

.This OFFICIAL NOTICE OF SALE does not alone constitute an invitation for bids on the Bonds but is merely notice of sale of the Bonds described herein. The invitation for bids is being made by means of this OFFICIAL NOTICE OF SALE, the PRELIMINARY OFFICIAL STATEMENT and the OFFICIAL BID FORM attached hereto. Information contained in this OFFICIAL NOTICE OF SALE is qualified in its entirety by the detailed information contained in the PRELIMINARY OFFICIAL STATEMENT.

## OFFICIAL NOTICE OF SALE

**\$3,050,000**

### **CROSBY MUNICIPAL UTILITY DISTRICT**

*(A political subdivision of the State of Texas located within Harris County)*

### **UNLIMITED TAX BONDS**

**SERIES 2022**

### **"QUALIFIED TAX-EXEMPT OBLIGATIONS"**

**BIDS DUE: Thursday, January 20, 2022 at 10:45 A.M. C.S.T.**

## THE SALE

Bonds Offered for Sale by Competitive Bidding: The Board of Directors (the "Board") of Crosby Municipal Utility District (the "District") is inviting competitive bids for the purchase of \$3,050,000 Unlimited Tax Bonds, Series 2022 (the "Bonds"). Bidders may submit bids for the Bonds by the following method: Submit bids electronically as described below in "Electronic Bidding Procedures."

Bids Delivered to the District: Sealed bids, plainly marked "Bid for Bonds," should be addressed to "President and Board of Directors, Crosby Municipal Utility District" and delivered to 103 Wahl Street, Crosby, Texas 77532 prior to 10:45 A.M., C.S.T., on Thursday, January 20, 2022. All bids must be submitted in duplicate 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. Bidders must submit, prior to Thursday, January 20, 2022, two signed Official Bid Forms plus an envelope marked as described above to Joe Morrow, Hilltop Securities, Inc., 700 Milam Street, Suite 500, Houston, Texas 77002. 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 Notice of Sale and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the District. The District shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, PARITY, the use of such facilities being the sole risk of the prospective bidder.

If any provisions of this Official Notice of Sale shall conflict with information provided by PARITY as the approved provider of electronic bidding services, this Official Notice of Sale shall control. Further information about PARITY, including any fee charged, may be obtained from PARITY Customer Support, 1359 Broadway, 2<sup>nd</sup> Floor, New York, New York 10018, telephone: (212) 849-5000.

**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 true 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.

Place and Time of Bid Opening: **The bids for the Bonds will be publicly opened and read by an authorized representative of the District at the offices Hilltop Securities, Inc., 700 Milam, Suite 500, Houston, Texas 77002, at 10:45 A.M., C.S.T., Thursday, January 20, 2022.**

Award of the Bonds: The District will take action to award the Bonds or reject all bids at a meeting scheduled to convene at 5:30 P.M., C.S.T., on the date of the bid opening, at the offices of the District, 103 Wahl Street, Crosby, Texas 77532. Upon awarding the Bonds to the winning bidder (the "Initial Purchaser"), the Board will adopt an order authorizing the issuance of the Bonds (the "Bond Order"). Sale of the Bonds will be made subject to the terms, conditions and provisions of the Bond Order, to which Bond Order reference is hereby made for all purposes. The District reserves the right to reject any and all bids and to waive any irregularities, except the time of filing.

**THE BONDS**

Description of the Bonds: The Bonds will be dated February 1, 2022, interest accrues from the date of delivery, and interest will be payable on August 15, 2022, and on each February 15 and August 15 thereafter until the earlier of maturity or redemption. The Bonds will be issued in fully registered form only, and principal and interest will be paid by the paying agent/registrars, initially UMB Bank, N.A., currently in Houston, Texas (the "Paying Agent/Registrar"). The Bonds will be registered in the name of Cede & Co., a nominee for the Depository Trust Company, New York, New York, ("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 directly to DTC, which will, in turn, remit such principal and interest to its participant for subsequent disbursement to the Beneficial Owners of the Bonds as described in the Preliminary Official Statement See "BOOK-ENTRY-ONLY SYSTEM" in the Preliminary Official Statement. The Bonds will mature serially on August 15 in the years and amounts as follows:

