

OFFICIAL NOTICE OF SALE

\$4,180,000

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 121
(A political subdivision of the State of Texas, located within Montgomery County, Texas)

**UNLIMITED TAX ROAD BONDS
SERIES 2022**

BIDS TO BE SUBMITTED BY:
9:30 A.M., CENTRAL TIME
MONDAY, MAY 16, 2022

BONDS TO BE AWARDED AT:
11:00 A.M., CENTRAL TIME
MONDAY, MAY 16, 2022

This Official Notice of Sale does not alone constitute an invitation for bids, but is merely notice of sale of the bonds described herein. The invitation for such bids is being made by means of this Official Notice of Sale, the Official Bid Form, and the Preliminary Official Statement. Information contained in this Official Notice of Sale is qualified in its entirety by the detailed information contained in the Preliminary Official Statement.

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(A political subdivision of the State of Texas, located within Montgomery County, Texas)

UNLIMITED TAX ROAD BONDS

SERIES 2022

BONDS OFFERED FOR SALE AT COMPETITIVE BID: The Board of Directors (the "Board") of Montgomery County Municipal Utility District No. 121 (the "District") is offering for sale at competitive bid its \$4,180,000 Unlimited Tax Road Bonds, Series 2022 (the "Road Bonds").

METHODS FOR SUBMISSION OF BIDS AND BID FORMS: Bids for the Road Bonds may be submitted by any one (1) of the following methods:

1. Submit bids in writing as described below under "WRITTEN BIDDING PROCEDURE."
2. Submit bids electronically as described below under "ELECTRONIC BIDDING PROCEDURE."
3. Submit bids by telephone as described below under "TELEPHONIC BIDDING PROCEDURE."

Two (2) copies of all bids, whether by completed signed bid form for use with physical delivery of written bids or by incomplete signed bid forms for use with electronic or telephonic bids, must be submitted on signed Official Bid Forms to the office of Robert W. Baird & Co. Incorporated, Houston, Texas (the "Financial Advisor"), Attn: Jan Bartholomew, 1331 Lamar Street, Suite 1360, Houston, Texas, 77010, by 9:30 A.M., Central Time, Monday, May 16, 2022. Any bid or bid form submitted after such scheduled time for bid receipt will not be accepted and will be returned unopened. **The District will not accept bids submitted by facsimile.** See "CONDITIONS OF SALE – REQUIRED DISCLOSURE OF INTERESTED PARTIES (NON-PUBLICLY TRADED ENTITIES)" for additional requirements concerning submission of bids.

WRITTEN BIDDING PROCEDURE: Sealed bids, two (2) copies of which must be submitted on the Official Bid Form and plainly marked "Bid for Road Bonds," are to be addressed to "President and Board of Directors, Montgomery County Municipal Utility District No. 121." All bids, whether by completed signed bid form or by incomplete signed bid forms for use with telephone or electronic bids, must be submitted on signed Official Bid Forms, in duplicate, to the office of the Financial Advisor, Attn: Jan Bartholomew, 1331 Lamar Street, Suite 1360, Houston, Texas, 77010 by 9:30 A.M., Central Time, Monday, May 16, 2022. Any bid or bid form submitted after such scheduled time for bid receipt will not be accepted and will be returned unopened. See "CONDITIONS OF SALE – REQUIRED DISCLOSURE OF INTERESTED PARTIES (NON-PUBLICLY TRADED ENTITIES)" for additional requirements concerning submission of bids.

ELECTRONIC BIDDING PROCEDURE: 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 9:30 A.M., Central Time, Monday, May 16, 2022, two (2) SIGNED Official Bid Forms, in duplicate, to the office of the Financial Advisor, Attn: Jan Bartholomew, 1331 Lamar Street, Suite 1360, Houston, Texas 77010. Subscription to the i-Deal's BIDCOMP Competitive Bidding System is required in order to submit an electronic bid. The District will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe. Electronic bids must be received via PARITY in the manner described below, until 9:30 A.M., Central Time, Monday, May 16, 2022.

Electronic bids must be submitted via PARITY in accordance with this Official Notice of Sale, until 9:30 A.M., Central Time, but no bid will be received after the time for receiving bids specified above. An electronic bid made through the facilities of PARITY shall be deemed an irrevocable offer to purchase the Road Bonds on the terms provided in the 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 the 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 i-Deal, 1359 Broadway, 2nd Floor, New York, NY 10018, (212) 849-5000.

For purposes of both the written 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 effective interest rate to the District, as described under "CONDITIONS OF SALE" below. All electronic bids shall be deemed to incorporate the provisions of this Official Notice of Sale and the Official Bid Form. See "CONDITIONS OF SALE –

REQUIRED DISCLOSURE OF INTERESTED PARTIES (NON-PUBLICLY TRADED ENTITIES)” for additional requirements concerning submission of bids.

TELEPHONIC BIDDING PROCEDURE: Bidders must submit, prior to 9:30 A.M., Central Time, Monday, May 16, 2022, duplicate two (2) SIGNED Official Bid Forms to the office of the Financial Advisor, Attn: Jan Bartholomew, 1331 Lamar Street, Suite 1360, Houston, Texas 77010 and submit their bid by telephone on the date of sale by 9:30 A.M., Central Time.

The Financial Advisor will call telephone bidders that have submitted SIGNED Official Bid Forms prior to the date of the sale. Contact the Financial Advisor on the day of the sale to obtain the phone number.

