

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
CHELFORD CITY MUNICIPAL UTILITY DISTRICT
(A political subdivision of the State of Texas located within Harris and Fort Bend Counties)

\$1,870,000

WATERWORKS AND SEWER SYSTEM COMBINATION
UNLIMITED TAX AND REVENUE BONDS
SERIES 2020A

Bids Due: Monday, June 1, 2020, at 2:15 P.M., Central Houston Time in Houston, Texas
Bid Award: Monday, June 1, 2020, at 6:30 P.M., Central Houston Time in Houston, Texas

The Bonds are obligations solely of Chelford City Municipal Utility District (the "District") and are not obligations of Harris County, Fort Bend County, the State of Texas, the City of Houston or any entity other than the District.

BOOK-ENTRY-ONLY

THE SALE

Bonds Offered for Sale by Competitive Bidding: The Board of Directors (the "Board") of the District is inviting competitive bids for the purchase of \$1,870,000 Waterworks and Sewer System Combination Unlimited Tax and Revenue Bonds, Series 2020A (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 the District;"
- (2) Submit bids electronically as described below in "Electronic Bidding Procedures;" or
- (3) Submit bids by telephone as described below in "Bids by Telephone."

Place and Time of Bid Opening: The Board will open and publicly read bids for the purchase of the Bonds at the offices of Masterson Advisors LLC, 3 Greenway Plaza, Suite 1100, Houston, Texas 77046, at 2:15 P.M., Central Houston Time, Monday, June 1, 2020. **Masterson Advisors LLC will not be responsible for submitting any bids received after the above deadlines.**

Bids Delivered to the District: Sealed bids, plainly marked "Bid for Bonds," should be addressed to "President and Board of Directors, Chelford City Municipal Utility District" and delivered to Masterson Advisors LLC, 3 Greenway Plaza, Suite 1100, Houston, Texas 77046 prior to 2:15 P.M., Central Houston Time, on Monday, June 1, 2020. All bids must be submitted on the "OFFICIAL BID FORM," copies of which accompany this OFFICIAL NOTICE OF SALE.

Electronic Bidding Procedures: Any prospective bidder that intends to submit an electronic bid must submit its electronic bid through the facilities of PARITY by 2:15 P.M., Central Houston Time, Monday, June 1, 2020. Bidders must submit by e-mail or facsimile (Anthea.Moran@MastersonAdvisors.com / 713-814-0552), prior to 10:00 A.M., Houston Time on Monday, June 1, 2020, a signed OFFICIAL BID FORM to Anthea Moran, Masterson Advisors LLC, 3 Greenway Plaza, Suite 1100, Houston, Texas 77046. Subscription to the i-Deal LLC's BIDCOMP Competitive Bidding System is required in order to submit an electronic bid. The District will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe.

An electronic bid made through the facilities of PARITY shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in this Official Notice of Sale and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the District. The District shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, PARITY, the use of such facilities being the sole risk of the prospective bidder.

If any provisions of this OFFICIAL NOTICE OF SALE shall conflict with information provided by PARITY as the approved provider of electronic bidding services, this OFFICIAL NOTICE OF SALE shall control. Further information about PARITY, including any fee charged, may be obtained from PARITY Customer Support, 40 West 23rd Street, New York, New York 10010, telephone: (212) 404-8102.

For purposes of both the written sealed bid process and the electronic bidding process, the time as maintained by PARITY shall constitute the official time. **For information purposes only, bidders are requested to state in their electronic bids the net interest cost to the District, as described under "Basis of Award" below. All electronic bids shall be deemed to incorporate the provisions of this Official Notice of Sale and the OFFICIAL BID FORM.**

Bids by Telephone: Bidders must submit by e-mail or facsimile (Anthea.Moran@MastersonAdvisors.com / 713-814-0552) a signed OFFICIAL BID FORM to Anthea Moran, Masterson Advisors LLC, 3 Greenway Plaza, Suite 1100, Houston, Texas 77046, prior to 10:00 A.M. on Monday, June 1, 2020. Bidders that have provided signed bid forms will be telephoned by a representative of Masterson Advisors LLC, as financial advisor for the District, between 1:30 P.M. and 2:00 P.M. Houston Time on Monday, June 1, 2020.