<u>Principal Amount</u>	<u>Maturity</u>	<u>Principal Amount</u>	<u>Maturity</u>	<u>Principal Amount</u>	<u>Maturity</u>
\$ 210,000	2022	\$ 150,000	2029	\$ 150,000	2035
150,000	2023	150,000	2030	150,000	2036
150,000	2024	150,000	2031	150,000	2037
150,000	2025	150,000	2032	150,000	2038
150,000	2026	150,000	2033	150,000	2039
150,000	2027	150,000	2034	145,000	2040
150,000	2028			145,000	2041

Redemption Provisions: Bonds maturing on or after August 15, 2030, are subject to redemption prior to maturity, at the option of the District, as a whole or in part, on August 15, 2029, or on any date thereafter at a price of par value plus accrued interest to the date fixed for redemption. If less than all of the Bonds of a given maturity are redeemed at any time, the particular Bonds or portions thereof to be redeemed shall be selected by the Paying Agent/Registrar by lot or other customary method of random selection. However, if during any period in which ownership of the Bonds is determined only by a book entry at a securities depository, if fewer than all of the Bonds of the same maturity are to be redeemed, the particular Bonds shall be selected in accordance with arrangements between the District and the securities depository.

Mandatory Sinking Fund Redemption: If the successful bidder designates principal amounts to be combined into one or more term bonds, each such term bond shall be subject to mandatory sinking fund redemption commencing on August 15 of the first year which has been combined to form such term bond and continuing on August 15 in each year thereafter until the stated maturity date of that term bond. The amount redeemed in any year shall be equal to the principal amount for such year set forth above. Bonds to be redeemed in any year by mandatory sinking fund redemption shall be redeemed at par by lot or other customary method. The principal amount of Term Bonds to be mandatorily redeemed is subject to proportionate reduction by the amount of any prior optional redemption.

Book-Entry-Only: The Bonds will be registered in the name of Cede & Co., nominee for 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 and interest on the Bonds will be paid by the Paying Agent directly to DTC, which will in turn remit such principal and interest to its participant for subsequent disbursement to the Beneficial Owners of the Bonds as described in the Preliminary Official Statement. See "BOOK-ENTRY-ONLY SYSTEM" in the Preliminary Official Statement.

Source of Payment: The Bonds will constitute valid and binding obligations of the District, payable as to principal and interest from the proceeds of a continuing, direct, annual ad valorem tax levied against taxable property located within the District, without legal limitation as to rate or amount, as further described in the Preliminary Official Statement. The Bonds are obligations solely of Crosby Municipal Utility District and are not obligations of Harris County, the City of Houston, the State of Texas, or any entity other than the District.

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## CONDITIONS OF THE SALE

Types of Bids and Interest Rates: The Bonds will be sold in one block on an "all or none" basis at a price of not less than ninety-eight percent (98%) of the par value plus accrued interest to the date fixed for delivery. 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%. The net effective interest rate on the Bonds may not exceed 4.12%, which is two percentage points (2%) above the highest "20 Bond Index" as reported by the "Bond Buyer" during the thirty (30) day period prior to the date of this Official Notice of Sale. 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 2030 (base year) through 2041 shall not be less than the rate of interest specified for any earlier maturity in the years 2028 through 2039 and the highest interest rate bid may not exceed the lowest interest rate bid by more than 2.0% in rate. No bid that generates a cash premium greater than \$5,000 will be considered. All Bonds maturing within a single year must bear the same rate of interest. 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.

Municipal Bond Rating and Municipal Bond Insurance: The Bonds and presently outstanding tax supported debt of the District are rated "A" by S&P Global Ratings ("S&P"), a division of S&P Global Inc. (see "Other Information - Ratings") without regard to credit enhancement. An explanation of the rating may be obtained from S&P. The District can make no assurance that the S&P rating will continue for any period of time or that such rating will not be revised downward or withdrawn entirely by S&P if in the judgment of S&P circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds. The rating fees of S&P will be paid by the District; however, the fees associated with any other rating will be the responsibility of the Underwriter.

Application has also been made to a municipal bond insurance company for qualification of the Bonds for municipal bond insurance. If qualified, such insurance will be available at the option of the Initial Purchaser at the Initial Purchaser's expense.

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 rate or 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 dollar amount of the discount bid, if any, or subtracting therefrom the dollar amount of the premium bid, if any. Subject to the District's right to reject any or all bids, the Bonds will be awarded to the bidder whose bid, under the above computation, produces the lowest net interest cost to the District subject to compliance with Texas Government Code Section 2252.908.

