

**NOTICE OF SALE
AND
BIDDING INSTRUCTIONS**

ON

\$6,650,000*

**BENBROOK WATER AUTHORITY
WATERWORKS AND SEWER SYSTEM REVENUE BONDS, SERIES 2019**

Sealed Bids Due Tuesday, July 16, 2019, at 10:00 AM, CDT

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

THE SALE

BONDS OFFERED FOR SALE AT COMPETITIVE BIDDING . . . The Benbrook Water Authority (the "Authority") is offering for sale its \$6,650,000* Waterworks and Sewer System Revenue Bonds, Series 2019 (the "Bonds"). Bidders may submit bids for the Bonds by any of the following methods:

- (1) Deliver bids directly to the Authority as described below in "Bids Delivered to the Authority;"
- (2) Submit bids electronically as described below in "Electronic Bidding Procedures;" or
- (3) Submit bids by telephone or facsimile as described below in "Bids by Telephone or Facsimile."

BIDS DELIVERED TO AUTHORITY . . . Sealed bids, plainly marked "Bid for Bonds," should be addressed and delivered to Mr. Adam LanCarte, Hilltop Securities Inc. ("HilltopSecurities"), 777 Main Street, Suite 1200, Fort Worth, Texas 76102, prior to 10:00 AM, CDT, on the date of the bid opening. All bids must be submitted on the Official Bid Form, without alteration or interlineations.

ELECTRONIC BIDDING PROCEDURE . . . Any prospective bidder that intends to submit an electronic bid must submit its electronic bid through the facilities of PARITY. Subscription to i-Deal's BIDCOMP Competitive Bidding System is required in order to submit an electronic bid. The Authority will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe. Bidders submitting an electronic bid shall not be required to submit Official Bid Forms.

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 Authority. The Authority 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 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, 40 West 23rd Street, 5th Floor, New York, New York 10010, (212) 404-8102.

For purposes of the bidding process, the time as maintained by i-Deal shall constitute the official time. **For information purposes only, bidders are requested to state in their electronic bids the true interest cost to the Authority, as described under "Basis for Award" below. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale and the Official Bid Form. The winning bidder shall submit a signed bid form if not previously submitted.**

BIDS BY TELEPHONE OR FACSIMILE . . . Bidders must submit, prior to July 16, 2019, SIGNED Official Bid Forms to Adam LanCarte, HilltopSecurities, 777 Main Street, Suite 1200, Fort Worth, Texas 76102, and submit their bid by telephone or facsimile (fax) on the date of the sale.

Telephone bids will be accepted at (817) 332-9710, between 9:00 AM, CDT and 10:00 AM, CDT on the date of the sale.

Fax bids will be received between 9:00 AM, CDT and 10:00 AM, CDT, on the date of the sale at (817) 336-5572, attention: Kaylee Haddad.

HilltopSecurities will not be responsible for submitting any bids received after the above deadlines.

The Authority and HilltopSecurities are not responsible if such telephone or facsimile numbers are busy which prevents a bid or bids from being submitted on a timely basis.

HilltopSecurities assumes no responsibility or liability with respect to any irregularities associated with the submission of bids if any options are exercised. If any portion of a faxed bid is illegible, the Authority and HilltopSecurities may, at their option, either call any provided reference telephone number for clarification or reject the bid. **BIDDERS WHO FAX BIDS DO SO AT THEIR OWN RISK. ALL SUCH BIDS SHALL BE BINDING ON THE BIDDER.**

*Preliminary, subject to change. See "THE BONDS – Adjustment of Principal Amounts and/or Types of Bids."

PLACE AND TIME OF BID OPENING . . . The bids for the Bonds will be publicly opened and read at the offices of the Financial Advisor, at 10:00 AM, CDT, Tuesday, July 16, 2019.

AWARD OF THE BONDS . . . The Board of Directors will take action to award the Bonds (or reject all bids) at its meeting scheduled to convene at 2:30 PM, CDT, on the date of the bid opening. The action will be pursuant to a resolution authorizing the Bonds and approving the Official Statement (the "Resolution").