The District and Masterson Advisors LLC are not responsible if telephones are busy, do not answer, or are malfunctioning, which prevents a bid or bids from being submitted on a timely basis. The District and Masterson Advisors LLC assume no responsibility or liability with respect to any irregularities associated with the submission of bids if the telephone option is exercised. **The District will not accept bids submitted by facsimile.**

Award of the Bonds: The District will take action to award the Bonds or reject all bids at a meeting scheduled to convene at 6:30 P.M., Houston Time, on Monday, June 1, 2020. It is anticipated that said meeting will be held via telephone conference call pursuant to Texas Government Code, Section 551.125, as amended, and as modified by the Governor of Texas in the Governor's proclamation on March 13, 2020, concerning the COVID-19 pandemic. If the Governor's proclamation is lifted or expires or if the Governor terminates the partial suspension of the Texas Government Code, Section 551.125, a meeting in a physical location may become necessary. In such case, the Board will conduct the meeting at the District's regular meeting place at 15027 Alief Clodine Road, Houston, Texas 77083. Upon awarding the Bonds to the winning bidder (the "Underwriter"), 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, and subject to compliance with Texas Government Code § 2252.908 as more fully described below. The District reserves the right to reject any and all bids and to waive any irregularities, except the time of filing of bids.

THE BONDS

Description of the Bonds: Principal of the Bonds is payable at maturity or earlier redemption. Interest on the Bonds accrues from June 1, 2020, and is payable on each March 1 and September 1, commencing September 1, 2020, until maturity or prior redemption. The Bonds will be issued only in fully registered form. The Bonds will be issued in denominations of \$5,000 each or integral multiples thereof. The Bonds mature on September 1 of the years as shown below.

YEAR DUE	PRINCIPAL AMOUNT	YEAR DUE	PRINCIPAL AMOUNT
2027	\$ 15,000	2035	\$ 50,000
2028	20,000	2036	60,000
2029	25,000	2037	250,000
2030	30,000	2038	250,000
2031	35,000	2039	250,000
2032	40,000	2040	250,000
2033	45,000	2041	250,000
2034	50,000	2042	250,000

Serial Bonds and/or Term Bonds: Bidders may provide that all the Bonds be issued as serial bonds or may provide that any two or more consecutive annual principal amounts be combined into one or more term bonds.

Redemption Provisions: The Bonds are subject to redemption prior to maturity, at the option of the District, as a whole or, from time to time in part, on September 1, 2026, or on any date thereafter at a price of par plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. If less than all of the Bonds are redeemed, the particular maturity or maturities and amounts to be redeemed shall be determined by the District, provided that if less than all the Bonds within a particular maturity are redeemed at any time, the particular Bonds within each such maturity to be redeemed shall be selected by DTC in accordance with its procedures.

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 September 1 of the first year which has been combined to form such term bond and continuing on September 1 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 on the cover page hereof under the caption "Maturity Schedule." 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.

Other Terms and Covenants: Other terms of the Bonds and various covenants of the District are contained in the Bond Order or described in the PRELIMINARY OFFICIAL STATEMENT, to which reference is made for all purposes.

Source and Security of Payment: The Bonds, when issued, will constitute valid and binding obligations of the District and will be payable as to principal and interest from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within the District.

Book-Entry-Only: 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.

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 (97%) of the par value plus accrued interest to the date of 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%. No bid which results in a net effective interest rate as defined by Chapter 1204, Texas Government Code, as amended (the “IBA Method”), in excess of 4.60% 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 which may be used, but each rate of interest for the period 2027 (base year) through 2042, cannot be less than the rate of interest specified for any earlier maturity during the period 2027 through 2042 and the highest interest rate bid may not exceed the lowest interest rate bid by more than 2.5% in rate. 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.

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 any discount bid, if any, or subtracting therefrom any 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 § 2252.908. In the event of mathematical discrepancies between the interest rate or rates and the interest cost determined therefrom, as both appear on the OFFICIAL BID FORM, the bid will be solely governed by the interest rates shown on the OFFICIAL BID FORM.