Good Faith Deposit: Each bid must be accompanied by a bank cashier's check payable to the order of "Crosby Municipal Utility District" in the amount of \$61,000, which represents two percent (2%) of the par value of the Bonds. **Only bank's cashier's checks will be accepted.** The check will be considered as a Good Faith Deposit. No interest will be paid on the Good Faith Deposit. The checks for the Good Faith Deposit 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. The check of the Initial Purchaser will be retained uncashed by the District pending the Underwriter's compliance with the terms of the Official Bid Form and this Official Notice of Sale. In the event the Initial Purchaser should fail or refuse to accept delivery of and pay for the Bonds in accordance with such terms, then the Good Faith Deposit shall be cashed, and the proceeds accepted by the District as full and complete liquidated damages against the Initial Purchaser. The Good Faith Deposit may accompany the Official Bid Form, or it 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 to authorize its use as a Good Faith Deposit by the bidder, who shall be named in such instructions. The Good Faith Deposit will be returned immediately after full payment has been made by the Initial Purchaser to the District in federal or immediately available funds in the amount of the purchase price plus accrued interest thereon.

Compliance with laws prohibiting contracts with certain companies: The District will not award the Bonds to a bidder unless the bidder verifies on behalf of itself and each syndicate member listed on the Official Bid Form that, to the extent the Official Bid Form represents a contract for goods or services within the meaning of Section 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 its bid and through the delivery date of the Bonds, neither the bidder nor a syndicate member listed on the Official Bid Form is a Company that boycotts or will boycott Israel. The terms "boycotts Israel" and "boycott Israel" as used in this paragraph have the meaning assigned to the term "boycott Israel" in Section 808.001 of the Texas Government Code, as amended.

Additionally, the District will not award the Bonds to a bidder unless the bidder certifies that, to the extent the Official Bid Form represents a governmental contract within the meaning of Section 2252.151 of the Texas Government Code, as amended, solely for purposes of Chapter 2252 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, at the time of execution and delivery of its bid, neither the bidder nor a syndicate member listed on the Official Bid Form is a Company<sup>2</sup> (i) that engages in business with Iran, Sudan, or any foreign terrorist organization as described in Chapter 2270 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, or (ii) listed by the Texas Comptroller of Public Accounts under Section 2270.020 I or 2252.153 of the Texas Government Code. The term "foreign

terrorist organization" as used in this paragraph has the meaning assigned to such term in Section 2252.151 of the Texas Government Code.

Additionally, the District will not award the Bonds to a bidder unless the bidder verifies on behalf of itself and each syndicate member listed on the Official Bid Form that, to the extent the Official Bid Form represents a contract for goods or services within the meaning of Section 2274.002 of the Texas Government Code (as added by Senate Bill 13, 87th Texas Legislature, Regular Session), as amended, solely for purposes of Chapter 2274 of the Texas Government Code, and except to the extent otherwise required by applicable Texas or federal law, at the time of execution and delivery of its bid and through the delivery date of the Bonds, neither the bidder nor a syndicate member listed on the Official Bid Form is a Company' that boycotts or will boycott energy companies. The terms "boycotts energy companies" and "boycott energy companies" shall have the meaning assigned to the term "boycott energy company" in Section 809.001 of the Texas Government Code, as amended.

Additionally, the District will not award the Bonds to a bidder unless the bidder verifies on behalf of itself and each syndicate member listed on the Official Bid Form that, to the extent the Official Bid Form represents a contract for the purchase of goods or services within the meaning of Section 2274.002 of the Texas Government Code (as added by Senate Bill 19, 87th Texas Legislature, Regular Session, "SB 19"), as amended, solely for purposes of Chapter 2274 of the Texas Government Code, and except to the extent otherwise required by applicable Texas or federal law, at the time of execution and delivery of its bid and through the delivery date of the Bonds, neither the bidder nor a syndicate member listed on the Official Bid Form is a Company that has a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association or will discriminate against a firearm entity or firearm trade association. The term "discriminates against a firearm entity or firearm trade association" as used in this paragraph has the meaning assigned to the term "discriminate against a firearm entity or firearm trade association" in Section 2274.001(3) of the Texas Government Code (as added by SB 19).

