

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**

**\$1,700,000**

**PASEO DEL ESTE MUNICIPAL UTILITY DISTRICT NO. 8**

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

**UNLIMITED TAX BONDS,**

**SERIES 2018**

**“QUALIFIED TAX EXEMPT OBLIGATIONS”**

**BIDS DUE: Wednesday, November 14, 2018 at 9:00 A.M., Mountain Standard Time**  
**BID AWARD: Wednesday, November 14, 2018 at 10:30 A.M., Mountain Standard Time**

**THE SALE**

Bonds Offered for Sale by Competitive Bidding: The Board of Directors (the “Board”) of Paseo del Este Municipal Utility District No. 8 (the “District”) is inviting competitive bids for the purchase of \$1,700,000 Unlimited Tax Bonds, Series 2018 (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.”

Bids Delivered to the District: Sealed bids, plainly marked “Bid for Bonds,” should be addressed to “President and Board of Directors, Paseo del Este Municipal Utility District No. 8” and delivered in care of Hilltop Securities Inc. (“Hilltop Securities”), 221 North Kansas Suite 600, El Paso, Texas 79901 prior to 9:00 A.M., Mountain Standard Time, on November 14, 2018. All bids must be submitted in duplicate on the Official Bid Form, without alteration or interlineation.

Electronic Bidding Procedures: Any prospective bidder that intends to submit an electronic bid must submit its electronic bid through the facilities of PARITY. Bidders must submit, prior to Wednesday, November 14, 2018, two signed Official Bid Forms plus an envelope marked as described above to Maria Fernanda Urbina, HilltopSecurities, 221 N. Kansas St., Suite 600, El Paso, Texas 79901. Subscription to the i-Deal LLC’s BIDCOMP Competitive Bidding System is required in order to submit an electronic bid. The District will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe.

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

**If any provisions of this Notice of Sale shall conflict with information provided by PARITY as the approved provider of electronic bidding services, this Notice of Sale shall control. Further information about PARITY, including any fee charged, may be obtained from PARITY Customer Support, 1359 Broadway, 2<sup>nd</sup> Floor, New York, New York 10018, telephone: (212) 849-5021.**

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 Notice of Sale and the Official Bid Form.**

Bids by Telephone: Bidders must submit, prior to Wednesday, November 14, 2018, two signed Official Bid Forms plus an envelope marked as described above to Maria Fernanda Urbina, HilltopSecurities, 221 N. Kansas St., Suite 600, El Paso, Texas 79901, and submit their bid by telephone on the date of the sale.

Telephone bidders that have provided signed bid forms will be telephoned by a representative of HilltopSecurities, as financial advisor for the District, between 7:00 A.M. and 7:15 A.M., Mountain Standard Time on the date of the sale.

Facsimile bids will not be accepted.

The District and HilltopSecurities, are not responsible if such telephone is busy or is malfunctioning, which prevents a bid or bids from being submitted on a timely basis. **HilltopSecurities will not be responsible for submitting any bids received after the above deadlines.** The District and HilltopSecurities assume no responsibility or liability with respect to any irregularities associated with the submission of bids if telephone option is exercised.

Place and Time of Bid Opening: The bids for the Bonds will be publicly opened and read by an authorized representative of the Board at the designated meeting place located outside the boundaries of the District, HilltopSecurities, 221 N. Kansas, Suite 600, El Paso, Texas 79901, at 9:00 A.M., Mountain Standard Time, Wednesday, November 14, 2018.

Award of the Bonds: The District will take action to award the Bonds or reject all bids at a meeting scheduled to convene at 10:30 A.M., Mountain Standard Time, on the date of the bid opening, at the regular meeting place outside the boundaries of the District at the offices of TRE & Associates, LLC, 801 N. El Paso Street, Ste. 150, El Paso Texas 79902. Upon awarding the Bonds to the winning bidder (the “Initial Purchaser”), the Board will adopt a resolution authorizing the issuance of the Bonds (the “Bond Resolution”). Sale of the Bonds will be made subject to the terms, conditions and provisions of the Bond Resolution, to which Bond Resolution reference is hereby made for all purposes. The District reserves the right to reject any and all bids and to waive any irregularities, except the time of filing.