THE BONDS

DESCRIPTION . . . The Bonds will be dated July 1, 2019. Interest will accrue from the date of initial delivery ("Delivery Date") to the Purchaser (hereinafter defined) and will be payable on June 1, 2020, and each December 1 and June 1 thereafter until the earlier of maturity or prior redemption. The Bonds will be issued only in fully registered form in any integral multiple of \$5,000 for any one maturity. The Bonds will mature on December 1 in each year as follows:

MATURITY SCHEDULE*

<u>Year</u>	<u>Principal Amount*</u>	<u>Year</u>	<u>Principal Amount*</u>	<u>Year</u>	<u>Principal Amount*</u>
2020	\$ 155,000	2027	\$ 300,000	2033	\$ 375,000
2021	235,000	2028	310,000	2034	390,000
2022	245,000	2029	320,000	2035	405,000
2023	255,000	2030	335,000	2036	425,000
2024	265,000	2031	350,000	2037	440,000
2025	275,000	2032	360,000	2038	455,000
2026	285,000			2039	470,000

OPTIONAL REDEMPTION . . . The Authority reserves the right, at its option, to redeem Bonds maturing on December 1, 2028, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on June 1, 2028, or any date thereafter, at a price equal to the principal amount thereof plus accrued interest to the date fixed for redemption.

ADJUSTMENT OF PRINCIPAL AMOUNTS AND/OR TYPES OF BIDS . . . Prior to 2:00 PM, CDT on the business day before the bids are due, the Authority may, in its sole discretion, adjust the principal amount set forth above (the "Maturity Schedule") and/or the type of bid required on the Bonds. HilltopSecurities, as Financial Advisor to the Authority, will give notice of any such adjustment by Bloomberg and Parity. Should such adjustments be made, a revised Official Bid Form will be made available through i-Deal Prospectus and PARITY. For purposes of this paragraph, the term "Maturity Schedule" shall include any adjustments to the principal amounts shown above including the total par amount so made by the Authority by posting a Parity and Bloomberg Wire. **Also see "Conditions of the Sale" herein.**

After final computation of the Bids, in awarding the sale to the best bidder, the Authority may determine, in its sole discretion, that the funds necessary to carry out the purposes for which the Bonds are to be issued may be either more or less than the proceeds of the proposed sale of all of the Bonds. Upon making such determination, the Authority reserves the right to adjust the principal amount of the Bonds (including amortization installments in the case of Term Bonds, if any) shown on the Maturity Schedule, such amount not to exceed 10% per maturity. **THE SUCCESSFUL BIDDER AMY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE REVISED AMOUNT WITHIN THESE LIMITS.** The dollar amount bid by the successful bidder will be adjusted to reflect changes in the aggregate principal amounts of the Bonds. Such adjusted bid price will reflect changes in the dollar amount of the underwriter's discount and the original issue discount/premium, if any, but will not change the selling compensation per \$1,000.

In the event of any adjustment of the maturity schedule for the Bonds as described herein, no rebidding or recalculation of the proposals submitted will be required or permitted. Any such adjustment of the aggregate principal amount of the Bonds and/or the maturity schedule for the Bonds made by the Authority or its Financial Advisor shall be subsequent to the award of the Bonds to the winning bidder as determined pursuant to "CONDITIONS OF THE SALE – BASIS FOR AWARD" herein and shall not affect such determination. The successful Bidder may not withdraw its bid as a result of any changes made within the aforementioned limits.

SERIAL BONDS AND/OR TERM BONDS . . . Bidders may provide that all of 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.

MANDATORY SINKING FUND . . . If the successful bidder elects to alter the Maturity Schedule reflected above and convert principal amounts of the Serial Bonds into "Term Bonds", such "Term Bonds" shall be subject to mandatory redemption on the first December 1 next following the last maturity for Serial Bonds, and annually thereafter on each December 1 until the stated maturity for the Term Bonds at the redemption prices of par plus accrued interest to the date of redemption. The principal amounts of the Term Bonds to be redeemed on each mandatory redemption date shall be the principal amounts that would have been due and payable in the Maturity Schedule shown above had no conversion to Term Bonds occurred. At least thirty (30) days prior to each mandatory redemption date, the Paying Agent/Registrar shall select by lot the Term Bonds to be redeemed and cause a notice of redemption to be given in the manner provided in the Preliminary Official Statement.