Provision of Texas Ethics Commission Form 1295 (“TEC Form 1295”) by Bidders: pursuant to Texas Government Code § 2252.908 (the “Interested Party Disclosure Act” or the “Act”), the District may not award the Bonds to a bidder unless the bidder, and each syndicate member listed on the Official Bid Form, have provided to the District (c/o Masterson Advisors LLC, 3 Greenway Plaza, Suite 1100, Houston, Texas 77046; Attn: Anthea Moran, Anthea.Moran@MastersonAdvisors.com) a completed and signed TEC Form 1295 which has been assigned a certificate number by the Texas Ethics Commission (the “TEC”). Pursuant to the rules prescribed by the TEC, the TEC Form 1295 must be completed online through the TEC’s website, assigned a certificate number, printed and signed, and provided to the District. The TEC Form 1295 may accompany the Official Bid Form or may be submitted separately but must be provided to the District prior to the time prescribed for the award of the Bonds. The TEC Form 1295 may be provided to the District via facsimile or electronically, however, the original signed and notarized TEC Form 1295 complete with certificate number must be physically delivered to the District (c/o Coats Rose, P.C. 9 Greenway Plaza Suite 1000, Houston, Texas 77046) within two business days of the award. 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 Chelford City Municipal Utility District and the contract ID number is ChelfordMUD-S2020A-B. Neither the District nor its consultants have the ability to verify the information included in a TEC Form 1295, and neither have an obligation nor undertake responsibility for advising any bidder with respect to the proper completion of the TEC Form 1295. Consequently, an entity intending to bid on the Bonds should consult its own advisors to the extent it deems necessary and be prepared to submit the completed form promptly upon notification from the District that its bid is the apparent winning bid.

Good Faith Deposit: Each bid must be accompanied by a bank cashier’s check payable to the order of “Chelford City Municipal Utility District” in the amount of \$37,400, which represents two percent (2%) of the par value of the Bonds (the “Good Faith Deposit”). **Only “bank cashier’s checks” will be accepted; no “official bank checks” will be accepted.** The check will be considered as a Good Faith Deposit, and the check of the Underwriter 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 Underwriter 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 Underwriter. 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 Underwriter to the District in federal or immediately available funds in the amount of the purchase price plus accrued interest thereon. No interest will be paid on the Good Faith Deposit. The checks accompanying bids other than the successful bid will be returned immediately after the bids are opened and an award of the Bonds has been made.

Competitive Bidding and Issue Price Certificate: In the event the District does not receive sufficient qualified bids to satisfy the competitive sale requirements of Treasury Regulation § 1.148-1(f)(3)(i), which would allow the District to treat the reasonably expected initial offering price to the public as of the sale date as the issue price of the Bonds, the “Hold-the-Offering-Price rule,” Treasury Regulation § 1.148-1(f)(2)(ii), shall apply, which will allow the District to treat the initial offering price to the public of each maturity as of the sale date as the issue price of that maturity (the “Hold-the-Offering-Price Rule”). By bidding, the Underwriter agrees that, so long as the Hold-the-Offering Price Rule applies to any maturity of the Bonds, the Underwriter will neither offer nor sell that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following: (a) the date on which the Underwriter has sold at least 10 percent of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public or (b) the close of the fifth (5th) business day after the sale date. The Underwriter agrees to promptly report to the District’s financial advisor when it has sold 10 percent of a maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public if that occurs prior to the close of the fifth (5th) business day after the sale date. Alternative Issue Price Certificates are attached for use (a) when the competitive sale requirements of Treasury Regulation § 1.148- 1(f)(3)(i) are met and (b) when such requirements are not met.

Compliance with Laws Prohibiting Contracts with Companies Boycotting Israel and Certain Companies Engaged in Business with Iran, Sudan, or Foreign Terrorist Organizations: Pursuant to Chapter 2270, Texas Government Code, the District will not award the Bonds to a potential purchaser unless the potential purchaser verifies that, solely for purposes of Chapter 2270, Texas Government Code, and except to the extent otherwise required by applicable federal law, it, being a “Company” as that term is defined in Texas Government Code Sections 2270.001(2) and 808.001(2), does not boycott Israel and agrees it will not boycott Israel through the delivery date of the Bonds. Similarly, pursuant to Chapter 2252, Texas Government Code, the District will not award the Bonds to a potential purchaser unless the potential purchaser certifies that, solely for purposes of Chapter 2252 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, it, and any wholly or majority owned subsidiary, parent company or affiliate, does not engage in business with Iran, Sudan, or a foreign terrorist organization (as defined by Section 2252.151 (2), Texas Government Code) and has not been identified as having engaged in business with Iran, Sudan, or a foreign terrorist organization on a list prepared and maintained by the Texas Comptroller of Public Accounts. By submitting a bid, potential purchaser makes and certifies to the representations necessary and convenient for the compliance with the aforementioned laws and agrees to execute further written certifications as may be necessary or convenient for the District to establish compliance with the aforementioned laws.