## THE BONDS

Description of the Bonds: The Bonds will be dated November 1, 2018, and interest will be payable on August 15, 2019 and on each February 15 and August 15 thereafter until the earlier of maturity or redemption. The Bonds will be issued in fully registered form only, in denominations of \$5,000 or any integral multiple of \$5,000 for any one maturity, and principal and interest will be paid, initially by BOKF, NA., Dallas, Texas (the “Paying Agent/Registrar”). The 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 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 participants for subsequent disbursement to the Beneficial Owners of the Bonds as described herein. See “THE BONDS—Book-Entry-Only System. See the PRELIMINARY OFFICIAL STATEMENT (made a part hereof) for a more complete description of the Bonds. The Bonds will mature serially on August 15 in the years and amounts as follows:

YEAR DUE	PRINCIPAL AMOUNT	YEAR DUE	PRINCIPAL AMOUNT	YEAR DUE	PRINCIPAL AMOUNT
2020	\$ 25,000	2028	\$ 35,000	2036	\$ 55,000
2021	25,000	2029	40,000	2037	55,000
2022	30,000	2030	40,000	2038	150,000
2023	30,000	2031	45,000	2039	155,000
2024	30,000	2032	45,000	2040	165,000
2025	35,000	2033	45,000	2041	170,000
2026	35,000	2034	50,000	2042	175,000
2027	35,000	2035	50,000	2043	180,000

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: Bonds maturing on and after August 15, 2029, are subject to redemption prior to maturity, at the option of the District, as a whole or in part, on August 15, 2028 or on any date thereafter at a price equal to the principal amount of the Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption. If fewer than all of the Bonds are redeemed at any time, the particular maturities of Bonds to be redeemed shall be selected by the District. If less than all the Bonds of any maturity are redeemed at any time, the particular Bonds within a maturity to be redeemed shall be selected by the Paying Agent/Registrar by lot or other customary method of selection (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form).

Mandatory Sinking Fund Redemption: If the successful bidder designates principal amounts to be combined into one or more term bonds, each such term bond shall be subject to mandatory sinking fund redemption commencing on August 15 of the first year which has been combined to form such term bond and continuing on August 15 in each year thereafter until the stated maturity date of that term bond. The amount redeemed in any year shall be equal to the principal amount for such year set forth 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 the Term Bonds required to be redeemed pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the District, by the principal amount of any Term Bonds of the stated maturity which, at least 50 days prior to a mandatory redemption date, (1) shall have been acquired by the District, at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation or (2) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory sinking fund redemption requirement.

Successor Paying Agent/Registrar: Provision is made in the Bond Resolution for replacement of the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the District, the new paying agent/registrar shall act in the same capacity as the previous Paying Agent/Registrar. Any paying agent/registrar selected by the District shall be a corporation organized and doing business under the laws of the United States of America or of any state authorized under such laws to exercise trust powers, and subject to supervision or examination by federal or state banking authorities.

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

## CONDITIONS OF THE SALE

Types of Bids and Interest Rates: The Bonds will be sold in one block, "all or none" and no bid of less than ninety-seven percent (97%) of the principal amount thereof plus accrued interest to the date fixed for delivery will be considered. Bidders are to name the rate or rates of interest to be borne by the Bonds, provided that each interest rate bid must be in a multiple of 1/8 of 1% or 1/20 of 1%. No bid which results in a net effective interest rate as defined by Chapter 1204, Texas Government Code in excess of 4.97% will be considered. No bid generating a cash premium greater than \$5,000 will be accepted. Subject to the conditions below, no limitation will be imposed upon bidders as to the number of interest rates that may be used, but each rate of interest specified for the Bonds maturing in the years 2029 (base year) through 2043 shall not be less than the rate of interest specified for any earlier maturity in the years 2029 through 2043 and the highest interest rate bid may not exceed the lowest interest rate bid by more than two and one-half percent (2.5%) in rate. All Bonds maturing within a single year must bear the same rate of interest, and no bids for the Bonds involving supplemental interest rates will be considered. Each bidder shall state in its bid the total and net interest cost in dollars and the net effective interest rate determined thereby, which shall be considered informative only and not as a part of the bid.

Basis of Award: For the purpose of awarding the sale of the Bonds, the interest cost of each bid will be computed by determining, at the interest rate or rates specified therein, the total dollar value of all interest on the Bonds from the date thereof to their respective maturities and adding thereto the dollar amount of the discount bid, if any, or subtracting therefrom the dollar amount of the premium bid, if any. Subject to the District's right to reject any or all bids, the Bonds will be awarded to the bidder whose bid, under the above computation, produces the lowest net effective interest rate to the District.