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

*Preliminary, subject to change. See "THE BONDS – Adjustment of Principal Amounts and/or Types of Bids."

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

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

PAYING AGENT/REGISTRAR . . . The initial Paying Agent/Registrar shall be The Bank of New York Mellon Trust Company, Dallas, Texas (see "The Bonds - Paying Agent/Registrar" in the Official Statement).

SOURCE OF PAYMENT . . . The Bonds are special obligations of the Authority and, together with certain Previously Issued Bonds and any Additional Bonds hereafter issued, are payable solely from and equally and ratably secured by a first lien on and pledge of the Net Revenues of the Authority's combined Waterworks and Sewer System (the "System").

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

CONDITIONS OF THE SALE

TYPE OF BIDS AND INTEREST RATES . . . The Bonds will be sold in one block on an "All or None" basis, and at a price of 108.825% to 109.325% of par. Bidders are invited to name the rate(s) of interest to be borne by the Bonds, provided that each rate bid must be in a multiple of 1/8 of 1% or 1/20 of 1% and the net effective interest rate must not exceed 15%. The highest rate bid may not exceed the lowest rate bid by more than 3% in rate. **No coupon rate greater than 5% will be accepted. For Bonds having stated maturities on and after December 1, 2028, no reoffering yield producing a dollar price less than 98.00 for any individual maturity will be accepted. The winning bidder will be required to submit reoffering yields and dollar prices prior to award.** No limitation is imposed upon bidders as to the number of rates or changes which may be used. All Bonds of one maturity must bear one and the same rate. No bids involving supplemental interest rates will be considered.

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

GOOD FAITH DEPOSIT . . . A Good Faith Deposit, payable to the "Benbrook Water Authority", in the amount of \$138,300.00, is required. Such Good Faith Deposit shall be a bank cashier's check or certified check, which is to be retained uncashed by the Authority pending the Purchaser's compliance with the terms of the bid and the Notice of Sale and Bidding Instructions. The Good Faith Deposit may accompany the Official Bid Form or it may be submitted separately. If submitted separately, it shall be made available to the Authority prior to the opening of the bids, and shall be accompanied by instructions from the bank on which drawn which authorize its use as a Good Faith Deposit by the Purchaser who shall be named in such instructions. **The Good Faith Deposit of the Purchaser will be returned to the Purchaser upon payment for the Bonds.** No interest will be allowed on the Good Faith Deposit. In the event the Purchaser should fail or refuse to take up and pay for the Bonds in accordance with the bid, then said check shall be cashed and accepted by the Authority as full and complete liquidated damages. The checks accompanying bids other than the winning bid will be returned immediately after the bids are opened, and an award of the Bonds has been made.

PROVISION OF TEXAS ETHICS COMMISSION FORM 1295 ("TEC FORM 1295") AND CERTIFICATION OF FILING BY BIDDERS . . . Pursuant to Texas Government Code, Section 2252.908 (the "Interested Party Disclosure Act"), unless the Purchaser is exempt from the filing requirements of Section 2252.908, the Authority may not award the Bonds to the Purchaser unless the Purchaser submits a Certificate of Interested Parties Form 1295 (the "Disclosure Form") to the Authority as prescribed by the Texas Ethics Commission ("TEC"). Effective January 1, 2018, publicly traded business entities (including wholly owned subsidiaries of a publicly traded business entity) will no longer be required to file Form 1295 as provided in Section 2252.908(c)(4). Prior to entering into a purchase agreement with the Purchaser, the Purchaser must either (1) complete an electronic form of the TEC Form 1295 through the TEC's electronic portal and submit the resulting certified TEC Form 1295 that is generated by the TEC's electronic portal to the Authority or (2) submit a written representation that it is exempt from the TEC Form 1295 filing requirements pursuant to Section 2252.908(c)(4). The failure to provide the TEC Form 1295 or written representation regarding exemption, as described herein, will prohibit the Authority from entering into a purchase agreement with the Purchaser. In the event that the bidder's bid for the Bonds conforms to the specifications herein and which produces the lowest Net Interest Cost to the Authority, the Authority, acting through its financial advisor, will promptly notify the bidder. That notification will serve as the conditional verbal acceptance of the bid and will obligate the bidder, if not otherwise exempt, to promptly either (i) file a completed Disclosure Form, as described below, or (ii) provide a written representation of exemption, in order to complete the award. For purpose of this obligation, "promptly filing" means the submission by the winning bidder and each syndicate member listed on the Official Bid Form of the completed Disclosure Form to the Authority within two (2) hours of receiving the conditional verbal response.