The Financial Advisor will not be responsible for the submission of any bids received after the above deadlines. The Financial Advisor assumes no responsibility or liability with respect to any irregularities associated with the submission of any bids.

AWARD AND SALE OF THE BONDS: The District will take action to adopt a resolution (the “Road Bond Resolution”) authorizing the issuance and awarding sale of the Road Bonds or will reject all bids promptly after the opening of bids. **The Board reserves the right to reject any or all bids and to waive any irregularities, except time of filing. Any bids from entities that are not publicly traded business entities, or wholly owned subsidiaries of a publicly traded business entity, must comply with the requirements listed in “CONDITIONS OF SALE – REQUIRED DISCLOSURE OF INTERESTED PARTIES (NON-PUBLICLY TRADED ENTITIES).”**

THE BONDS

DESCRIPTION OF CERTAIN TERMS OF THE BONDS: The Road Bonds are dated June 1, 2022. Interest on the Road Bonds will accrue from the initial date of delivery (on or about June 21, 2022), with interest payable on March 1, 2023, and each September 1 and March 1 thereafter (each an “Interest Payment Date”) until the earlier of maturity or prior redemption. The Road Bonds will be issued only in fully registered form. Principal will be payable to the registered owner(s) of the Road Bonds (the “Registered Owner(s)”) upon presentation and surrender at the principal payment office of the paying agent/registrar, initially, Regions Bank, an Alabama banking corporation, Houston, Texas (the “Paying Agent/Registrar”). Interest on the Road Bonds will be payable by check of the Paying Agent/Registrar, dated as of the Interest Payment Date, and mailed by the Paying Agent/Registrar to the Registered Owners, as shown on the records of the Paying Agent/Registrar at the close of business on the fifteenth day of the calendar month next preceding each Interest Payment Date (the “Record Date”). The Road Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Road Bonds. Beneficial owners of the Road Bonds will not receive physical certificates representing the Road 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 Road Bonds, the principal of and interest on the Road Bonds will be paid by the Paying Agent/Registrar directly to DTC, which will, in turn, remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Road Bonds as described herein. See “BOOK-ENTRY-ONLY SYSTEM” in the Preliminary Official Statement. The Road Bonds will mature serially on September 1 in each of the following years in the following amounts:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2023	\$ 70,000	2035	\$ 170,000
2024	110,000	2036	180,000
2025	115,000	2037	185,000
2026	120,000	2038	195,000
2027	125,000	2039	205,000
2028	130,000	2040	210,000
2029	135,000	2041	220,000
2030	140,000	2042	230,000
2031	145,000	2043	240,000
2032	150,000	2044	250,000
2033	160,000	2045	260,000
2034	165,000	2046	270,000

SERIAL BONDS AND TERM BONDS: Bidders may provide that all the Road Bonds be issued as serial bonds or may provide that any two (2) or more consecutive annual principal amounts may be combined into one (1) or more term bonds.

REDEMPTION PROVISIONS: The Road Bonds maturing on or after September 1, 2027, are subject to redemption and payment, at the option of the District, in whole or, from time to time, in part, on June 1, 2027, or on any date thereafter, at a price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption. If less than all the Road Bonds are redeemed at any time, the District shall determine the maturity or maturities and the amounts thereof to be redeemed in integral multiples of \$5,000 of principal amount, and if less than all of the Road Bonds within a maturity

are to be redeemed, the Paying Agent/Registrar shall designate by method of random selection the Road Bonds within such maturity to be redeemed (or by DTC in accordance with its procedures while the Road Bonds are in book-entry-only form). The Registered Owner of any Road Bond, all or a portion of which has been called for redemption, shall be required to present such Road Bond to the Paying Agent/Registrar for payment of the redemption price on the portion of the Road Bonds so called for redemption and issuance of an exchange Road Bond in a principal amount equal to the portion of the Road Bonds not so redeemed.

SECURITY FOR PAYMENT: The Road Bonds, when issued, will constitute valid and binding obligations of the District, 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.

OTHER TERMS AND COVENANTS: Other terms of the Road Bonds and the various covenants of the District contained in the Road Bond Resolution are described in the Preliminary Official Statement, to which reference is made for all purposes.

USE OF PROCEEDS: Proceeds from the sale of the Road Bonds will be used to reimburse JDC (as defined in the Preliminary Official Statement) and Tri Pointe (as defined in the Preliminary Official Statement) for the improvements and related costs shown under "USE AND DISTRIBUTION OF ROAD BOND PROCEEDS" in the Preliminary Official Statement. Additionally, proceeds from the sale of the Road Bonds will be used to pay developer interest; six (6) months of capitalized interest; and other certain costs associated with the issuance of the Road Bonds. See "USE AND DISTRIBUTION OF ROAD BOND PROCEEDS" in the Preliminary Official Statement.

MUNICIPAL BOND INSURANCE AND RATINGS: The District has made an application to Build America Mutual Assurance Company and Assured Guaranty Municipal Corporation for a commitment for municipal bond guaranty insurance on the Road Bonds. THE PAYMENT OF ALL COSTS ASSOCIATED WITH THE INSURANCE, IF AVAILABLE, INCLUDING THE PREMIUM CHARGED BY THE INSURANCE COMPANY AND FEES CHARGED BY RATING COMPANIES, OTHER THAN MOODY'S INVESTORS SERVICE, INC. ("MOODY'S"), WILL BE AT THE OPTION AND EXPENSE OF THE ROAD BOND INITIAL PURCHASER (HEREIN DEFINED). THE DISTRICT WILL PAY THE RATING FEES CHARGED BY MOODY'S.