DELIVERY OF THE BONDS AND ACCOMPANYING DOCUMENTS

Initial Delivery of Initial Bonds: Initial delivery (“Initial Delivery”) will be accomplished by the issuance of one initial bond in each maturity (collectively, the “Initial Bonds”), either in typed or printed form, in the aggregate principal amount of \$1,870,000, registered in the name of Cede & Co., as nominee for the Depository Trust Company, New York, New York, manually signed by the President and Secretary of the Board, or executed by the facsimile signatures of the President and Secretary of the Board, and approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas or his authorized deputy. Initial Delivery will be at the principal payment office of the Paying Agent/Registrar in Dallas, 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 Underwriter will be given at least three (3) business days’ notice of the time fixed for delivery of the Bonds. It is anticipated that Initial Delivery can be made on or about June 30, 2020, and subject to the aforementioned notice it is understood and agreed that the Underwriter will accept delivery of and make payment for the Bonds by 10:00 A.M., Houston Time, on June 30, 2020, or thereafter on the date the Bonds are tendered for delivery, up to and including July 28, 2020. If for any reason the District is unable to make delivery on or before July 28, 2020, then the District shall immediately contact the Underwriter and offer to allow the Underwriter to extend its offer for an additional thirty (30) days. If the Underwriter does not elect to extend its offer within three (3) business days thereafter, then its Good Faith Deposit will be returned, and both the District and the Underwriter shall be relieved of any further obligation.

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

CUSIP Numbers: It is anticipated that CUSIP identification numbers will be printed on the Initial 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 Underwriter 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 Underwriter at the time the Bonds are awarded or as soon thereafter as practicable. The CUSIP Service Bureau charge for the assignment of the numbers shall be the responsibility of and shall be paid by the Underwriter.

Conditions of Delivery: The obligation to take up and pay for the Bonds is subject to the following conditions: issuance of an approving opinion of the Attorney General of Texas, the Underwriter's receipt of the Initial Bonds, the legal opinion of Bond Counsel and the No-Litigation Certificate, all of which are described herein, and the non-occurrence of the events described below under the caption "No Material Adverse Change." In addition, if the District fails to comply with its obligations described under "RULE 15c2- 12 COMPLIANCE—Delivery of Official Statements" herein, the Underwriter may terminate its contract to purchase the Bonds by delivering written notice to the District within five (5) days thereafter.

Legal Opinions: The District will furnish without cost to the Underwriter a transcript of certain certified proceedings incident to the issuance and authorization of the Bonds, including a certified copy of the unqualified approving legal 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 an annual ad valorem tax levied, without limit as to rate or amount, upon all taxable property within the District, based upon an examination of such transcript of proceedings, the approving legal opinion of Coats Rose, P.C., Bond Counsel, Houston, Texas, to a like effect and to the effect that the interest on the Bonds is excludable from gross income for federal income tax purposes under existing law and that the Bonds will not be treated as specified private activity bonds.

Certification Regarding Offering Price of Bonds: In order to provide the District with information to enable it to comply with certain conditions of the Internal Revenue Code of 1986 (the "Code") relating to the exclusion of interest on the Bonds from gross income for federal income tax purposes, the Underwriter will be required to complete, execute and deliver to the District (on or before the date of delivery of the Bonds) a certification regarding "issue price" substantially in the form accompanying this OFFICIAL NOTICE OF SALE. If the Underwriter will not reoffer the Bonds for sale or has not sold a substantial amount of the Bonds of any maturity by the date of delivery, such certificate may be modified in a manner approved by the District. 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 Underwriter 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.

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

The District will designate the Bonds as "qualified tax-exempt obligations" and has represented that the aggregate amount of tax-exempt bonds (including the Bonds) issued by the District and entities aggregated with the District under the Code during calendar year 2020 is not expected to exceed \$10,000,000 and that the District and entities aggregated with the District under the Code have not designated more than \$10,000,000 in "qualified tax-exempt obligations" (including the Bonds) during calendar year 2020.