If a Purchaser is claiming an exception to the filing requirement under Section 2252.908(c)(4), the written representation that the Purchaser is not required to file a Form 1295 must state that it is publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity and identify the publicly traded business entity that allows them to utilize the exception.

If the Purchaser is submitting a Disclosure Form, the form can be found at <https://www.ethics.state.tx.us/forms/1295.pdf>, and reference should be made to the following information in order to complete it: (a) item 2 – Name ("Benbrook Water Authority"), (b) item 3 – the identification number ("BWA Bid Form"), and (c) item 3 – description of the goods or services assigned to this contract by the Authority ("Purchase of Bonds"). If completing the Disclosure Form, the Purchaser must (i) complete the Disclosure Form electronically at the TEC's "electronic portal", and (ii) print, sign and deliver a copy of the Disclosure Form that is generated by the TEC's "electronic portal" to the Authority by email to the Authority at gail@bwsa.org and Authority's financial advisor at adam.lancarte@hilltopsecurities.com.

If the apparent winning bidder and each syndicate member listed on the Official Bid Form fail to promptly file the Disclosure Form, the Authority reserves the right to reject such bid and, through its financial advisor, provide conditional verbal acceptance to the bidder submitting a bid, conforming to the specifications herein, which produces the next, lowest Net Interest Cost rate to the Authority.

Neither the Authority nor its consultants have the ability to verify the information included in a Disclosure Form or written representation, and neither have an obligation nor undertake responsibility for advising any bidder with respect to the proper completion of the Disclosure Form or the written representation. 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 or written representation promptly upon notification from the Authority that its bid is the conditional winning bid.

ANTI-BOYCOTT VERIFICATION . . . The award and delivery of the Bonds is conditioned upon verification by the bidder on behalf of itself and each syndicate member listed on the Official Bid Form that, to the extent Section 2270.002 of the Texas Government Code is applicable to the sale of the Bonds, solely for purposes of compliance with Chapter 2270 of the Texas Government Code, and subject to applicable Federal law, neither the bidder nor any syndicate member listed on the Official Bid Form nor any wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of the same, (i) boycotts Israel or (ii) will boycott Israel through the delivery date of the Bonds. 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.

IRAN, SUDAN, AND FOREIGN TERRORISTS ORGANIZATIONS . . . Additionally, the award and delivery of the Bonds is conditioned upon verification by the bidder on behalf of itself and each syndicate member listed on the Official Bid Form that, to the extent the bid for the Bonds represents a governmental contract within the meaning of Section 2252.151 of the Texas Government Code, as amended, solely for purposes of compliance with Chapter 2252 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, neither the bidder nor a syndicate member listed on the Official Bid Form, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same (i) engages in business with Iran, Sudan, or any foreign terrorist organization as described in Chapters 806 or 807 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, or (ii) is a company listed by the Texas Comptroller of Public Accounts under Sections 806.051, 807.051, 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.

DELIVERY OF THE BONDS AND ACCOMPANYING DOCUMENTS

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

DELIVERY OF BONDS . . . Delivery will be accomplished by the issuance of one Initial Bond (the "Initial Bond"), either in typed or printed form, in the aggregate principal amount of \$6,650,000*, payable in stated installments to the Purchaser, signed by the President and Secretary of the Board of Directors, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts. Upon delivery of the Initial Bond, it shall be immediately canceled and one definitive Bond for each maturity will be registered and delivered only to Cede & Co., and deposited with DTC in connection with DTC's Book-Entry-Only System. Delivery will be at the principal office of the Paying Agent/Registrar. Payment for the Bonds must be made in immediately available funds for unconditional credit to the Authority, or as otherwise directed by the Authority.