Contracting Information: The District will not award the Bonds to a bidder unless the bidder verifies on behalf of itself and each syndicate member listed on the OFFICIAL BID FORM that, to the extent the OFFICIAL BID FORM represents a contract for goods or services within the meaning of Section 552.371 of the Texas Government Code, as amended, the bidder and each syndicate member listed on the OFFICIAL BID FORM will (i) preserve all contracting information related to the bid as provided by the records retention requirements applicable to the District through the delivery date of the Bonds, (ii) promptly provide to the District any contracting information related to the bid that is in the custody or possession of the bidder or any syndicate member on request of the District, and (iii) upon delivery of the Bonds to the bidder, either (a) provide at no cost to the District all contracting information related to the bid that is in the custody or possession of the bidder or any syndicate member or (b) preserve the contracting information related to the bid as provided by the records retention requirements applicable to the District. The term "contracting information" as used in this paragraph has the meaning assigned to such term in Section 552.003 of the Texas Government Code.

Provision of Texas Ethics Commission Form 1295 ("TEC Form 1295") 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 (c/o Hilltop Securities Inc., 700 Milam Street, Suite 500, Houston, Texas 77002; Attn: Joe Morrow, joe.morrow@hilltopsecurities.com; (713) 654-8690) a completed, signed and notarized 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 notarized, and provided to the District. The TEC Form 1295 may accompany the Official Bid Form or may be submitted separately but must be provided to the District prior to the time prescribed for the award of the Bonds. The TEC Form 1295 may be provided to the District via facsimile or electronically. Following the award of the Bonds, the District will notify the TEC of the receipt of each completed TEC Form 1295. The District reserves the right to reject any bid that does not comply with the requirements prescribed herein or to waive any such requirements. For purposes of completing the TEC Form 1295, the entity's name is Crosby Municipal Utility District, and the contract ID number is Crosby 2022-Purchaser. Neither the District nor its consultants have the ability to verify the information included in a TEC Form 1295, and neither have an obligation nor undertake responsibility for advising any bidder with respect to the proper completion of the TEC Form 1295. Consequently, an entity intending to bid on the Bonds should consult its own advisors to the extent it deems necessary and be prepared to submit the completed form promptly upon notification from the District that its bid is the apparent winning bid.

#### **DELIVERY OF THE BONDS AND ACCOMPANYING DOCUMENTS**

Initial Delivery of Initial Bond: Initial delivery ("Initial Delivery") will be accomplished by the issuance of one or more initial bonds (the "Initial Bonds"), either in typed or printed form, in the aggregate principal amount of \$3,050,000, payable in stated installments, registered in the name of the Initial Purchaser, manually signed by the President and Secretary or Assistant Secretary of the Board, or executed by the facsimile signatures of the President and Secretary of the Board or Assistant Secretary, and approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of Texas or his authorized deputy. Initial Delivery will be at the principal payment office of the Paying Agent/Registrar in Houston, Texas. 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 six (6) business days' notice of the time fixed for delivery of the Bonds. It is anticipated that Initial Delivery can be made on or about February 17, 2022, and subject to the aforementioned notice it is understood and agreed that the Initial Purchaser will accept delivery of and make payment for the Bonds by 10:00 A.M., C.S.T., on February 17, 2022, or thereafter on the date the Bonds are tendered for delivery, up to and including March 17, 2022. If for any reason the District is unable to make delivery on or before March 17, 2022, then the District shall immediately

contact the Initial Purchaser and offer to allow the Initial Purchaser to extend its offer for an additional thirty (30) days. If the Initial Purchaser does not elect to extend its offer within six (6) business days thereafter, then its Good Faith Deposit will be returned, and both the District and the Initial Purchaser shall be relieved of any further obligation.

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 a failure or refusal by the Initial Purchaser to accept delivery of and pay for the Bonds in accordance with the terms of this Official Notice of Sale. The Financial Advisor will obtain CUSIP identification numbers from the CUSIP Service Bureau, New York, New York prior to the date of sale. CUSIP identification numbers will be made available to the Initial Purchaser at the time the Bonds are awarded or as soon thereafter as practicable. The CUSIP Service Bureau charges for the assignment of the numbers shall be the responsibility of and shall be paid by the Initial Purchaser.

Conditions to Delivery: The Initial Purchaser's obligation to accept delivery of and pay for the Bonds is subject to the issuance of the legal opinion of the Attorney General of Texas as to the legality of the Bonds, and the legal opinion of Baker Williams Mathiesen LLP, Houston, Texas Bond Counsel for the District ("Bond Counsel"), and the No-Litigation Certificate, all as further described in the Preliminary Official Statement.

