bonds is subject to the receipt by the Initial Purchaser of opinions of Bond Counsel to the effect that the Bonds are valid and binding obligations of the District and that the interest on the Bonds will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under "LEGAL MATTERS - Tax Matters" in the Preliminary Official Statement.

CHANGE IN TAX EXEMPT STATUS. . . . At any time before the Bonds are tendered for delivery, the Initial Purchaser may withdraw its bid if the interest received by private holders on obligations of the same type and character is declared to be includable in gross income under present federal income tax laws, either by ruling of the Internal Revenue Service or by a decision of any federal court, or be declared taxable or be required to be taken into account in computing any federal income taxes, by the terms of any federal income tax law enacted subsequent to the date of this Notice of Sale and Bidding Instructions.

GENERAL

FINANCIAL ADVISOR. . . Hilltop Securities Inc. is employed as Financial Advisor to the District in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. **Hilltop Securities Inc. will not submit a bid for the Bonds.** Hilltop Securities Inc., in its capacity as Financial Advisor, has relied on the opinion of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies. In the normal course of business, the Financial Advisor may from time to time sell investment securities to the District for the investment of bond proceeds or other funds of the District upon the request of the District.

BLUE SKY LAWS. . . By submission of its bid, the Initial Purchaser represents that the sale of the Bonds in states other than Texas will be made only pursuant to exemptions from registration or, where necessary, the Initial Purchaser will register the Bonds in accordance with the securities law of the states in which the Bonds are offered or sold. The District agrees to cooperate with the Initial Purchaser, at the Initial Purchaser's written request and expense, in registering the Bonds or obtaining an exemption from registration in any state where such action is necessary; provided, however, that the District is not obligated to execute a general or special consent to service of process in any such jurisdiction.

NOT AN OFFER TO SELL. . . This Notice of Sale and Bidding Instructions does not alone constitute an offer to sell the Bonds, but is merely notice of the sale of the Bonds. The offer to sell the Bonds is being made by means of the Notice of Sale and Bidding Instructions, the Official Bid Form, and the Preliminary Official Statement. Prospective purchasers are urged to carefully examine the Preliminary Official Statement to determine the investment quality of the Bonds.

MUNICIPAL BOND INSURANCE REQUIRED. . . The District has made application for municipal bond guaranty insurance on the Bonds. The Purchase of such insurance on the Bonds is mandatory and such insurance must be unconditional, irrevocable and in full force and effect for the scheduled maturity of the entire Bond issue. Any fees to be paid to the rating agencies, other than Moody's, as the result of said insurance will be paid by the Initial Purchaser. It will be the responsibility of the Initial Purchaser to disclose the terms of insurance, and the effect thereof with respect to the reoffering of the Bonds.

THE PRELIMINARY OFFICIAL STATEMENT AND COMPLIANCE WITH SEC RULE 15c2-12. . . The District has prepared the accompanying Preliminary Official Statement and, for the limited purpose of complying with SEC Rule 15c2-12 (the "Rule"), deems such Preliminary Official Statement to be final as of its date within the meaning of such Rule for the purpose of review prior to bidding. To the best knowledge and belief of the District, the Preliminary Official Statement contains information, including financial information or operating data, concerning every entity, enterprise, fund, account, or person that is material to an evaluation of the offering of the Bonds. Representations made and to be made by the District concerning the absence of material misstatements and omissions in the Preliminary Official Statement are addressed elsewhere in this Notice of Sale and Bidding Instructions and in the Preliminary Official Statement.

The District will furnish to the Initial Purchaser, acting through a designated senior representative, in accordance with instructions received from the Initial Purchaser, within seven (7) business days from the sale date an aggregate of 10 copies of the Official Statement reflecting interest rates and other terms relating to the initial reoffering of the Bonds. The cost of any Official Statement copies in excess of the number specified shall be prepared and distributed at the cost of the Initial Purchaser. The Initial Purchaser is responsible for providing in writing the initial reoffering prices and other terms, if any, to the Financial Advisor by the close of the next business day after the award. Except as noted above, the District assumes no responsibility or obligation for the distribution or delivery of any copies of the Official Statement in connection with the offering or reoffering of the subject securities.

CONTINUING DISCLOSURE AGREEMENT. . . The District will agree in the Bond Order to provide certain periodic information and notices of certain events in accordance with the Rule, as described in the Official Statement under "Continuing Disclosure of Information". The Initial Purchaser's obligation to accept and pay for the Bonds is conditioned upon delivery to the Initial Purchaser or its agent of a certified copy of the Bond Order containing the agreement described under such heading.

ADDITIONAL COPIES OF NOTICE, BID FORM AND STATEMENT. . . A limited number of additional copies of this Notice of Sale and Bidding Instructions, the Official Bid Form and the Preliminary Official Statement, as available over and above the normal mailing may be obtained at the offices of Hilltop Securities Inc., 1201 Elm Street, Suite 3500, Dallas, Texas 75270, Financial Advisor to the District.