The Purchaser will be given six business days' notice of the time fixed for delivery of the Bonds. It is anticipated that delivery of the Bond(s) can be made on or about August 13, 2019, and it is understood and agreed that the Purchaser will accept delivery and make payment for the Bonds by 10:00 AM, CDT, on August 13, 2019, or thereafter on the date the Bonds are tendered for delivery, up to and including August 27, 2019. If for any reason the Authority is unable to make delivery on or before August 27, 2019, the Authority shall immediately contact the Purchaser and offer to allow the Purchaser to extend its offer for an additional thirty days. If the Purchaser does not elect to extend its offer within six days thereafter, then its Good Faith Deposit will be returned, and both the Authority and the Purchaser shall be relieved of any further obligation. In no event shall the Authority be liable for any damages by reason of its failure to deliver the Bonds, provided such failure is due to circumstances beyond the Authority's reasonable control.

CONDITIONS TO DELIVERY . . . The obligation of the Purchaser to take up and pay for the Bonds is subject to the Purchaser's receipt of (a) the legal opinion of Bracewell LLP, Dallas, Texas, Bond Counsel for the Authority ("Bond Counsel"), (b) the no-litigation certificate, and (c) the certification as to the Official Statement, all as further described in the Official Statement.

*Preliminary, subject to change. See "THE BONDS – Adjustment of Principal Amounts and/or Types of Bids."

ESTABLISHING THE INITIAL OFFERING PRICE FOR THE BONDS . . . In order to provide the Authority with information that enables it to comply with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code") , relating to the exclusion of interest on the Bonds from the gross income of their owners, the winning bidder will be required to complete, execute, and deliver to the Authority or to HilltopSecurities, a certification as to the Bonds "issue price" (the "Issue Price Certificate") substantially in one of the forms and to the effect attached hereto or accompanying this Notice of Sale. In the event the winning bidder will not reoffer any maturity of the Bonds for sale to the Public (as defined herein) by the delivery date of the Bonds, the Issue Price Certificate may be modified in a manner approved by the Authority. Each bidder, by submitting its bid, agrees to complete, execute, and timely deliver the Issue Price Certificate, if its bid is accepted by the Authority. 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 as are necessary to enable it to make such certification with reasonable certainty. Any questions concerning such certification should be directed to Bond Counsel.

DEFINED TERMS: 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 Underwriter or a Related Party to a Underwriter.
- (ii) "Underwriter" means (A) any person that agrees pursuant to a written contract with the Authority (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 who 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 of 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 interest buy one entity or another).
- (iv) "Sale Date" means the date that the Bonds are awarded by the Authority to the winning bidder.

All actions to be taken by the Authority under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the Authority by HilltopSecurities and any notice or report to be provided to the Authority may be provided to HilltopSecurities.

The Authority 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 as so stated in the Official Bid Form.

THREE BID REQUIREMENT: The Authority intends to rely on Treasury Regulation section 1.148-1(f)(3)(i) for purposes of establishing the issue price of municipal bonds, which requires, among other things, that the Authority receives bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (the "Three Bid Requirement"). In the event that the Three Bid Requirement is not satisfied, Treasury Regulations permit the issue price for any maturity of the Bonds to be determined based upon either (i) the first price at which 10% of such maturity is sold to the Public (the "10% Test") or (ii) if the requirements of the "Hold-the-Offering-Price Rule" described below are met, the initial offering price to the Public as of the Sale Date. For purposes hereof, if different interest rates apply within a maturity, each separate CUSIP number will be treated separately.