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

No-Litigation Certificate: With the delivery of the Bonds, the President and Secretary of the Board will, on behalf of the District, execute and deliver to the Underwriter a certificate dated as of the date of delivery, to the effect that to the best knowledge of the District's certifying officers no litigation of any nature is pending against or threatened against the District, either in state or federal courts, contesting or attacking the Bonds; restraining or enjoining the authorization, execution or delivery of the Bonds; affecting the provision made for payment of or security for the Bonds; in any manner questioning the authority or proceedings for authorization, execution or delivery of the Bonds; or affecting the validity of the Bonds.

The District may not accept this bid until it has received from the bidder a completed, signed, and notarized TEC Form 1295 complete with a certificate number assigned by the Texas Ethics Commission ("TEC"), pursuant to Texas Government Code § 2252.908 and the rules promulgated thereunder buy the TEC. The undersigned understands that failure to provide said form complete with a certificate number assigned by the TEC as provided for in the OFFICIAL NOTICE OF SALE will result in a non-conforming bid and will prohibit the District from considering this bid for acceptance.

No Material Adverse Change: The obligations of the District to deliver the Bonds and of the Underwriter to accept delivery of and pay for the Bonds are subject to the condition that to the time of delivery of and receipt of payment for the Bonds, there shall have been no material adverse change in the conditions of the District from those 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 Underwriter to comply with the Municipal Securities Rule Making Board's Rule G-32 within the required time frame. The Underwriter must send two copies of the OFFICIAL STATEMENT along with two complete Form G-32'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 Underwriter’s obligation to accept and pay for the Bonds is conditioned upon delivery to the Underwriter or its agent of a certified copy of the Bond Order containing the agreement described under such heading.

Substantive Requirements for Official Statement: 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.

Final Official Statement: The District has prepared and authorized distribution of the accompanying PRELIMINARY OFFICIAL STATEMENT for dissemination to potential purchasers of the Bonds but does not presently intend to prepare any other document or version for such purpose except as described below. The District will be responsible for completing the OFFICIAL STATEMENT by inserting the interest rates and the purchase price bid by the Underwriter and the initial public offering yields as provided by the Underwriter to the District, and for preparing and inserting the final debt service schedule, and other similar information, terms and provisions to be specified in the competitive bidding process. 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. Accordingly, the District deems the accompanying PRELIMINARY OFFICIAL STATEMENT to be final as of its date, within the meaning of SEC Rule 15c2-12(b)(1), except for the omission of the foregoing items. By delivery of the final OFFICIAL STATEMENT or any amendment or supplement thereto in the requested quantity to the Underwriter on or after the sale date, the District represents the same to be complete 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 or will be made by the District are those described in the OFFICIAL STATEMENT under “PREPARATION OF OFFICIAL STATEMENT—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 Underwriter of any adverse event which causes any of the key representations in the OFFICIAL STATEMENT to be materially misleading, the District will promptly prepare and supply to the Underwriter a supplement to the OFFICIAL STATEMENT which corrects or amends such representation to the reasonable satisfaction of the Underwriter, unless the Underwriter elects to terminate its obligation to purchase the Bonds as described under “DELIVERY OF THE BONDS AND ACCOMPANYING DOCUMENTS—Conditions of Delivery.” The obligation of the District to do so will terminate when the District delivers the Bonds to the Underwriter, unless the Underwriter notifies the District that less than all of the Bonds have been sold to ultimate customers on or before such date, in which case the obligation will extend for an additional period of time (but not for more than ninety (90) days after the sale date) until all of the Bonds have been sold to ultimate customers.

Delivery of Official Statements: The District will furnish final OFFICIAL STATEMENTS to the Underwriter (and to each participating member of the underwriting syndicate, if any, of the Bonds, within the meaning of SEC Rule 15c2-12(a), designated by the Underwriter), within seven (7) business days after the sale date. The District will also furnish to the Underwriter a like number of any supplement or amendment prepared by the District for dissemination to potential purchasers of the Bonds as described above as well as such additional copies of the OFFICIAL STATEMENT or any supplement or amendment as the Underwriter may reasonably request prior to the ninetieth (90th) day after the end of the underwriting period referred to in SEC Rule 15c-12(f)(2).

GENERAL CONSIDERATIONS

Registration: The Bonds are transferable on the bond register kept by the Paying Agent/Registrar upon surrender and reissuance. The Bonds are exchangeable for an equal principal amount of Bonds of the same maturity in any authorized denomination upon surrender of the Bonds to be exchanged, but the District may require payment of a sum sufficient to cover any tax or governmental charge payable in connection therewith.