Legal Opinions: The District will furnish the Initial Purchaser a transcript of certain proceedings held incident to the authorization and issuance of the Bonds, including a certified copy or original of the approving opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State of Texas, to the effect that the Bonds are valid and binding obligations of the District, payable from the proceeds of a continual direct annual ad valorem tax levied, without limit as to rate or amount, upon all taxable property within the District. The District also will furnish the legal opinion of Baker Williams Mathiesen LLP to the effect that, based upon an examination of such transcript, (1) the Bonds are valid and legally binding obligations of the District payable from the sources and enforceable in accordance with the terms and conditions described therein, except to the extent that the enforceability thereof may be affected by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with general principles of equity, and (2) the Bonds are payable, both as to principal and interest, from the levy of ad valorem taxes, without limitation as to rate or amount, against taxable property within the District and (3) the District will also furnish an opinion of Special Tax Counsel to the effect that pursuant to the Internal Revenue Code of 1986, (the "Code") then in effect and existing law and assuming continuing compliance by the District with the provisions of the Bond Order, the interest on the Bonds will be excludable from gross income, and will not be subject to the alternative minimum tax on individuals for federal income tax purposes. The statutes, regulations, rulings, and court decisions on which such opinion is based are subject to change. Neither the opinion of the Attorney General nor the opinion of Bond Counsel or Special Tax Counsel will express any opinion or make any comment with respect to the sufficiency of the security for or the marketability of the Bonds.

Qualified Tax-Exempt Obligations: The Bonds will be designated as "qualified tax-exempt obligations."

Competitive Bidding and Certificate Regarding Issue Price: In the event that the District does not receive sufficient qualified bids to satisfy the competitive sale requirements of Treasury Regulation Section 1.148-1(f)(3)(i), allowing the District to treat the reasonably expected initial offering price to the public as of the sale date as the issue price of the Bonds, the District will treat (i) the first price at which 10 percent of a maturity of the Bonds is sold to the public as the issue price of that maturity (the "10 percent rule") or (b) if the Underwriter has agreed in writing not to sell or offer maturities of the Bonds at a price higher than the initial offering price for such maturities for a period of five business days after the sale date, the initial offering price to the public as of the sale date of such maturities of the Bonds is the issue price of that maturity (the "hold the price rule"). If the 10 percent

rule has not been satisfied as to any maturity of the Bonds, the Purchaser agrees to promptly report to Securities, Inc., the prices at which it sells Bonds of that maturity to the public. This reporting obligation shall continue, whether or not the Bonds have been delivered, until the 10 percent rule has been satisfied. The attached Certificate Regarding Issue Price has language for (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.

Certification Regarding Offering Price of Bonds: In order to provide the District with information to enable it to comply with certain conditions of the Code relating to the exclusion of interest on the Bonds from gross income for federal income tax purposes, the Initial Purchaser 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 Official Notice of Sale. If the Initial Purchaser 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 acceptable to the District. Each bidder, by submitting its bid, agrees to complete, execute and deliver such a certificate by the date of delivery of the Bonds if its bid is accepted by the District. It will be the responsibility of the Initial Purchaser 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.

No Material Adverse Change: The obligation of the Initial Purchaser to take up and pay for the Initial Bonds, and of the District to deliver the Initial Bonds, is subject to the condition that, up to the time of delivery of and receipt of payment for the Initial Bonds, there shall have been no material adverse change in the affairs of the District subsequent to the date of sale from that set forth in the Preliminary Official Statement, as it may have been finalized, supplemented or amended through the date of delivery.

No-Litigation Certificate: The District will furnish the Initial Purchaser a certificate executed by both the President and Secretary or Assistant Secretary 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.

Rule G-36 Requirements: It is the responsibility of the Initial Purchaser to comply with the Municipal Securities Rule Making Board's Rule G-36 within the required time frame. The Initial Purchaser must send two copies of the Official Statement along with two complete Form G-36's to the appropriate address.

## **RULE 15C2-12 COMPLIANCE**

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

Substantive Requirements for Official Statement: To the best knowledge 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.