In the event that the Three Bid Requirement is satisfied, the sale of the Bonds will be awarded to the bidder making a bid that conforms to the specifications herein. In the event that the Three Bid Requirement is not satisfied, the Authority will notify the prospective winning bidder to that effect, and the prospective winning bidder will advise the Authority of any maturity of the Bonds that satisfies the 10% Test. For any maturity of the Bonds that does not meet the 10% Test, it is the Authority's intention to apply the "Hold-the-Offering-Price Rule" to such maturity of the Bonds, as described below.

HOLD-THE-OFFERING-PRICE RULE: If the "Hold-the-Offering-Price Rule" is applied to any maturity of the Bonds (each, a "Held Maturity"), 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 Held 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:

- (1) the close of the fifth business day after the Sale Date; or
- (2) the date on which the Underwriters have satisfied the 10% Test with respect to that Held Maturity at a price that is no higher than the initial offering price to the Public.

The winning bidder shall promptly advise the Authority when the Underwriters have satisfied the 10% Test with respect to each Held Maturity 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. On or after the sixth business day after the Sale Date, if requested by the Authority, the winning bidder will confirm that the Underwriters have complied with the Hold-the-Offering-Price-Rule. If at any time the winning bidder becomes aware of any noncompliance by an Underwriter with respect to the Hold-the-Offering Price Rule, the winning bidder will promptly report such noncompliance to the Authority.

ADDITIONAL REQUIREMENTS: 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 (A) 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 and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case 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 (A) 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 and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires

LEGAL OPINIONS . . . The Bonds are offered when, as and if issued, subject to the approval of the Attorney General of the State of Texas. Delivery of and payment for the Bonds is subject to the receipt by the Purchaser of opinions of Bond Counsel, based upon the assumption described in the Official Statement under the heading "Other Information - Legal Matters," to the effect that the Bonds are valid and binding obligations of the Authority and that the interest on the Bonds will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under "Tax Matters" in the Preliminary Official Statement, including the alternative minimum tax on corporations.

CERTIFICATION OF OFFICIAL STATEMENT . . . On the Delivery Date, the Authority will execute and deliver to the Purchaser a certificate in the form set forth in the Preliminary Official Statement.

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

GENERAL

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

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

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

ISSUANCE OF ADDITIONAL DEBT . . . The Authority does not anticipate the issuance of additional revenue debt within the next 12 month period.

RATING . . . The Bonds are rated "AA-" by S&P Global Ratings, a division of S&P Global Inc. ("S&P") (see "Other Information - Rating").

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

The Authority will furnish to the Purchaser, or Purchasers, acting through a designated senior representative, in accordance with instructions received from the Purchaser(s), within seven (7) business days from the sale date an aggregate of 100 copies of the Official Statement including a like number of copies of any Supplement(s) reflecting interest rates and other terms relating to the initial reoffering of the Bonds. The cost of a reprinted Official Statement, if the Purchaser(s) shall so elect, and the cost of any Official Statement in excess of the number specified shall be prepared and distributed at the cost of the Purchaser(s). The Purchaser(s) shall be responsible for providing in writing the initial reoffering prices and other terms, if any, to the Financial Advisor by the close of the next business day after the award. Except as noted above, the Authority assumes no responsibility or obligation for the distribution or delivery of any copies of the Official Statement in connection with the offering or reoffering of the subject securities.

CONTINUING DISCLOSURE AGREEMENT . . . The Authority will agree in the Resolution authorizing issuance of the Bonds 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 of Information". The Purchaser(s)' obligation to accept and pay for the Bonds is conditioned upon delivery to the Purchaser(s) or (their) agent of a certified copy of the Resolution containing the agreement described under such heading.

COMPLIANCE WITH PRIOR UNDERTAKINGS . . . During the last five years, the Authority believes it has complied in all material respects with all continuing disclosure agreements made by it in accordance the Rule.

ADDITIONAL COPIES OF NOTICE, BID FORM AND STATEMENT . . . A limited number of additional copies of this Notice of Sale and Bidding Instructions, the Official Bid Form and the Preliminary Official Statement, as available over and above the normal mailing, may be obtained at the offices of HilltopSecurities, Investment Bankers, 777 Main Street, Suite 1200, Fort Worth, Texas 76102, Financial Advisor to the Authority.