Moody's has assigned an underlying rating of "Baa3" to the Road Bonds. See "MUNICIPAL BOND INSURANCE" and "RATINGS" in the Preliminary Official Statement.

CONDITIONS OF SALE

TYPES OF BIDS AND INTEREST RATES: The Road Bonds will be sold in one (1) block on an "all or none" basis at a price of not less than 97% of the par value thereof. Bidders are to name the rates of interest to be borne by the Road Bonds, provided that each interest rate bid must be a multiple of 1/8th or 1/20th of 1%. All Road Bonds maturing within a single year must bear the same rate of interest. The net effective interest rate on the Road Bonds may not exceed 5.27%, as calculated pursuant to Chapter 1204 of the Texas Government Code. No limitation will be imposed upon bidders as to the number of rates which may be used, but the highest rate bid may not exceed the lowest rate bid by more than 2-1/2% in interest rate. No bids involving supplemental interest payments will be considered. No bid that generates a cash premium greater than \$5,000 will be considered. Each bid shall indicate the total and net interest costs in dollars and the net effective interest rate determined therefrom, which shall be considered informative only and not as a part of the bid.

REQUIRED DISCLOSURE OF INTERESTED PARTIES (NON-PUBLICLY TRADED ENTITIES): Bidders, including any syndicate member listed on the Official Bid Form, that are not publicly traded business entities, or wholly owned subsidiaries of a publicly traded business entity, must submit to the District a completed and signed Texas Ethics Commission Form 1295 ("TEC Form 1295") in accordance with Texas Government Code Section 2252.908. If required, 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 Road Bonds. If required the TEC Form 1295 may be provided to the District via facsimile or electronically; however, the original signed TEC Form 1295, including certificate number, must be physically delivered to the District within two (2) business days of the award. The District reserves the right to reject any bid that does not comply with the requirements prescribed herein, if applicable, or to waive any such requirements. For purposes of completing a TEC Form 1295, the entity's name is "Montgomery County Municipal Utility District No. 121" and the contract ID number is "MCMUD121 - S2022R - 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, each bidder should consult its own advisors to the extent it deems necessary and be prepared to submit, if required, the completed form promptly upon notification from the District that its bid is the apparent winning bid.

COMPLIANCE WITH LAWS PROHIBITING CONTRACTS WITH COMPANIES BOYCOTTING ISRAEL: The District will not award the Road Bonds to a bidder unless the bidder verifies on behalf of itself and each syndicate member listed on the Official Bid Form that, to the extent the bid for the Road Bonds represents a contract for goods or services within the meaning of Section 2270.002 of the Texas Government Code, as amended, solely for purposes of Chapter 2270 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, at the time of execution and delivery of this bid and through the end of the underwriting period as defined by United States Securities and Exchange Commission (the "SEC") Rule 15c2-12 of the Securities Exchange Act (the "Rule"), neither the bidder nor a syndicate

member listed on the Official Bid Form, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, boycotts or will boycott Israel. The terms “boycotts Israel” and “boycott Israel” as used in this paragraph have the meanings assigned to the term “boycott Israel” in Section 808.001 of the Texas Government Code, as amended.

COMPLIANCE WITH LAWS PROHIBITING CONTRACTS WITH CERTAIN COMPANIES ENGAGED IN BUSINESS WITH IRAN, SUDAN, OR FOREIGN TERRORIST ORGANIZATIONS: The District will not award the Road 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 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 2270.0201 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. “Company” means a sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company, or other entity or business association whose securities are publicly traded, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations, that exists to make a profit.

CONTRACTING INFORMATION: The District will not award the Road 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 Road 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 Road 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.

COMPLIANCE WITH LAWS PROHIBITING DISCRIMINATION AGAINST FOSSIL-FUEL COMPANIES: The District will not award the Road Bonds to a bidder unless the bidder verifies on behalf of itself and each syndicate member listed on the Official Bid Form that, to the extent the bid for the Road Bonds constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies through the end of the underwriting period as defined by the Rule. The foregoing verification is made solely to enable the District to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification, “boycott energy companies” shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above.

COMPLIANCE WITH LAWS PROHIBITING DISCRIMINATION AGAINST FIREARM ENTITIES AND FIREARM TRADE ASSOCIATIONS: The District will not award the Road Bonds to a bidder unless the bidder verifies on behalf of itself and each syndicate member listed on the Official Bid Form that, to the extent the bid for the Road Bonds constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this through the end of the underwriting period as defined by the Rule. The foregoing verification is made solely to enable the District to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification, ‘discriminate against a firearm entity or firearm trade association’ (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company’s refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship,

or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association. As used in the foregoing verification, (b) 'firearm entity' means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (i.e., weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (i.e., devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (i.e., a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (as defined by Section 250.001, Texas Local Government Code), and (c) 'firearm trade association' means a person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

BASIS OF AWARD: For the purpose of awarding sale of the Road Bonds, the total interest cost of each bid will be computed by determining, at the rates specified therein, the total dollar value of all interest on the Road Bonds from the date thereof to their respective maturities, and adding thereto the dollar amount of the discount bid, if any, or deducting therefrom the premium bid, if any. Subject to the District's right to reject any or all bids, sale of the Road Bonds will be awarded to the bidder (the "Road Bond Initial Purchaser") whose bid, under the above computation, produces the lowest net effective interest rate to the District. The Board reserves the right to reject any or all bids. In the event of mathematical discrepancies between the interest rate(s) bid and the interest cost determined therefrom, as both appear on the Official Bid Form; the bid will be governed solely by the interest rate(s) bid.