## **OFFICIAL STATEMENT**

Final Official Statement: The District has approved and authorized distribution of the accompanying Preliminary Official Statement for dissemination to potential purchasers of the Bonds but does not intend to prepare any other document or version thereof for such purpose, except as described below. Accordingly, the District intends the Preliminary Official Statement to be final as of its date, within the meaning of SEC Rule 15c2-12(b)(1), except for information relating to the offering prices, interest rates, final debt service schedule, selling compensation, identity of the Initial Purchaser and other similar information, terms and provisions to be specified in the competitive bidding process. The Initial Purchaser shall be responsible for promptly informing the District of the initial offering yields of the Bonds. Thereafter, the District will complete and authorize distribution of the Official Statement identifying the Initial Purchaser and containing such omitted information. The District does not intend to amend or supplement the Official Statement otherwise, except to take into account certain subsequent events, if any, as described below. By delivering the final Official Statement or any amendment or supplement thereto in the requested quantity to the Initial Purchaser on or after the sale date, the District intends the same to be final as of such date, within the meaning of SEC Rule 15c2-12(f)(3).

Notwithstanding the foregoing, the only representations concerning the absence of material misstatements or omissions from the Official Statement which are being, or which will be made by the District are those described and contained in the Official Statement under the caption "CERTIFICATION OF OFFICIAL STATEMENT."

Changes to Official Statement: If subsequent to the date of the Official Statement, the District learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Initial Purchaser, of any adverse event which causes the Official Statement to be materially misleading, and unless the Initial Purchaser elects to terminate its obligation to purchase the Bonds, as described below under "SALE AND DISTRIBUTION OF BONDS," the District will promptly prepare and supply to the Initial Purchaser an appropriate amendment or supplement to the Official Statement satisfactory to the Initial Purchaser provided, however, that the obligation of the District to so amend or supplement the Official Statement will terminate when the District delivers the Bonds to the Initial Purchaser, unless the Initial Purchaser notifies the District on or before such date that less than all of the Bonds have been sold to ultimate customers in which case the District's obligations hereunder will extend for an additional period of time as provided in SEC Rule 15c2-12 (but not more than 90 days after the date the District delivers the Bonds).

Delivery of Official Statements: The District shall furnish to the Initial Purchaser (and to each participating Initial Purchaser of the Bonds, within the meaning of SEC Rule 15c2-12(a), designated by the Initial Purchaser), within seven (7) business days after the sale date, the aggregate number of Official Statements specified in the winning bid, not to exceed 250 copies. The District also shall furnish to the Initial Purchaser a like number of any supplements or amendments approved and authorized for distribution by the District for dissemination to potential purchasers of the Bonds, as well as such additional copies of the Official Statement or any such supplements or amendments as the Initial Purchaser may reasonably request prior to the 90th day after the end of the underwriting period described in SEC Rule 15c2-12(f)(2). The District shall pay the expense of preparing the number of copies of the Official Statement specified in the winning bid and an equal number of any supplements or amendments issued on or before the delivery date, but the Initial Purchaser shall pay for all other copies of the Official Statement or any supplement or amendment thereto.

## **GENERAL CONSIDERATIONS**

Investment Considerations: The Bonds involve certain investment considerations. Prospective bidders are urged to examine carefully the entire Preliminary Official Statement, with respect to the investment considerations associated with the Bonds.

Particular attention should be given to the information set forth therein under the caption "INVESTMENT CONSIDERATIONS."

Reservation of Rights: The District reserves the right to reject any and all bids and to waive any and all irregularities, except time of filing.

Not an Offer to Sell: This OFFICIAL NOTICE OF SALE does not alone constitute an offer to sell the Bonds but is merely notice of sale of the Bonds. The invitation for bids on the Bonds is being made by means of this Official Notice of Sale, the Preliminary Official Statement and the Official Bid Form.

Registration and Qualification of Bonds for Sale: The offer and sale of the Bonds have not been registered or qualified under the Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein, and the Bonds have not been registered or qualified under the securities acts of any other jurisdiction. The District assumes no responsibility for registration or qualification of the Bonds under the securities laws of any 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. By submission of its bid, the Initial Purchaser represents that the sale of the Bonds in states other than the State of Texas will be made pursuant to exemptions from registration or qualification, or where necessary, the Initial Purchaser will register the Bonds in accordance with the securities laws of the state 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 or qualifying the Bonds or obtaining an exemption from registration or qualification (other than filing a consent to service of process in such state), in any state where such action is necessary.

Additional Copies of Documents: Additional copies of this OFFICIAL NOTICE OF SALE, the PRELIMINARY OFFICIAL STATEMENT and the OFFICIAL BID FORM may be obtained from the Financial Advisor, Hilltop Securities, Inc., 700 Milam Street, Suite 500, Houston, Texas 77002.