Investment Considerations: The Bonds involve certain investment considerations. Prospective bidders are urged to examine carefully the entire PRELIMINARY OFFICIAL STATEMENT, made a part hereof, with respect to the investment security of the Bonds. Particular attention should be given to the information set forth therein under the caption “INVESTMENT CONSIDERATIONS.”

Municipal Bond Rating: Application has been made to S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”), for a municipal bond rating, and S&P has assigned an underlying rating of “A” to the District. Application has also been made for the qualification of the Bonds for municipal bond insurance. If qualified, such insurance will be available at the option of the Underwriter and at the Underwriter’s expense. The rating fees of S&P will be paid by the District; any other rating fees associated with the insurance will be the responsibility of the Underwriter. A downgrade of the insurer by any rating agency subsequent to submitting a bid with municipal bond insurance and before the closing of the transaction is not a material adverse change nor is it a basis for the Underwriter to terminate its obligations to pay for the Bonds at closing. See “DELIVERY OF THE BONDS AND ACCOMPANYING DOCUMENTS—Conditions of Delivery” and “—No Material Adverse Change” herein. It should be noted that the state of the municipal bond insurance industry is under stress, which could result in downgrades of certain municipal bond insurers. Accordingly, investors should evaluate the underlying credit quality of the District. See “INVESTMENT CONSIDERATIONS” in the PRELIMINARY OFFICIAL STATEMENT.

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 has not been registered or qualified under the Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder; and the Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein, nor have the Bonds been registered or qualified under the securities laws of any other jurisdiction. The District assumes no responsibility for registration or qualification of the Bonds under the securities laws of any 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 Underwriter 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 Underwriter 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 Underwriter, at the Underwriter'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, Masterson Advisors LLC, 3 Greenway Plaza, Suite 1100, Houston, Texas 77046.

Mr. John L. Gardner
President, Board of Directors
Chelford City Municipal Utility District

OFFICIAL BID FORM

President and Board of Directors
 Chelford City Municipal Utility District
 c/o Masterson Advisors LLC
 3 Greenway Plaza, Suite 1100
 Houston, Texas 77046

Board Members:

We have read in detail your OFFICIAL NOTICE OF SALE and accompanying PRELIMINARY OFFICIAL STATEMENT dated May 4, 2020, relating to the \$1,870,000 Chelford City Municipal Utility District (the "District") Waterworks and Sewer System Combination Unlimited Tax and Revenue Bonds, Series 2020A (the "Bonds"), as made a part hereof. 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, in the aggregate principal amount of \$1,870,000, we will pay you a price of \$ _____, representing _____% of the par value, plus accrued interest to the date of delivery to us. Such Bonds mature September 1, 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>
2027	\$ 15,000 *	_____ %	2035	\$ 50,000 *	_____ %
2028	20,000 *	_____ %	2036	60,000 *	_____ %
2029	25,000 *	_____ %	2037	250,000 *	_____ %
2030	30,000 *	_____ %	2038	250,000 *	_____ %
2031	35,000 *	_____ %	2039	250,000 *	_____ %
2032	40,000 *	_____ %	2040	250,000 *	_____ %
2033	45,000 *	_____ %	2041	250,000 *	_____ %
2034	50,000 *	_____ %	2042	250,000 *	_____ %

* The Bonds are subject to redemption prior to maturity at the option of the District, in whole or in part, from time to time on September 1, 2026, or on any date thereafter, at a price equal to the par value thereof plus accrued interest from the most recent interest payment date to the date fixed for redemption.

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:

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

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

Total Interest Cost from June 1, 2020.....	\$ _____
Plus Dollar Amount of Discount.....	\$ _____
NET INTEREST COST	\$ _____
NET EFFECTIVE INTEREST RATE.....	_____ %

The Bonds shall be registered in the name of Cede & Co, as nominee for The Depository Trust Company, New York, New York.

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 and Rule G-36 of the Municipal Securities Rulemaking Board.

A Bank Cashier's Check payable to the District in the amount of \$37,400 has been made available to you prior to the opening of this bid, as a Good Faith Deposit for disposition in accordance with the OFFICIAL NOTICE OF SALE made a part hereof. 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.