GOOD FAITH DEPOSIT: Each bid must be accompanied by a bank cashier's check payable to the order of "Montgomery County Municipal Utility District No. 121" in the amount of \$83,600, which is 2% of the par value of the Road Bonds (the "Good Faith Deposit"). **"Official Checks" will not be accepted.** The check of the Road Bond Initial Purchaser will be considered as the Good Faith Deposit and will be retained uncashed by the District pending the Road Bond Initial Purchaser's compliance with the terms of the bid. In the event the Road Bond Initial Purchaser should fail or refuse to take up and pay for the Road Bonds in accordance with such terms, then the Good Faith Deposit will be cashed and the proceeds accepted by the District as full and complete liquidated damages. The Good Faith Deposit may accompany the bid 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 which authorize its use as the Good Faith Deposit of bidders named in such instructions. The Good Faith Deposit of the Road Bond Initial Purchaser will be returned to the Road Bond Initial Purchaser uncashed on the date of delivery of the Road Bonds. No interest will be credited on the Good Faith Deposit. The checks accompanying all other bids will be returned immediately after the bids are opened and the award of the sale of the Road Bonds has been made.

COMPETITIVE BIDDING AND HOLD-THE-OFFERING-PRICE RULE: 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 Road Bonds, the "hold-the-offering-price rule" shall apply, which will allow the District to treat the initial offering price to the public of each maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule applies to any maturity of the Road Bonds, the Road Bond Initial Purchaser agrees, by submitting a bid, that it will neither offer nor sell that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following: (i) the date on which the Road Bond Initial Purchaser has sold at least 10% of that maturity of the Road Bonds to the public at a price that is no higher than the initial offering price to the public or (ii) the close of the fifth business day after the sale date. The Road Bond Initial Purchaser agrees to promptly report to the Financial Advisor when it has sold 10% of a maturity of the Road Bonds to the public at a price that is no higher than the initial offering price to the public if that occurs prior to the close of the fifth business day after the sale date.

INITIAL PURCHASER'S CERTIFICATION OF ISSUE PRICE: In order to provide the District with information required to enable it to comply with certain conditions of the Internal Revenue Code of 1986, as amended (the "Code"), relating to the exclusion of interest on the Road Bonds from gross income for federal income tax purposes, the Road Bond Initial Purchaser will be required to complete, execute, and deliver to the District (not later than five (5) business days before the date of delivery of the Road Bonds) a certification regarding the "issue price" of the Road Bonds substantially in the form accompanying this Official Notice of Sale. In the event the Road Bond Initial Purchaser will not reoffer the Road Bonds for sale or is unable to sell a substantial amount of the Road 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 not later than five (5) business days before the date of delivery of the Road Bonds, if its bid is accepted by the District. It will be the responsibility of the Road Bond 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 The Muller Law Group, PLLC, Sugar Land, Texas ("Bond Counsel").

DELIVERY OF THE BONDS AND ACCOMPANYING DOCUMENTS

DELIVERY OF INITIAL BONDS: Initial delivery of the Road Bonds ("Initial Delivery") will be as one (1) Road Bond for each maturity, as set forth below. Unless otherwise agreed with the Road Bond Initial Purchaser, delivery will be at the corporate trust office of the Paying Agent/Registrar. Payment for the Road Bonds must be made in immediately available funds for unconditional credit to the District, or as otherwise directed by the District. If, at the time set for closing, the Road Bond Initial Purchaser has provided the Paying Agent/Registrar five (5) business days written notice of its registration instructions, the Road Bond Initial Purchaser shall not be required to pay for the initial Bonds until the Paying Agent/Registrar is able to deliver to the Road Bond Initial Purchaser definitive, registered Road Bonds conforming to such registration instructions. The Road Bond Initial Purchaser will be given six (6) business days' notice of the time fixed for delivery of the Road Bonds. It is anticipated that Initial Delivery can be made on or about June 21, 2022, and subject to the aforesaid notice, it is understood and agreed that the Road Bond Initial Purchaser will accept delivery and make payment for the initial Bonds by 10:00 A.M., Central Time, on June 21, 2022, or thereafter on the date the initial Bonds are tendered for delivery, up to and including July 21, 2022. If for any reason the District is unable to make delivery on or before July 21, 2022, then the District immediately shall contact the Road Bond Initial Purchaser and offer to allow the Road Bond Initial Purchaser to extend its offer for an additional 30 days. If the Road Bond Initial Purchaser does not elect to extend its offer within six (6) days thereafter, then the Good Faith Deposit will be returned, and both the District and the Road Bond Initial Purchaser shall be relieved of any further obligation.