In order to provide the District with information required to be submitted to the Texas Bond Review Board pursuant to Section 1202.008, Texas Government Code, as amended, the Initial Purchaser will be required to provide the District with

a breakdown of its “underwriting spread” among the following categories: Takedown, Management Fee (if any), Legal Counsel Fee (if any), and Spread Expenses (if any).

Provision of Texas Ethics Commission Form 1295: In accordance with Texas Government Code Section 2252.908 (the “Interested Party Disclosure Act”), the District may not award the Bonds to a bidder unless the winning bidder either:

submits a Certificate of Interested Parties Form 1295 (the “TEC Form 1295”) to the District as prescribed by the Texas Ethics Commission (“TEC”), or certifies in the Official Bid Form that it is exempt from filing the TEC Form 1295 by virtue of being a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity.

In the event that the bidder’s bid for the Bonds is the best bid received, the District, acting through its financial advisor, will promptly notify the winning bidder. That notification will serve as the District’s conditional verbal acceptance of the bid, and, unless the bidder is exempt from filing a TEC Form 1295, such notification will obligate the winning bidder to promptly file a completed TEC Form 1295, as described below, in order to allow the District to complete the award. The District reserves the right to reject any bid that does not comply with the requirements prescribed herein.

For purposes of completing the TEC Form 1295, box 2 is the name of the governmental entity (*Paseo del Este Municipal Utility District No. 8*) and box 3 is the identification number assigned to this contract by the District (*PDEMUD#8-UTB-2018*) and description of the goods or services (*Purchase of the Paseo del Este MUD No. 8 Unlimited Tax Bonds, Series 2018*). **The Interested Party Disclosure Act and the rules adopted by the TEC with respect thereto (the “Disclosure Rules”) require certain business entities contracting with the District to complete the TEC Form 1295 electronically at <https://www.ethics.state.tx.us/main/file.htm>, print, complete the unsworn declaration, sign, and deliver, in physical form, the certified TEC Form 1295 that is generated by the TEC’s “electronic portal” to the District. The completed and signed TEC Form 1295 must be sent by email, to the District’s financial advisor at [maria.urbina@hilltopsecurities.com](mailto:maria.urbina@hilltopsecurities.com), as soon as possible following the notification of conditional verbal acceptance and prior to the final written award.** Upon receipt of the final written award, the winning bidder must submit the TEC Form 1295 with original signatures by email to Bond Counsel as follows: [cchandler@mphlegal.com](mailto:cchandler@mphlegal.com).

To the extent that the bidder is not exempt from filing a TEC Form 1295 and therefor makes such filing with the District, the Interested Party Disclosure Act and the TEC Form 1295 provide that such declaration is made “under oath and under penalty of perjury.” Consequently, a bidder should take appropriate steps prior to completion of the TEC Form 1295 to familiarize itself with the Interested Party Disclosure Act, the Disclosure Rules and the TEC Form 1295. Time will be of the essence in submitting the form to the District, and no final award will be made by the District regarding the sale of the Bonds until a completed TEC Form 1295 is received. The District reserves the right to reject any bid that does not satisfy the requirement of a completed TEC Form 1295, as described herein. Neither the District nor its consultants have the ability to verify the information included in a TEC Form 1295, and neither party has an obligation nor undertakes 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 conditional winning bid. Instructional videos on logging in and creating a certificate are provided on the TEC’s website at [https://www.ethics.state.tx.us/whatsnew/elf\\_info\\_form1295.htm](https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm).

Verification Pursuant to Chapter 2270 of the Texas Government Code: To the extent the winning bid for the Bonds represents a contract for goods or services within the meaning of Section 2270.002 of the Texas Government Code, as amended, the Initial Purchaser will be required to verify in the Official Bid Form, for purposes of Chapter 2270 of the Texas Government Code, as amended, that neither it nor any syndicate member listed on the Official Bid Form nor any parent company, wholly- or majority- owned subsidiaries, and other affiliates of the same, if any, do not boycott Israel and will not boycott Israel through the date of delivery of the Bonds. The foregoing verification is made solely to comply with Section 2270.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, “boycott Israel” means 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 specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Initial Purchaser understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Initial Purchaser and exists to make a profit.

Verification Pursuant to Chapter 2252 of the Texas Government Code: Pursuant to Chapter 2252 of the Texas Government Code, the winning bidder will be required to verify that neither it nor any syndicate member listed on the Official Bid Form

nor any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the same is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website: <https://comptroller.texas.gov/purchasing/docs/sudanlist.pdf>, <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or <https://comptroller.texas.gov/purchasing/docs/ftolist.pdf>. The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Initial Purchaser and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Initial Purchaser understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Initial Purchaser and exists to make a profit.