* * *

On the date of the sale, the District will, in the Bond Order, confirm its approval of the form and content of the Preliminary Official Statement, and any addenda, supplement or amendment thereto, and authorize its use in the reoffering of the Bonds by the Initial Purchaser.

President, Board of Directors
Verandah Municipal Utility District of Hunt
County

ATTEST:

Secretary, Board of Directors
Verandah Municipal Utility District of Hunt County

November 19, 2020

BOND YEARS

<u>Maturity Date</u>	<u>Par Amount</u>	<u>Exponent</u>	<u>Bond Years</u>
9/1/2023	\$ 145,000	2.750	\$ 398,750.00
9/1/2024	150,000	3.750	562,500.00
9/1/2025	155,000	4.750	736,250.00
9/1/2026	160,000	5.750	920,000.00
9/1/2027	165,000	6.750	1,113,750.00
9/1/2028	165,000	7.750	1,278,750.00
9/1/2029	170,000	8.750	1,487,500.00
9/1/2030	175,000	9.750	1,706,250.00
9/1/2031	180,000	10.750	1,935,000.00
9/1/2032	185,000	11.750	2,173,750.00
9/1/2033	190,000	12.750	2,422,500.00
9/1/2034	195,000	13.750	2,681,250.00
9/1/2035	205,000	14.750	3,023,750.00
9/1/2036	210,000	15.750	3,307,500.00
9/1/2037	215,000	16.750	3,601,250.00
9/1/2038	220,000	17.750	3,905,000.00
9/1/2039	225,000	18.750	4,218,750.00
9/1/2040	230,000	19.750	4,542,500.00
9/1/2041	240,000	20.750	4,980,000.00
9/1/2042	245,000	21.750	5,328,750.00
9/1/2043	250,000	22.750	5,687,500.00
9/1/2044	260,000	23.750	6,175,000.00
9/1/2045	265,000	24.750	6,558,750.00
	<u>\$ 4,600,000</u>		<u>\$ 68,745,000.00</u>

Average Life 14.945 years

OFFICIAL BID FORM

Honorable President and Board of Directors
Verandah Municipal Utility District of Hunt County

December 1, 2020

Reference is made to your Preliminary Official Statement and Notice of Sale and Bidding Instructions, dated November 19, 2020, of \$4,600,000 VERANDAH MUNICIPAL UTILITY DISTRICT OF HUNT COUNTY UNLIMITED TAX UTILITY BONDS, SERIES 2020, both of which constitute a part hereof.

For your legally issued Bonds, as described in said Notice of Sale and Bidding Instructions and Preliminary Official Statement, we will pay you _____% of par plus accrued interest from the Dated Date to date of delivery to us, for Bonds maturing and bearing interest as follows:

<u>Year of Maturity</u>	<u>Principal Amount Maturing</u>	<u>Offering Price (%/Yield)</u>	<u>Year of Maturity</u>	<u>Principal Amount Maturing</u>	<u>Offering Price (%/Yield)</u>
2023	\$ 145,000	_____ %	2035	\$ 205,000	_____ %
2024	150,000	_____ %	2036	210,000	_____ %
2025	155,000	_____ %	2037	215,000	_____ %
2026	160,000	_____ %	2038	220,000	_____ %
2027	165,000	_____ %	2039	225,000	_____ %
2028	165,000	_____ %	2040	230,000	_____ %
2029	170,000	_____ %	2041	240,000	_____ %
2030	175,000	_____ %	2042	245,000	_____ %
2031	180,000	_____ %	2043	250,000	_____ %
2032	185,000	_____ %	2044	260,000	_____ %
2033	190,000	_____ %	2045	265,000	_____ %
2034	195,000	_____ %			

Of the principal maturities set forth in the table above, term bonds have been created as indicated in the following table (which may include multiple term bonds, oneterm bond or no term bond if none is indicated). For those years which have been combined into a term bond, the principal amount shown in the table above shall be the mandatory sinking fund redemption amounts in such years except that the amount shown in the year of the term bond maturity date shall mature in such year. The term bonds created are as follows:

<u>Term Maturity Date (September 1)</u>	<u>Year of First Mandatory Redemption</u>	<u>Principal Amount of Term Bond</u>	<u>Interest Rate</u>
_____	_____	\$ _____	_____ %
_____	_____	\$ _____	_____ %
_____	_____	\$ _____	_____ %
_____	_____	\$ _____	_____ %
_____	_____	\$ _____	_____ %
_____	_____	\$ _____	_____ %

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

Total Interest Cost	\$ _____
Plus Discount	_____
NET INTEREST COST	\$ _____
NET EFFECTIVE INTEREST RATE	_____ %

We are having the Bonds insured by _____ at a premium of \$ _____, **said premium to be paid by the Initial Purchaser**. Any fees to be paid to the rating agencies as a result of said insurance **will be paid by the Initial Purchaser**.