EXCHANGE ON DELIVERY DATE: Upon written request of the Road Bond Initial Purchaser, delivered to the Paying Agent/Registrar not less than five (5) business days prior to the date fixed for delivery, the Paying Agent/Registrar will, on the delivery date, exchange the Road Bonds to be delivered by the District for Road Bonds registered in accordance with instructions contained in such request, in integral multiples of \$5,000, maturing as set out in the Official Notice of Sale and bearing interest in accordance with the terms of the Road Bond Initial Purchaser's bid.

CUSIP NUMBERS: It is anticipated that CUSIP identification numbers will be printed on the Road Bonds, but neither the failure to print such number on any Road Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Road Bond Initial Purchaser to accept delivery of and pay for the Road Bonds in accordance with the terms of this Official Notice of Sale. All expenses relating to the printing of CUSIP numbers on the Road Bonds shall be paid for by the District; however, payment of the CUSIP Global Services charge for the assignment of the numbers shall be the responsibility of the Road Bond Initial Purchaser.

CONDITIONS TO DELIVERY: The obligation to take up and pay for the Road Bonds is subject to the following conditions: the issuance of an approving opinion of the Attorney General of Texas, the Road Bond Initial Purchaser's receipt of the initial Road Bonds (or definitive Road Bonds if the Road Bond Initial Purchaser has provided the Paying Agent/Registrar with registration instructions as provided above), the Road Bond Initial Purchaser's receipt of the legal opinion of Bond Counsel and the no-litigation certificate, and the non-occurrence of the events described below under the caption "No Material Adverse Change," all as described below. Further, the Road Bond Initial Purchaser is not obligated to take up and pay for the Road Bonds at Initial Delivery if at any time after the award of the Road Bonds and at or prior to Initial Delivery, the Congress of the United States shall have declared war or a national emergency. In addition, if the District fails to comply with its obligations described under "OFFICIAL STATEMENT" below, the Road Bond Initial Purchaser may terminate its contract to purchase the Road Bonds by delivering written notice to the District within five (5) days thereafter.

DTC DEFINITIVE BONDS: After delivery, Road 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 Road Bonds shall mean Cede & Co. and not the Beneficial Owners of the Road Bonds. Purchase of beneficial interests in the Road Bonds will be made in book-entry-only form (without registered Road 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 Road Bonds at DTC, or another securities depository, in which case, such beneficial interests would become exchangeable for one (1) or more fully registered Road Bonds of like principal amount for the Road Bonds. See "BOOK-ENTRY-ONLY SYSTEM" in the Preliminary Official Statement.

LEGAL OPINIONS: The District will furnish to the Road Bond Initial Purchaser a transcript of certain certified proceedings incident to the issuance and authorization of the Road Bonds, including a certified copy of the 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 Attorney General has examined a transcript of proceedings authorizing the issuance of the Road Bonds, and that based upon such examination, the Road Bonds are valid and binding obligations of the District payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within the District. The District will also furnish the approving legal opinion of Bond Counsel, to the effect that, based upon an examination of such transcript, the Road Bonds are valid and binding obligations of the District under the Constitution and laws of the State of Texas, except to the extent that enforcement of the rights and remedies of the registered owners of the Road Bonds may be limited by laws relating to bankruptcy, reorganization, or other similar laws of general application

affecting the rights of creditors of political subdivisions such as the District. The legal opinion of Bond Counsel will further state that the Road Bonds are payable, both as to principal and interest, from the levy of an annual ad valorem tax, without legal limitation as to rate or amount, against all taxable property within the District, and that the interest on the Road Bonds is excludable from gross income for federal income tax purposes under existing law and interest on the Road Bonds is not subject to the alternative minimum tax on individuals. See "LEGAL MATTERS" in the Preliminary Official Statement. Such opinions express no opinion with respect to the sufficiency of the security for or marketability of the Road Bonds.

NOT QUALIFIED TAX-EXEMPT OBLIGATIONS: The District will NOT designate the Road Bonds as "Qualified Tax-Exempt Obligations" within the meaning of Section 265(b) of the Code.

NO-LITIGATION CERTIFICATE: On the date of delivery of the Road Bonds to the Road Bond Initial Purchaser, the District will execute and deliver to the Road Bond Initial Purchaser, a certificate to the effect that no litigation of any nature has been filed or is pending, as of that date, of which the District has notice, to restrain or enjoin the issuance or delivery of the Road Bonds, or which would affect the provisions made for their payment or security, or in any manner question the validity of the Road Bonds.

NO MATERIAL ADVERSE CHANGE: The obligation of the Road Bond Initial Purchaser to take up and pay for the initial bonds, and of the District to deliver the initial Road Bonds, is subject to the condition that, up to the time of delivery of and receipt of payment for the initial Road 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.

OFFICIAL STATEMENT

To assist the Road Bond Initial Purchaser in complying with the Rule, the District and the Road Bond Initial Purchaser contract and agree, by the submission and acceptance of the winning bid, as follows.