**Good Faith Deposit:** Each bid must be accompanied by a bank cashier's check payable to the order of "Paseo del Este Municipal Utility District No. 8" in the amount of \$34,000.00, which represents two percent (2%) of the principal amount of the Bonds. The check will be considered as a Good Faith Deposit, and the check of the successful bidder (the "Initial Purchaser") will be retained uncashed by the District until the Bonds are delivered. In the event the Initial Purchaser should fail or refuse to accept delivery of and pay for the Bonds in accordance with its bid, then the Good Faith Deposit shall be cashed and the proceeds accepted by the District as full and complete liquidated damages against the Initial Purchaser. The Good Faith Deposit may accompany the Official Bid Form or it may be submitted separately. If submitted separately, it shall be made available to the District prior to the opening of the bids and shall be accompanied by instructions from the bank on which it is drawn to authorize its use as a Good Faith Deposit by the bidder, who shall be named in such instructions. The Good Faith Deposit will be returned immediately after full payment has been made by the Initial Purchaser to the District in federal or immediately available funds in the amount of the purchase price plus accrued interest thereon. No interest will be paid on the Good Faith Deposit. The checks accompanying bids other than the winning bid will be returned immediately after the bids are opened and an award of the Bonds has been made.

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

**Initial Delivery of Initial Bond:** Initial delivery ("Initial Delivery") will be accomplished by the issuance of one initial bond (the "Initial Bonds"), either in typed or printed form, in the aggregate principal amount of \$1,700,000, payable in stated installments, registered in the name of the Initial Purchaser, 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 Texas or his authorized deputy. Initial Delivery will be at the corporate trust office of the Paying Agent/Registrar in Houston, Texas. Payment for the Bonds must be made in immediately available funds for unconditional credit to the District, or as otherwise directed by the District. The Initial Purchaser will be given 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 December 18, 2018, and subject to the aforementioned notice it is understood and agreed that the Initial Purchaser will accept delivery of and make payment for the Bonds by 9:00 A.M., Mountain Standard Time, on December 18, 2018, or thereafter on the date the Bonds are tendered for delivery, up to and including January 2, 2019. If for any reason the District is unable to make delivery on or before January 2, 2018, then the District shall immediately contact the Initial Purchaser and offer to allow the Initial Purchaser to extend its offer for an additional thirty (30) days. If the Initial Purchaser does not elect to extend its offer within six (6) business days thereafter, then its Good Faith Deposit will be returned, and both the District and the Initial Purchaser shall be relieved of any further obligation.

**CUSIP Numbers:** It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Initial Purchaser to accept delivery of and pay for the Bonds in accordance with the terms of this Official Notice of Sale. The Financial Advisor will obtain CUSIP identification numbers from the CUSIP Service Bureau, New York, New York prior to the date of sale. CUSIP identification numbers will be made available to the Initial Purchaser at the time the Bonds are awarded or as soon thereafter as practicable. The CUSIP Service Bureau charge for the assignment of the numbers shall be the responsibility of and shall be paid by the Initial Purchaser.

**Conditions to Delivery:** The Initial Purchaser's obligation to accept delivery of and pay for the Bonds is subject to the issuance of the legal opinion of the Attorney General of Texas as to the legality of the Bonds, and the legal opinions of McCall, Parkhurst & Horton L.L.P., Austin, Texas, Bond Counsel for the District ("Bond Counsel") and the No-Litigation Certificate, all as further described in the Preliminary Official Statement, and the non-occurrence of the events described under "No Material Adverse Change".

Legal Opinions: The District will furnish without cost to the Initial Purchaser 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, and the approving legal opinion of Bond Counsel to a like effect.

Qualified Tax-Exempt Obligations: The Bonds will be designated as “qualified tax-exempt obligations” for financial institutions.

Establishing the Issue Price for the Bonds: The Issuer intends to rely on Treasury Regulation section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of municipal bonds), which require, among other things, that the Issuer receives bids from **at least three underwriters** of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (**the “Competitive Sale Requirement”**).

In the event that the bidding process does not satisfy the Competitive Sale Requirement bids **will not be subject to cancellation** and the winning bidder (i) agrees to promptly report to the Issuer the first prices at which at least 10% of each maturity of the Bonds (**the “First Price Maturity”**) have been sold to the Public on the Sale Date (**the “10% Test”**) and (ii) agrees to hold-the-offering-price of each maturity of the Bonds that does not satisfy the 10% Test (“Hold-the-Price Maturity”), as described below.