Mr. Steve Schreiber  
President, Board of Directors  
Crosby Municipal Utility District  
of Harris County, Texas

January 10, 2022

**OFFICIAL BID FORM**

President and Board of Directors  
 Crosby Municipal Utility District  
 c/o Hilltop Securities, Inc.  
 700 Milam Street, Suite 500  
 Houston, Texas 77002

January 20, 2022

Board Members:

We have read in detail the OFFICIAL NOTICE OF SALE and PRELIMINARY OFFICIAL STATEMENT dated January 10, 2022, relating to the \$3,050,000 Crosby Municipal Utility District (the "District") Unlimited Tax Bonds, Series 2022 (the "Bonds"). We realize that the Bonds involve certain investment risks, and we have made inspections and investigations as we deem necessary relating to the District and to the investment quality of the Bonds.

For your legally issued Bonds, as described in the "Preliminary Official Statement," and pursuant to the terms and condition of the sale of the Bonds described in the "Official Notice of Sale," we will pay you a price of \$ \_\_\_\_\_, representing \_\_\_\_\_% of the principal amount thereof, plus accrued interest to the date of delivery to us.

Such Bonds mature August 15, in each of the years and in the amounts and interest rates shown below:

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
8/15/2022	\$ 210,000		8/15/2032	\$ 150,000	
8/15/2023	150,000		8/15/2033	150,000	
8/15/2024	150,000		8/15/2034	150,000	
8/15/2025	150,000		8/15/2035	150,000	
8/15/2026	150,000		8/15/2036	150,000	
8/15/2027	150,000		8/15/2037	150,000	
8/15/2028	150,000		8/15/2038	150,000	
8/15/2029	150,000		8/15/2039	150,000	
8/15/2030	150,000		8/15/2040	145,000	
8/15/2031	150,000		8/15/2041	145,000	

Of the principal maturities set forth in the table above, we have created term bonds as indicated in the following table (which may include multiple term bonds, one term 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 Bond Maturity Date</u>	<u>Year of First Mandatory Redemption</u>	<u>Principal Amount of Term Bond</u>	<u>Interest Rate</u>
<u>15-Aug</u>			
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

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

Gross Interest Cost.....	\$ _____
Plus Dollar Amount of Discount (or Less: Dollar Amount of Premium).....	\$ _____
NET INTEREST COST.....	\$ _____
NET EFFECTIVE INTEREST RATE.....	_____ %

We request \_\_\_\_\_ copies of the final Official Statement (not to exceed 250 copies). By submitting this bid, we agree to provide copies of the final Official Statement, and any amendments and supplements thereto, in accordance with the terms of the Official Notice of Sale and as required by Rule 15c2-12 of the Securities and Exchange Commission.

The initial Bonds shall be registered in the name of Cede & Co. We will advise UMB Bank, N.A., Houston, Texas, the Paying Agent/Registrar, of our registration instructions at least five (5) business days prior to the date set for Initial Delivery.



The Bonds are being insured by \_\_\_\_\_ at a premium of \$ \_\_\_\_\_, said premium to be paid by the Initial Purchaser. In addition, any rating fees associated with the insurance will be the responsibility of the Initial Purchaser.

A Bank Cashier's Check payable to your order in the amount of \$61,000 is attached hereto or has been made available to you prior to the opening of this bid, as a Good Faith Deposit, and is submitted 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 as complete liquidated damages against us.

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 OFFICIAL NOTICE OF SALE, with such changes thereto as may be acceptable to the District.

We agree to accept delivery of and make payment for the Bonds in immediately available funds at the offices of UMB Bank, N.A., Houston, Texas, not later than ten o'clock A.M., C.S.T., on February 17, 2022, or thereafter on the date the Bonds are tendered for delivery, pursuant to the terms set forth in the "Official Notice of Sale."

Respectfully submitted,

Syndicate Members:

\_\_\_\_\_  
Name of Underwriter or Manager

\_\_\_\_\_

\_\_\_\_\_  
Authorized Representative

\_\_\_\_\_

\_\_\_\_\_  
Phone Number

\_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_

ACCEPTANCE CLAUSE

The above and foregoing bid is hereby in all things accepted by Crosby Municipal Utility District, Harris County, Texas, this \_\_\_\_ day of \_\_\_\_\_, 2022.