FINAL OFFICIAL STATEMENT: The District has approved and authorized distribution of the accompanying Preliminary Official Statement for dissemination to potential purchasers of the Road Bonds, but does not presently 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 the Rule, except for information relating to the offering prices, interest rates, final debt service schedule, selling compensation, identity of the Road Bond Initial Purchaser and other similar information, terms, and provisions to be specified in the competitive bidding process. The Road Bond Initial Purchaser shall be responsible for promptly informing the District of the initial offering yields of the Road Bonds. Thereafter, the District will complete and authorize distribution of the Official Statement identifying the Road Bond 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 Road Bond Initial Purchaser on or after the sale date, the District intends the same to be final as of such date, within the meaning of the Rule. 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 "OFFICIAL STATEMENT – Certification as to 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 Road Bond Initial Purchaser of any adverse event which causes the Official Statement to be materially misleading, and unless the Road Bond Initial Purchaser elects to terminate its obligation to purchase the Road Bonds, as described above under "DELIVERY OF THE BONDS AND ACCOMPANYING DOCUMENTS – CONDITIONS TO DELIVERY," the District will promptly prepare and supply to the Road Bond Initial Purchaser an appropriate amendment or supplement to the Official Statement satisfactory to the Road Bond Initial Purchaser; provided, however, that the obligation of the District to do so will terminate when the District delivers the Road Bonds to the Road Bond Initial Purchaser, unless the Road Bond Initial Purchaser notifies the District on or before such date that less than all of the Road Bonds have been sold to ultimate customers, in which case the District's obligations hereunder will extend for an additional period of time (but not more than 90 days after the date the District delivers the Road Bonds) until all of the Road Bonds have been sold to ultimate customers.

DELIVERY OF OFFICIAL STATEMENTS: The District shall furnish to the Road Bond Initial Purchaser (and to each participating underwriter of the Road Bonds, within the meaning of the Rule, designated by the Road Bond Initial Purchaser), within seven (7) business days after the sale date, the aggregate number of Official Statements specified in the winning bid. The District also shall furnish to the Road Bond 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 Road Bonds, as well as such additional copies of the Official Statement or any such supplements or amendments as the Road Bond Initial Purchaser may request prior to the 90th day after the end of the underwriting period described in the Rule. 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 Road Bond Initial Purchaser shall pay for all other copies of the Official Statement or any supplement or amendment thereto.

CONTINUING DISCLOSURE OF INFORMATION: The District will agree in the Road Bond Resolution to provide certain periodic information and notices of material events in accordance with the Rule, as described in the Preliminary Official Statement under “CONTINUING DISCLOSURE.” The Road Bond Initial Purchaser’s obligation to accept and pay for the Road Bonds is conditioned upon delivery to the Road Bond Initial Purchaser or their agent of a certified copy of the Road Bond Resolution containing the provisions described under such heading.

GENERAL CONSIDERATIONS

REGISTRATION: The Road Bonds are transferable on the bond register kept by the Paying Agent/Registrar upon surrender and reissuance. The Road Bonds are exchangeable for an equal principal amount of Road Bonds of the same maturity in any authorized denomination upon surrender of the Road 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 ROAD BONDS INVOLVE CERTAIN INVESTMENT RISKS AS SET FORTH IN THE PRELIMINARY OFFICIAL STATEMENT. PROSPECTIVE PURCHASERS SHOULD CAREFULLY REVIEW THE ENTIRE PRELIMINARY OFFICIAL STATEMENT BEFORE MAKING THEIR INVESTMENT DECISION. 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 all bids or any bid not conforming with the terms hereof and the right 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 Road Bonds but is merely notice of sale of the Road Bonds. The invitation for bids on the Road Bonds is being made by means of this Official Notice of Sale, the Preliminary Official Statement and the Official Bid Form.

SECURITIES REGISTRATION AND QUALIFICATION: No registration statement relating to the Road Bonds has been filed with the SEC under the Securities Act of 1933, as amended, in reliance upon exemptions provided thereunder. The Road Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Road Bonds been registered or qualified under the securities laws or regulations of any other jurisdiction. The District assumes no responsibility for registration or qualification of the Road Bonds under the securities laws or regulations of any other jurisdiction in which the Road Bonds may be offered, sold, or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Road Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions in such other jurisdictions.

By submission of a bid, the Road Bond Initial Purchaser represents that the sale of the Road Bonds in states other than the State of Texas will be made only pursuant to exemptions from registration or qualification or, where necessary, the Road Bond Initial Purchaser will register or qualify the Road Bonds in accordance with the securities laws or regulations of any jurisdiction which so requires. The District agrees to cooperate, at the Road Bond Initial Purchaser’s written request and expense, in registering or qualifying the Road Bonds, or in obtaining an exemption from registration or qualification, in any jurisdiction where such action is necessary, provided that the District shall not be required to file a general consent to service of process in any jurisdiction.

ADDITIONAL COPIES: Additional copies of the Official Notice of Sale, the Official Bid Form and the Preliminary Official Statement may be obtained from the office of the Financial Advisor.

/s/ James Pell
President, Board of Directors
Montgomery County Municipal Utility District No. 121

March 21, 2022

CERTIFICATE REGARDING ISSUE PRICE

The undersigned, being a duly authorized representative of the Road Bond Underwriter (herein defined) which has purchased the \$4,180,000 Unlimited Tax Road Bonds, Series 2022 (the "Road Bonds") being issued by Montgomery County Municipal Utility District No. 121 (the "District"), hereby certifies and represents, based on its records and information, as follows:

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

(2) The Road Bond Underwriter had an equal opportunity to bid to purchase the Road 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 Road Bond Underwriter constituted a firm bid to purchase the Road Bonds.

(4) The Road Bond Underwriter has made a bona fide offering of all the Road 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 Road Bonds, except for the Hold-the-Offering-Price Maturities (herein defined), was sold to the Public is the respective price listed in Schedule A.