The Initial Bond shall be registered in the name of _____, which will, upon payment for the Bonds, be canceled by the Paying Agent/Registrar. The Bonds will then be registered in the name of Cede & Co. (DTC's partnership nominee), under the Book-Entry-Only System.

A bank cashier's check or certified check of the _____ Bank, _____, in the amount of \$92,000.00, which represents our Good Faith Deposit (is attached hereto) or (has been made available to you prior to the opening of this bid), and is submitted in accordance with the terms as set forth in the Preliminary Official Statement and Notice of Sale and Bidding Instructions.

We agree to accept delivery of the Bonds utilizing the Book-Entry-Only System through DTC and make payment for the Initial Bond in immediately available funds in the Corporate Trust Division, BOKF, NA Dallas, Texas, not later than 10:00 AM, Central Time, on December 22, 2020, or thereafter on the date the Bonds are tendered for delivery, pursuant to the terms set forth in the Notice of Sale and Bidding Instructions. It will be the obligation of the Initial Purchaser of the Bonds to complete the DTC Eligibility Questionnaire.

The undersigned agrees to complete, execute, and deliver to the District, not later than the business day following the award of the bid, a certificate relating to the "issue price" of the Bonds in the form and to the effect accompanying the Notice of Sale and Bidding Instructions, with such changes thereto as may be acceptable to the District. To the extent that such "issue price" certificate is not adequate for inclusion in the District's federal tax certificate, the undersigned agrees to execute an issue price certificate as may be required by the District's Bond Counsel.

The bidder represents that, to the extent this bid form constitutes a governmental contract within the meaning of Section 2252.151 of the Texas Governmental Code solely for purposes of compliance with Chapter 2252 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, neither the bidder, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the bidder is a company listed by the Texas Comptroller of Public Accounts under Sections 2270.0201, or 2252.153 of the Texas Government Code.

The bidder represents that, to the extent this bid form constitutes a contract for goods or services within the meaning of Section 2271.002 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2271 of the Texas Government Code, and subject to applicable Federal law including without limitation, 50 U.S.C. Section 4607, neither the bidder, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the bidder (i) boycotts Israel or (ii) will boycott Israel through the term of this bid form. 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.

The undersigned agrees to complete, execute, and deliver to the District, at least six (6) business days prior to the date of delivery of the Bonds, a certificate relating to the "issue price" of the Bonds in the form and to the effect attached to or accompanying the Official Notice of Sale, with such changes thereto as may be acceptable to the District. The undersigned further agrees to provide in writing the initial reoffering prices and other terms, if any, to Hilltop Securities Inc. by the close of the next business day after the award.

Entity Submitting Bid – Check One:

_____ Disclosure Form – Entity will provide a Disclosure Form as and when required by the Notice of Sale and Bidding Instructions.

_____ Publicly Traded Entity Representation – The entity hereby represents to the District that it is a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity.

We agree to provide in writing the initial reoffering prices and other terms, if any, to the Financial Advisor by the close of the next business day after the award.

Respectfully submitted,

Syndicate Members:

Name of Initial Purchaser or Manager

Authorized Representative

Phone Number

Signature

ACCEPTANCE CLAUSE

The above and foregoing bid is hereby in all things accepted by the Verandah Municipal Utility District of Hunt County, subject to and in accordance with the Notice of Sale and Bidding Instructions, this the 1st day of December, 2020.

ATTEST:

President, Board of Directors
Verandah Municipal Utility District of Hunt County

Secretary, Board of Directors
Verandah Municipal Utility District of Hunt
County

\$4,600,000
UNLIMITED TAX UTILITY BONDS, SERIES 2020
VERANDAH MUNICIPAL UTILITY DISTRICT OF HUNT COUNTY
ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER] (the “**Underwriter**”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “**Bonds**”).

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

(a) The undersigned is a duly authorized representative of the underwriter or of the manager of the syndicate of underwriters that purchased the Bonds from _____ (the “**Issuer**”) pursuant to a competitively bid sale (such underwriter or syndicate of underwriters 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 Underwriter 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 Underwriter in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by the Underwriter to purchase the Bonds.

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

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

(e) The Underwriter 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 paragraph (b) above.

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 Underwriter nor any person related to the Underwriter 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 Underwriter has sold at least 10% of the Notes 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 Notes 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 Notes 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 [DATE].

The fee paid for the bond insurance premium by the Underwriter is a payment for a “qualified guarantee” on the Bonds, within the meaning of Section 1.148-4(f) of the Regulations. The Underwriter hereby represents that the fee paid for this guarantee does not exceed a reasonable, arm’s-length charge for the transfer of credit risk, and that the present value of the fee for this guarantee is less than the present value of the interest reasonably expected to be saved as a result of the guarantee.

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.

[UNDERWRITER]

By: _____

Name: _____

Dated: [ISSUE DATE]

SCHEDULE A
EXPECTED OFFERING PRICES
(Attached)

SCHEDULE B
COPY OF UNDERWRITER'S BID
(Attached)