In order to provide the Issuer with information that enables it to comply with the establishment of the issue price of the Bonds under the Internal Revenue Code of 1986, as amended, the winning bidder agrees to complete, execute, and timely deliver to the Issuer or to the Issuer’s financial advisor, (the “Issuer’s Financial Advisor”) a certification as to the Bonds’ “issue price” (the “Issue Price Certificate”) substantially in the form and to the effect accompanying this Notice of Sale, within 5 business days of the Closing Date. In the event the winning bidder will not reoffer any maturity of the Bonds for sale to the Public (as defined herein) by the Closing Date, the Issue Price Certificate may be modified in a manner approved by the Issuer. It will be the responsibility of the winning bidder to institute such syndicate reporting requirements, to make such investigation, or otherwise to ascertain such facts necessary to enable it to make such certification with reasonable certainty. Any questions concerning such certification should be directed to Bond Counsel (identified in the Preliminary Official Statement).

For purposes of this section of this Notice of Sale:

- (i) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party,
- (ii) “Underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public),
- (iii) “Related Party” means any two or more persons (including an individual, trust, estate, partnership, association, company, or corporation) that are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) “Sale Date” means the date that the Bonds are awarded by the Issuer to the winning bidder.

All actions to be taken by the Issuer under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the Issuer by the Issuer’s Financial Advisor, and any notice or report to be provided to the Issuer may be provided

to the Issuer's Financial Advisor.

The Issuer will consider any bid submitted pursuant to this Notice of Sale to be a firm offer for the purchase of the Bonds, as specified in the bid and, if so stated, in the Official Bid Form.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such retail distribution agreement to report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public, if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wire.

By submitting a bid, the winning bidder agrees, on behalf of each Underwriter participating in the purchase of the Bonds, that each Underwriter will neither offer nor sell any Hold-the-Price 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 (1) the close of the fifth (5th) business day after the Sale Date; or (2) the date on which the Underwriters have sold at least 10% of that Hold-the-Price Maturity to the Public at a price that is no higher than the initial offering price to the Public. The winning bidder shall promptly advise the Issuer when the Underwriters have sold 10% of a Hold-the-Price Maturity 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.

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

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

Texas Bond Review Board Information: In order to provide the District with information required to be submitted to the Texas Bond Review Board pursuant to Section 1202.008, Texas Government Code, as amended, the Initial Purchaser will be required to provide the District with a breakdown of its "underwriting spread" which, at minimum, consists of the following categories: Takedown, Management Fee (if any), Legal Counsel Fee (if any) and Spread Expenses (if any).

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

#### **RULE 15c2-12 COMPLIANCE**

Continuing Disclosure: The District will agree in the Bond Resolution to provide certain periodic information and notices of material events in accordance with Securities and Exchange Commission ("SEC") Rule 15c2-12, as described in the Preliminary Official Statement under "CONTINUING DISCLOSURE OF INFORMATION." The Initial Purchaser's



obligation to accept and pay for the Bonds is conditioned upon delivery to the Initial Purchaser or its agent of a certified copy of the Bond Resolution containing the agreement described under such heading.

Substantive Requirements for Official Statement: During the last five years, the District has complied in all material respects with its previous continuing disclosure undertakings made in accordance with SEC Rule 15c2-12.

Final Official Statement: The District has approved and authorized distribution of the accompanying Preliminary Official Statement for dissemination to potential purchasers of the Bonds, but does not intend to prepare any other document or version thereof for such purpose, except as described below. Accordingly, the District intends the Preliminary Official Statement to be final as of its date, within the meaning of SEC Rule 15c2-12(b)(1), except for information relating to the offering prices, interest rates, final debt service schedule, selling compensation, identity of the Initial Purchaser and other similar information, terms and provisions to be specified in the competitive bidding process. The Initial Purchaser shall be responsible for promptly informing the District of the initial offering yields of the Bonds. Thereafter, the District will complete and authorize distribution of the Official Statement identifying the Initial Purchaser and containing such omitted information. The District does not intend to amend or supplement the Official Statement otherwise, except to take into account certain subsequent events, if any, as described below. By delivering the final Official Statement or any amendment or supplement thereto in the requested quantity to the Initial Purchaser on or after the sale date, the District intends the same to be final as of such date, within the meaning of SEC Rule 15c2-12(f)(3). Notwithstanding the foregoing, the only representations concerning the absence of material misstatements or omissions from the Official Statement which are being or which will be made by the District are those described and contained in the Official Statement under the caption "PREPARATION OF 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 Initial Purchaser, of any adverse event which causes the Official Statement to be materially misleading, and unless the Initial Purchaser elects to terminate its obligation to purchase the Bonds, as described below under "DELIVERY OF BONDS AND ACCOMPANYING DOCUMENTS-Conditions to Delivery," the District will promptly prepare and supply to the Initial Purchaser an appropriate amendment or supplement to the Official Statement satisfactory to the Initial Purchaser provided, however, that the obligation of the District to so amend or supplement the Official Statement will terminate when the District delivers the Bonds to the Initial Purchaser, unless the Initial Purchaser notifies the District on or before such date that less than all of the Bonds have been sold to ultimate customers in which case the District's obligations hereunder will extend for an additional period of time as provided in SEC Rule 15c2-12 (but not more than 90 days after the date the District delivers the Bonds).