(6) As set forth in the Official Notice of Sale for the Road Bonds, the Road Bond 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 Road 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 Road Bond Underwriter has offered or sold any Road 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 Road Bonds during the Holding Period.

(7) ***Defined Terms.***

(i) *Hold-the-Offering-Price Maturities* means those Maturities of the Road 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 Road Bond 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 Road Bonds with the same credit and payment terms. Road Bonds with different maturity dates, or Road 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 a Road Bond Underwriter or a related party to a Road Bond Underwriter. The term "related party" for purposes of this certificate generally means any entity if a Road Bond Underwriter and such entity are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one (1) 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 (1) 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 (1) entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one (1) 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 Road Bonds. The Sale Date of the Road Bonds is May 16, 2022.

(vi) *Road Bond Underwriter* means (i) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Road 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 Road 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 Road Bonds to the Public).

(8) Road Bond Underwriter will purchase bond insurance from _____ 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 Road Bonds and does not include any amount payable for a cost other than such guarantee, e.g., a credit rating or legal fees. The Road Bond Underwriter represents that the present value of the Fee for each obligation constituting the Road 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 Road Bonds. In determining present value for this purpose, the yield of the Road 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 Road Bonds. No portion of the Fee is refundable upon redemption of any of the Road 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 Road Bonds, and by The Muller Law Group, PLLC, Sugar Land, Texas, in connection with rendering its opinion that the interest on the Road 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 Road Bonds. Notwithstanding anything set forth herein, the Road Bond 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.

EXECUTED AND DELIVERED this 16th day of May 2022.

(Name of Road Bond Underwriter or Manager)

By: _____

Title: _____

OFFICIAL BID FORM

May 16, 2022

President and Board of Directors
 Montgomery County Municipal Utility District No. 121
 c/o Robert W. Baird & Co. Incorporated
 Attn: Jan Bartholomew
 1331 Lamar Street, Suite 1360
 Houston, Texas 77010

Board Members:

We have read in detail the Official Notice of Sale and Preliminary Official Statement, which are hereby made a part hereof, of Montgomery County Municipal Utility District No. 121 (the "District") relating to its \$4,180,000 Unlimited Tax Road Bonds, Series 2022 (the "Road Bonds"). We realize that the Road Bonds involve certain investment risks and that the ability of the District to service the Road Bonds depends, in part, on the investment considerations set forth in the Preliminary Official Statement dated March 21, 2022. We have made such inspections and investigations as we deem necessary relating to the investment quality of the Road Bonds. Accordingly, we offer to purchase the Road Bonds for a cash price of \$_____ (which represents _____% of par value), provided such Road Bonds bear interest at the following rates:

<u>Maturity (September 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity (September 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2023	\$ 70,000	_____%	2035 (a)	\$ 170,000	_____%
2024	110,000	_____%	2036 (a)	180,000	_____%
2025	115,000	_____%	2037 (a)	185,000	_____%
2026	120,000	_____%	2038 (a)	195,000	_____%
2027 (a)	125,000	_____%	2039 (a)	205,000	_____%
2028 (a)	130,000	_____%	2040 (a)	210,000	_____%
2029 (a)	135,000	_____%	2041 (a)	220,000	_____%
2030 (a)	140,000	_____%	2042 (a)	230,000	_____%
2031 (a)	145,000	_____%	2043 (a)	240,000	_____%
2032 (a)	150,000	_____%	2044 (a)	250,000	_____%
2033 (a)	160,000	_____%	2045 (a)	260,000	_____%
2034 (a)	165,000	_____%	2046 (a)	270,000	_____%

(a) The Road Bonds maturing on September 1, 2027, and thereafter, shall be subject to redemption and payment at the option of the District, in whole or from time to time in part on June 1, 2027, or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption.

We hereby designate the following as term bonds (the "Term Bonds") with mandatory sinking redemptions.

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

As part of our bid, we [agree] [do not agree] to pay the premium in the amount of \$_____ for the municipal bond guaranty insurance issued by _____ and the rating agency fee(s) of _____ in the amount of \$_____ for the insured rating(s) associated with such municipal bond guaranty insurance.

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

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

The initial Road Bonds shall be registered in the name of _____ (syndicate manager). We will advise the corporate trust office of Regions Bank, an Alabama banking corporation, Houston, Texas (the "Paying Agent/Registrar"), on forms to be provided by the Paying Agent/Registrar, of our registration instructions at least five (5) business days prior to the date set for initial delivery.

We will require ___ copies of the final Official Statement for dissemination to potential purchasers of the Road Bonds (not to exceed 250 copies). By our submission of this bid, we agree to provide such copies of the final Official Statement and of any amendments or supplements thereto in accordance with the Official Notice of Sale, and to undertake the obligations of the Road Bond Initial Purchaser described therein, as contemplated by United States Securities Exchange Commission Rule 15c2-12 of the Securities Exchange Act (the "Rule").

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 Section 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 - REQUIRED DISCLOSURE OF INTERESTED PARTIES (NON-PUBLICLY TRADED ENTITIES)" in the accompanying Official Notice of Sale.