ATTEST:

\_\_\_\_\_  
Secretary, Board of Directors

\_\_\_\_\_  
President, Board of Directors

**BOND YEARS**

Due: August 15, Annually  
 Dated: February 1, 2022

<u>Certificates</u>				<u>Accumulated</u>	<u>Certificates</u>
<u>Maturing</u>	<u>Amount</u>	<u>Bond Years</u>	<u>Bond Years</u>		<u>Maturing</u>
2022	\$ 210,000	25,751.250	25,751.250		2022
2023	150,000	18,543.750	44,295.000		2023
2024	150,000	18,693.750	62,988.750		2024
2025	150,000	18,843.750	81,832.500		2025
2026	150,000	18,993.750	100,826.250		2026
2027	150,000	19,143.750	119,970.000		2027
2028	150,000	19,293.750	139,263.750		2028
2029	150,000	19,443.750	158,707.500		2029
2030	150,000	19,593.750	178,301.250		2030
2031	150,000	19,743.750	198,045.000		2031
2032	150,000	19,893.750	217,938.750		2032
2033	150,000	20,043.750	237,982.500		2033
2034	150,000	20,193.750	258,176.250		2034
2035	150,000	20,343.750	278,520.000		2035
2036	150,000	20,493.750	299,013.750		2036
2037	150,000	20,643.750	319,657.500		2037
2038	150,000	20,793.750	340,451.250		2038
2039	150,000	20,943.750	361,395.000		2039
2040	145,000	20,390.625	381,785.625		2040
2041	145,000	20,535.625	402,321.250		2041

Average Maturity . . . . . 9.784 Years

## EXHIBIT A

### CERTIFICATE REGARDING ISSUE PRICE

The undersigned, being a duly authorized representative of the underwriter or the manager of the syndicate of underwriters ("Underwriter") which has purchased the Unlimited Tax Bonds, Series 2022, being issued by the Crosby Municipal Utility District (the "District"), hereby certifies and represents, based on its records and information, as follows:

(1) On the Sale Date, the Underwriter's reasonably expected initial offering price of each Maturity of the Bonds (the "Expected Offering Price") to the Public is set forth in the pricing wire or equivalent communication for the Bonds, as attached to this Issue Price Certificate as Schedule A. The Expected Offering Prices are the prices for the Bonds used by the Underwriter in formulating its bid to purchase the Bonds.

(2) The Underwriter had an equal opportunity to bid to purchase the Bonds and it was not given the opportunity to review other bids that was not equally given to all other bidders (i.e., no last look).

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

(4) The Underwriter has made a bona fide offering of all the Bonds of each Maturity to the Public at its Expected Offering Price set forth in Schedule A.

***If less than 3 qualified bids are received from underwriters please attach Schedule B.***

(5) On the Sale Date, the first price at which at least 10% of each Maturity of the Bonds, except for Bonds listed on Schedule B (the "Hold-the-Offering-Price Maturities"), was sold to the Public is the respective price listed in Schedule A.

(6) As set forth in the Notice of Sale for the Bonds, the Underwriter has agreed in writing that, (i) for each of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Expected Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Bonds of the Hold-the-Offering-Price Maturities to any person at a price that is higher than the respective Expected Offering Price for that Maturity of the Bonds during the Holding Period.

**(0) Defined Terms.**

(i) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule B hereto as the "Hold-the-Offering-Price Maturities."

(ii) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriter has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Expected Offering Price for such Hold-the-Offering-Price Maturity.

(iii) *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.

(iv) *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 "related party" for purposes of this certificate generally means any entity if an Underwriter and such entity are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(v) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the Bonds. The Sale Date of the Bonds is January 20, 2022.

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

(8) Please choose the appropriate statement:

( ) Purchaser will not purchase bond insurance for the Bonds.

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

The undersigned understands that the foregoing information will be relied upon by District with respect to certain of the representations set forth in the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Orrick, Herrington & Sutcliffe LLP 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 8038-G, and other federal income tax advice that it may give to the District from time to time relating to the Bonds. The undersigned understands that the foregoing information will also be relied upon by District and by Orrick, Herrington & Sutcliffe LLP with respect to compliance with the requirements of Section 1202.008 of Chapter 1202, Texas Government Code, as amended. Notwithstanding anything set forth herein, the Underwriter is not engaged in the practice of law and makes no representation as to the legal sufficiency of the factual matters set forth herein.

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Dated: \_\_\_\_\_

SCHEDULE A

PRICING WIRE



**SCHEDULE B**

**HOLD THE OFFERING PRICE MATURITIES**