Delivery of Official Statements: The District shall furnish to the Initial Purchaser (and to each participating Initial Purchaser of the Bonds, within the meaning of SEC Rule 15c2-12(a), designated by the Initial Purchaser), within seven (7) business days after the sale date, the aggregate number of Official Statements specified in the winning bid, not to exceed 100 copies. The District also shall furnish to the Initial Purchaser a like number of any supplements or amendments approved and authorized for distribution by the District for dissemination to potential purchasers of the Bonds, as well as such additional copies of the Official Statement or any such supplements or amendments as the Initial Purchaser may reasonably request prior to the 90th day after the end of the underwriting period described in SEC Rule 15c2-12(f) (2). The District shall pay the expense of preparing the number of copies of the Official Statement specified in the winning bid and an equal number of any supplements or amendments issued on or before the delivery date, but the Initial Purchaser shall pay for all other copies of the Official Statement or any supplement or amendment thereto.

## GENERAL CONSIDERATIONS

Investment Considerations: The Bonds involve certain risk factors. Prospective bidders are urged to examine carefully the entire Preliminary Official Statement, with respect to the risk factors associated with the Bonds. Particular attention should be given to the information set forth therein under the caption "INVESTOR CONSIDERATIONS."

Municipal Bond Rating: No application for a rating on the Bonds has been made.

Municipal Bond Insurance: The District has made application for municipal bond guaranty insurance on the Bonds. In the event the Bonds are qualified for municipal bond insurance, and the Initial Purchaser desires to purchase such insurance, the cost **will be paid by the Initial Purchaser**. Any fees to be paid to the rating agencies as a result of said insurance **will**



**be paid by the Initial Purchaser.** It will be the responsibility of the Initial Purchaser to disclose the existence of insurance, its terms, and the effect thereof with respect to the reoffering of the Bonds.

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

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

Registration and Qualification of Bonds for Sale: The offer and sale of the Bonds have not been registered or qualified under the Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein, and the Bonds have not been registered or qualified under the securities acts of any other jurisdiction. The District assumes no responsibility for registration or qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions. By submission of its bid, the Initial Purchaser represents that the sale of the Bonds in states other than the State of Texas will be made pursuant to exemptions from registration or qualification, or where necessary, the Initial Purchaser will register the Bonds in accordance with the securities laws of the state in which the Bonds are offered or sold. The District agrees to cooperate with the Initial Purchaser, at the Initial Purchaser's written request and expense, in registering or qualifying the Bonds or obtaining an exemption from registration or qualification (other than filing a consent to service of process in such state), in any state where such action is necessary.

Additional Copies of Documents: Additional copies of this OFFICIAL NOTICE OF SALE, the PRELIMINARY OFFICIAL STATEMENT and the OFFICIAL BID FORM may be obtained from the Financial Advisor, HilltopSecurities, 221 North Kansas Street, Suite 600, El Paso, Texas 79901.

Mr. Manuel A. Quiñones  
President, Board of Directors  
Paseo del Este Municipal Utility District No. 8

November 5, 2018

**OFFICIAL BID FORM**

President and Board of Directors  
 Paseo del Este Municipal Utility District No. 8  
 c/o HilltopSecurities Inc.  
 221 N Kansas, Suite 600  
 El Paso, Texas 79901

November 14, 2018

Board Members:

We have read in detail the OFFICIAL NOTICE OF SALE and PRELIMINARY OFFICIAL STATEMENT dated November 5, 2018, relating to the \$1,700,000 Paseo del Este Municipal Utility District No. 8 (the "District") Unlimited Tax Bonds, Series 2018 (the "Bonds"). We realize that the Bonds involve certain investment risks, and we have made inspections and investigations as we deem necessary relating to the District and to the investment quality of the Bonds.