By executing this Official Bid Form, the bidder represents and verifies that, to the extent this bid for the Road Bonds represents a contract for goods or services within the meaning of Section 2270.002 of the Texas Government Code, as amended, solely for purposes of Chapter 2270 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, at the time of execution and delivery of this bid and through the end of the underwriting period as defined by the Rule, neither the bidder nor a syndicate member listed on the Official Bid Form, nor any wholly owned subsidiary, majority owned subsidiary, parent company or affiliate of the same, boycotts or will boycott Israel. The terms "boycotts Israel" and "boycott Israel" as used in this paragraph have the meanings assigned to the term "boycott Israel" in Section 808.001 of the Texas Government Code, as amended.

By executing this Official Bid Form, the bidder represents and certifies that, to the extent this bid for the Road Bonds 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 this bid, neither the bidder nor a syndicate member listed on the Official Bid Form, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same is a company listed by the Texas Comptroller of Public Accounts under Sections 2270.0201 or 2252.153 of the Texas Government Code. The term "foreign terrorist organization" in this paragraph has the meaning assigned to such term in Section 2252.151 of the Texas Government Code, as amended.

By executing this Official Bid Form, the bidder further verifies that, to the extent this bid constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, undersigned hereby verifies that it and each syndicate member listed on the Official Bid Form and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies through the end of the underwriting period as defined by the Rule. The foregoing verification is made solely to enable the District to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification, "boycott energy companies" shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above.

Additionally, to the extent this bid constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the bidder and each syndicate member listed on the Official Bid Form hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association through the end of the underwriting period as defined by the Rule. The foregoing verification is made solely to enable the District to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification, 'discriminate against a firearm entity or firearm trade association' (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage

in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association. As used in the foregoing verification, (b) 'firearm entity' means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (i.e., weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (i.e., devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (i.e., a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (as defined by Section 250.001, Texas Local Government Code), and (c) 'firearm trade association' means a person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

Additionally, by executing this Official Bid Form, the bidder also 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 Road 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 Road 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.

Cashier's Check ("Official Checks" are not acceptable) No. ____, issued by _____, and payable to your order in the amount of \$83,600 (is attached hereto) (has been made available to you prior to the opening of this bid) as a Good Faith Deposit for disposition in accordance with the terms and conditions set forth in the Official Notice of Sale. Should we fail or refuse to make payment for the Road Bonds in accordance with the terms and conditions stated in the Official Notice of Sale, this check shall be cashed and the proceeds retained as complete liquidated damages against us. The Good Faith Deposit will be returned to the Road Bond Initial Purchaser uncashed on the date of delivery of the Road Bonds.

We agree to accept delivery of and make payment for the initial Bonds in immediately available funds at the corporate trust office of the Paying Agent/Registrar, not later than 10:00 A.M., Central Time, June 21, 2022, or thereafter on the date the Road Bonds are tendered for delivery pursuant to the terms set forth in the Official Notice of Sale.

The undersigned agrees to complete, execute, and deliver to the District, by the date of delivery of the Road Bonds, a certificate relating to the "issue price" of the Road Bonds in the form accompanying the Official Notice of Sale, with such changes thereto as may be acceptable to the District.

We hereby represent that sale of the Road 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 Road Bonds in accordance with the securities laws and regulations of the jurisdictions in which the Road Bonds are offered or sold.

Respectfully submitted,

By: _____

Authorized Representative

ACCEPTANCE CLAUSE

The above and foregoing bid is hereby in all things accepted by Montgomery County Municipal Utility District No. 121 this 16th day of May 2022.

ATTEST:

Secretary, Board of Directors

President, Board of Directors

Return of \$83,600 Good Faith Deposit is hereby acknowledged:

Firm: _____

By: _____

Date: _____

(For your information you will find attached a list of the group of underwriters associated with us in this proposal.)

\$4,180,000

MONTGOMERY COUNTY MUNICIPAL UTILITY DISTRICT NO. 121

**UNLIMITED TAX ROAD BONDS
SERIES 2022**

BOND YEARS

Dated: June 1, 2022

Due: September 1

<u>Year</u>	<u>Amount</u>	<u>Bond Years</u>	<u>Accumulated Bond Years</u>
2023	\$ 70,000	87.5000	87.5000
2024	110,000	247.5000	335.0000
2025	115,000	373.7500	708.7500
2026	120,000	510.0000	1,218.7500
2027	125,000	656.2500	1,875.0000
2028	130,000	812.5000	2,687.5000
2029	135,000	978.7500	3,666.2500
2030	140,000	1,155.0000	4,821.2500
2031	145,000	1,341.2500	6,162.5000
2032	150,000	1,537.5000	7,700.0000
2033	160,000	1,800.0000	9,500.0000
2034	165,000	2,021.2500	11,521.2500
2035	170,000	2,252.5000	13,773.7500
2036	180,000	2,565.0000	16,338.7500
2037	185,000	2,821.2500	19,160.0000
2038	195,000	3,168.7500	22,328.7500
2039	205,000	3,536.2500	25,865.0000
2040	210,000	3,832.5000	29,697.5000
2041	220,000	4,235.0000	33,932.5000
2042	230,000	4,657.5000	38,590.0000
2043	240,000	5,100.0000	43,690.0000
2044	250,000	5,562.5000	49,252.5000
2045	260,000	6,045.0000	55,297.5000
2046	270,000	6,547.5000	61,845.0000

Total Bond Years: 61,845.0000

Average Maturity: 14.7955 years