If the bidder is not a publicly traded business entity, or a wholly owned subsidiary of a publicly traded business entity, the District may not accept this bid until it has received from the bidder a completed and signed Texas Ethics Commission Form 1295 and Certification of Filing pursuant to Texas Government Code §2252.908 and the rules promulgated thereunder by the Texas Ethics Commission. The undersigned understands that failure to provide said form and Certification of Filing will result in a non-confirming bid and will prohibit the District from considering this bid for acceptance. See "CONDITIONS OF SALE – Provision of Texas Ethics Commission Form 1295 by Bidders" in the accompanying Official Notice of Sale.

The undersigned verifies that, solely for purposes of Chapter 2270, Texas Government Code, and except to the extent otherwise required by applicable federal law, it, being a "Company" as that term is defined in Texas Government Code Sections 2270.001(2) and 808.001(2), does not boycott Israel and agrees it will not boycott Israel through the delivery date of the Bonds. Additionally, the undersigned certifies that, solely for purposes of Chapter 2252 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, it, nor any wholly or majority-owned subsidiary, parent company or affiliate, engages in business with Iran, Sudan, or a foreign terrorist organization (as defined by Section 2252.151 (2), Texas Government Code) and has not been identified as having engaged in business with Iran, Sudan, or a foreign terrorist organization on a list prepared and maintained by the Texas Comptroller of Public Accounts. At the request of the District, the undersigned agrees to execute further written certifications as may be necessary or convenient for the District to establish compliance with these laws.

We understand the sale of the Bonds has not been registered 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; nor have the Bonds been registered or qualified under the securities laws of any other jurisdiction. We hereby represent the sale of the Bonds in jurisdictions other than Texas will be made only pursuant to exemptions from registration or qualification and that where necessary, we will register or qualify the Bonds in accordance with the securities laws and regulations of the jurisdiction in which the Bonds are offered or sold.

We further understand that the District assumes no responsibility or obligation for the distribution or delivery of any copies of the OFFICIAL STATEMENT or other information concerning the District and the Bonds to anyone other than to us except as described in the PRELIMINARY OFFICIAL STATEMENT under "CONTINUING DISCLOSURE OF INFORMATION."

Respectfully submitted,

By: _____

Telephone Number: _____

ACCEPTANCE CLAUSE

The above and foregoing bid is hereby in all things accepted by Chelford City Municipal Utility District this 1st day of June, 2020.

ATTEST:

Secretary, Board of Directors

President, Board of Directors

BOND YEARS

Due: September 1, Annually
Dated: June 1, 2020

<u>Year</u>	<u>Principal</u>	<u>Bond Years</u>	<u>Cumulative Bond Years</u>
2027	\$ 15,000	108.750	108.750
2028	20,000	165.000	273.750
2029	25,000	231.250	505.000
2030	30,000	307.500	812.500
2031	35,000	393.750	1,206.250
2032	40,000	490.000	1,696.250
2033	45,000	596.250	2,292.500
2034	50,000	712.500	3,005.000
2035	50,000	762.500	3,767.500
2036	60,000	975.000	4,742.500
2037	250,000	4312.500	9,055.000
2038	250,000	4562.500	13,617.500
2039	250,000	4812.500	18,430.000
2040	250,000	5062.500	23,492.500
2041	250,000	5312.500	28,805.000
2042	250,000	5562.500	34,367.500
Total	\$ 1,870,000		

Average Maturity..... 18.378 Years

ISSUE PRICE CERTIFICATE—COMPETITIVE SALE REQUIERMENTS MET

The undersigned hereby certifies as follows with respect to the sale of \$1,870,000 Chelford City Municipal Utility District (the “District”) Waterworks and Sewer System Combination Unlimited Tax and Revenue Bonds, Series 2020A (the “Bonds”):

1. The undersigned is the Underwriter or the manager of the syndicate of Underwriters (the “Underwriter”) which has purchased the Bonds from the District at competitive sale.
2. The Underwriter’s reasonably expected initial offering prices of each maturity of the Bonds to the public, as of the Sale Date, are set forth below (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Bonds used by the Underwriter in formulating its bid to purchase the Bonds:

<u>Maturity</u>	<u>Principal Amount</u>	<u>Offering Price/Yield</u>	<u>Maturity</u>	<u>Principal Amount</u>	<u>Offering Price/Yield</u>
2027	\$ 15,000 *	_____ %	2035	\$ 50,000 *	_____ %
2028	20,000 *	_____ %	2036	60,000 *	_____ %
2029	25,000 *	_____ %	2037	250,000 *	_____ %
2030	30,000 *	_____ %	2038	250,000 *	_____ %
2031	35,000 *	_____ %	2039	250,000 *	_____ %
2032	40,000 *	_____ %	2040	250,000 *	_____ %
2033	45,000 *	_____ %	2041	250,000 *	_____ %
2034	50,000 *	_____ %	2042	250,000 *	_____ %

* Subject to optional redemption on or after September 1, 2026.