For your legally issued Bonds, as described in the "Official Notice of Sale" and "Preliminary Official Statement," we will pay you a price of \$ \_\_\_\_\_, representing \_\_\_\_\_% of the principal amount thereof, plus accrued interest to the date of delivery to us. Such Bonds mature August 15, in each of the years and in the amounts and interest rates shown below:

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2020	\$ 25,000	%	2032	\$ 45,000 *	%
2021	25,000	%	2033	45,000 *	%
2022	30,000	%	2034	50,000 *	%
2023	30,000	%	2035	50,000 *	%
2024	30,000	%	2036	55,000 *	%
2025	35,000	%	2037	55,000 *	%
2026	35,000	%	2038	150,000 *	%
2027	35,000	%	2039	155,000 *	%
2028	35,000	%	2040	165,000 *	%
2029	40,000 *	%	2041	170,000 *	%
2030	40,000 *	%	2042	175,000 *	%
2031	45,000 *	%	2043	180,000 *	%

\* Subject to optional redemption on August 15, 2028 and thereafter.

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

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

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

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

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

We request \_\_\_\_\_ copies of the final Official Statement (not to exceed 100 copies). By submitting this bid, we agree to provide copies of the final Official Statement, and any amendments and supplements thereto, in accordance with the terms of the Official Notice of Sale and as required by Rule 15c2-12 of the Securities and Exchange Commission.

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

A Cashier's Check payable to the order of the District in the amount of \$34,000.00 has been made available to you prior to the opening of this bid, as a Good Faith Deposit, and is submitted in accordance with the OFFICIAL NOTICE OF SALE. Should we fail or refuse to make payment for the Bonds in accordance with the terms and conditions set forth in the OFFICIAL NOTICE OF SALE, this check shall be cashed and the proceeds retained as complete liquidated damages against us.

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

We agree to accept delivery of and make payment for the Bonds in immediately available funds at the offices of BOKF, N.A., Dallas, Texas, not later than nine o'clock A.M., Mountain Standard Time, on December 18, 2018, or thereafter on the date the Bonds are tendered for delivery, pursuant to the terms set forth in the "Official Notice of Sale."

The Initial Purchaser hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Official Bid Form is a contract for goods or services, will not boycott Israel through the date of delivery of the Bonds. The foregoing verification is made solely to comply with Section 2270.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, "boycott Israel" means 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 specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Initial Purchaser understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Initial Purchaser and exists to make a profit.

By submission of a bid, and as a condition of the award and delivery of the Bonds, the Initial Purchaser represents that, neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website: <https://comptroller.texas.gov/purchasing/docs/sudanlist.pdf>, <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or <https://comptroller.texas.gov/purchasing/docs/ftolist.pdf>. The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Initial Purchaser and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Initial Purchaser understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Initial Purchaser and exists to make a profit.

The undersigned certifies that it [is]/[is not] exempt from filing the Texas Ethics Commission (the "TEC") Certificate of Interested Parties Form 1295 (the "Form 1295") by virtue of being a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity.

Respectfully submitted,

Syndicate Members (if any):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

By:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ACCEPTANCE CLAUSE

The above and foregoing bid is hereby in all things accepted by Paseo del Este Municipal Utility District No. 8, this \_\_\_ day of November, 2018.

ATTEST:

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

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

**BOND YEARS**

<u>Year</u>	<u>Principal</u>	<u>Bond Years</u>	<u>Cumulative Bond Years</u>	<u>Bonds Maturing</u>
2020	\$ 25,000	41.46	41.46	2020
2021	25,000	66.46	107.92	2021
2022	30,000	109.75	217.67	2022
2023	30,000	139.75	357.42	2023
2024	30,000	169.75	527.17	2024
2025	35,000	233.04	760.21	2025
2026	35,000	268.04	1,028.25	2026
2027	35,000	303.04	1,331.29	2027
2028	35,000	338.04	1,669.33	2028
2029	40,000	426.33	2,095.67	2029
2030	40,000	466.33	2,562.00	2030
2031	45,000	569.63	3,131.63	2031
2032	45,000	614.63	3,746.25	2032
2033	45,000	659.63	4,405.88	2033
2034	50,000	782.92	5,188.79	2034
2035	50,000	832.92	6,021.71	2035
2036	55,000	971.21	6,992.92	2036
2037	55,000	1,026.21	8,019.13	2037
2038	150,000	2,948.75	10,967.88	2038
2039	155,000	3,202.04	14,169.92	2039
2040	165,000	3,573.63	17,743.54	2040
2041	170,000	3,851.92	21,595.46	2041
2042	175,000	4,140.21	25,735.67	2042
2043	180,000	4,438.50	30,174.17	2043
	<u>\$ 1,700,000</u>			

Average Maturity ..... 17.750 Years

Delivery Date 12/18/2018

First Maturity 8/15/2020

ISSUE PRICE CERTIFICATE  
(sales where 3 bids are not received)

The undersigned, as the underwriter or the manager of the syndicate of underwriters ("Purchaser"), with respect to the purchase at competitive sale of the \_\_\_\_\_ issued by the [\_\_\_\_\_] ("Issuer") in the principal amount of \$\_\_\_\_\_ ("Bonds"), hereby certifies and represents, based on its records and information, as follows:

(a) Other than the Bonds maturing in \_\_\_\_ ("Hold-the-Price Maturities"), if any, the first prices at which at least ten percent ("Substantial Amount") of the principal amount of each maturity of the Bonds having the same credit and payment terms ("Maturity") was sold on the date of sale of the Bonds (the "Sale Date") to a person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter ("Public") are their respective initial offering prices (the "Initial Offering Prices"), as listed in the pricing wire or equivalent communication for the Bonds that is attached to this Certificate as Schedule A.

(b) On or before the Sale Date, the Purchaser offered to the Public each Maturity of the Hold-the-Price Maturities at their respective Initial Offering Prices, as set forth in Schedule A hereto.

(c) As set forth in the Notice of Sale, the Purchaser agreed in writing to neither offer nor sell any of the Hold-the-Price Maturities to any person at any higher price than the Initial Offering Price for such Hold-the-Price Maturity until the earlier of the close of the fifth business day after the Sale Date or the date on which the Purchaser sells a Substantial Amount of a Hold-the-Price Maturity of the Bonds to the Public at no higher price than the Initial Offering Price for such Hold-the-Price Maturity.

For purposes of this Issue Price Certificate, the term "Underwriter" means (1) (i) a person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, or (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1)(i) of this paragraph (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public) to participate in the initial sale of the Bonds to the Public, and (2) any person who has more than 50% common ownership, directly or indirectly, with a person described in clause (1) of this paragraph.

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by McCall, Parkhurst & Horton L.L.P. in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. Notwithstanding anything set forth herein, the Purchaser 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 as of this \_\_\_\_\_.

\_\_\_\_\_, as Purchaser

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

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

SCHEDULE A

PRICING WIRE OR EQUIVALENT COMMUNICATION

*(Attached)*



ISSUE PRICE CERTIFICATE  
(sales where 3 bids are received)

The undersigned, as the underwriter or the manager of the syndicate of underwriters (“Purchaser”), with respect to the purchase at competitive sale of the \_\_\_\_\_ issued by the [\_\_\_\_\_] (“Issuer”) in the principal amount of \$ \_\_\_\_\_ (“Bonds”), hereby certifies and represents, based on its records and information, as follows:

(a) On the first day on which there was a binding contract in writing for the purchase of the Bonds by the Purchaser, the Purchaser’s reasonably expected initial offering prices of each maturity of the Bonds with the same credit and payment terms (the “Expected Offering Prices”) to a person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter are as set forth in the pricing wire or equivalent communication for the Bonds, as attached to this Certificate as Schedule A. The Expected Offering Prices are the prices for the Bonds used by the Purchaser in formulating its bid to purchase the Bonds.

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

(c) The bid submitted by the Purchaser constituted a firm bid to purchase the Bonds.

For purposes of this Issue Price Certificate, the term “Underwriter” means (1) (i) a person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, or (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1)(i) of this paragraph (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public) to participate in the initial sale of the Bonds to the Public, and (2) any person who has more than 50% common ownership, directly or indirectly, with a person described in clause (1) of this paragraph.

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by McCall, Parkhurst & Horton L.L.P. in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. Notwithstanding anything set forth herein, the Purchaser 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 as of this \_\_\_\_\_.

\_\_\_\_\_, as Purchaser

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

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

SCHEDULE A  
PRICING WIRE OR EQUIVALENT COMMUNICATION  
*(Attached)*