3. The term “public,” means any person (including an individual, trust, estate, partnership, association, company or corporation) other than an underwriter or a related party (as defined in Treasury Regulation § 1.150-1(b)) to an underwriter.

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

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

6. The “Sale Date” of the Bonds is June 1, 2020

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

EXECUTED and DELIVERED this _____ day of _____ 2020.

Name of Underwriter or Manager

By: _____

Title: _____

ISSUE PRICE CERTIFICATE—COMPETITIVE SALE REQUIERMENTS NOT MET

The undersigned hereby certifies as follows with respect to the sale of \$1,870,000 Chelford City Municipal Utility District (the “District”) Waterworks and Sewer System Combination Unlimited Tax and Revenue Bonds, Series 2020A (the “Bonds”):

1. The undersigned is the Underwriter or the manager of the syndicate of Underwriters (the “Underwriter”) which has purchased the Bonds from the District at competitive sale.

2. As of the date of this Certificate, for each of the following maturities (the “Sold Maturities”), the first price/yield at which a substantial amount (i.e. at least ten (10) percent) of the principal amount of such maturity was sold to the public is set forth below:

<u>Maturity</u>	<u>Principal Amount</u>	<u>Offering Price/Yield</u>	<u>Maturity</u>	<u>Principal Amount</u>	<u>Offering Price/Yield</u>
2027	\$ 15,000 *	_____ %	2035	\$ 50,000 *	_____ %
2028	20,000 *	_____ %	2036	60,000 *	_____ %
2029	25,000 *	_____ %	2037	250,000 *	_____ %
2030	30,000 *	_____ %	2038	250,000 *	_____ %
2031	35,000 *	_____ %	2039	250,000 *	_____ %
2032	40,000 *	_____ %	2040	250,000 *	_____ %
2033	45,000 *	_____ %	2041	250,000 *	_____ %
2034	50,000 *	_____ %	2042	250,000 *	_____ %

* Subject to optional redemption on or after September 1, 2026.

3. As of the Sale Date for the Bonds, each of the following maturities (the “Unsold Maturities”) was offered to the public for purchase at the initial offering price/yield as set forth below (the “Initial Offering Price”):

<u>Maturity</u>	<u>Principal Amount</u>	<u>Offering Price/Yield</u>	<u>Maturity</u>	<u>Principal Amount</u>	<u>Offering Price/Yield</u>
2027	\$ 15,000 *	_____ %	2035	\$ 50,000 *	_____ %
2028	20,000 *	_____ %	2036	60,000 *	_____ %
2029	25,000 *	_____ %	2037	250,000 *	_____ %
2030	30,000 *	_____ %	2038	250,000 *	_____ %
2031	35,000 *	_____ %	2039	250,000 *	_____ %
2032	40,000 *	_____ %	2040	250,000 *	_____ %
2033	45,000 *	_____ %	2041	250,000 *	_____ %
2034	50,000 *	_____ %	2042	250,000 *	_____ %

* Subject to optional redemption on or after September 1, 2026.

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

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

6. The term "public" means any person (including an individual, trust, estate, partnership, association, company or corporation) other than an underwriter or a related party (as defined in Treasury Regulation § 1.150-1(b)) to an underwriter.

7. The "Sale Date" of the Bonds is June 1, 2020.

8. "Offering Period" means, with respect to an Unsold Maturity, the period beginning on the Sale Date and ending on the earlier of (a) the close of the fifth (5th) business day after the Sale Date or (b) the date on which the Underwriter has sold at least 10 percent of such Unsold Maturity to the public at a price that is no higher than the Initial Offering Price for such Unsold Maturity.

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

EXECUTED and DELIVERED this _____ day of _____ 2020.

Name of Underwriter or Manager

By: _____

Title: _____