On the date of the sale, the Board of Directors will, in the Resolution authorizing the issuance of the Bonds, confirm its approval of the form and content of the Preliminary Official Statement, and any addenda, supplement or amendment thereto, and authorize its use in the reoffering of the Bonds by the Purchaser.

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BOND YEARS*

<u>Bonds Maturing</u>	<u>Amount*</u>	<u>Bond Years</u>	<u>Accumulated Bond Years</u>	<u>Bonds Maturing</u>
2020	155,000	201.500	1,550.500	2020
2021	235,000	540.500	1,550.500	2021
2022	245,000	808.500	1,550.500	2022
2023	255,000	1,096.500	2,647.000	2023
2024	265,000	1,404.500	4,051.500	2024
2025	275,000	1,732.500	5,784.000	2025
2026	285,000	2,080.500	7,864.500	2026
2027	300,000	2,490.000	10,354.500	2027
2028	310,000	2,883.000	13,237.500	2028
2029	320,000	3,296.000	16,533.500	2029
2030	335,000	3,785.500	20,319.000	2030
2031	350,000	4,305.000	24,624.000	2031
2032	360,000	4,788.000	29,412.000	2032
2033	375,000	5,362.500	34,774.500	2033
2034	390,000	5,967.000	40,741.500	2034
2035	405,000	6,601.500	47,343.000	2035
2036	425,000	7,352.500	54,695.500	2036
2037	440,000	8,052.000	62,747.500	2037
2038	455,000	8,781.500	71,529.000	2038
2039	470,000	9,541.000	81,070.000	2039

Average Maturity 12.191 Years

*Preliminary, subject to change. See “THE BONDS – Adjustment of Principal Amounts and/or Types of Bids.”

OFFICIAL BID FORM

Honorable President and Board of Directors
Benbrook Water Authority

July 16, 2019

Members of the Board of Directors:

Reference is made to your Preliminary Official Statement and Notice of Sale and Bidding Instructions, dated July 3, 2019 of \$6,650,000* BENBROOK WATER AUTHORITY WATERWORKS AND SEWER SYSTEM REVENUE BONDS, SERIES 2019 both of which constitute a part hereof.

For your legally issued Bonds, as described in said Notice of Sale and Bidding Instructions and Official Statement, we will pay you par, plus a cash premium of \$_____ for Bonds maturing and bearing interest as follows:

<u>Maturity</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>
12/1/2020	\$ 155,000	_____	12/1/2027	\$ 300,000	_____	12/1/2033	\$ 375,000	_____
12/1/2021	235,000	_____	12/1/2028	310,000	_____	12/1/2034	390,000	_____
12/1/2022	245,000	_____	12/1/2029	320,000	_____	12/1/2035	405,000	_____
12/1/2023	255,000	_____	12/1/2030	335,000	_____	12/1/2036	425,000	_____
12/1/2024	265,000	_____	12/1/2031	350,000	_____	12/1/2037	440,000	_____
12/1/2025	275,000	_____	12/1/2032	360,000	_____	12/1/2038	455,000	_____
12/1/2026	285,000	_____				12/1/2039	470,000	_____

Of the principal maturities set forth in the table above, term bonds have been created as indicated in the following table (which may include multiple term bonds, 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>Maturity Date</u>	<u>Year of First Mandatory Redemption</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
<u>December 1</u>	_____	<u>\$</u> _____	<u>%</u> _____
_____	_____	<u>\$</u> _____	<u>%</u> _____
_____	_____	<u>\$</u> _____	<u>%</u> _____
_____	_____	<u>\$</u> _____	<u>%</u> _____

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

Total Interest Cost	\$ _____
Less Premium	_____
NET INTEREST COST	\$ _____
EFFECTIVE INTEREST RATE	_____ %

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

A bank cashier's check or certified check of the _____ Bank, _____, in the amount of \$138,300.00, which represents our Good Faith Deposit (is attached hereto) or (has been made available to you prior to the opening of this bid), and is submitted in accordance with the terms as set forth in the Preliminary Official Statement and Notice of Sale and Bidding Instructions.

We agree to accept delivery of the Bonds utilizing the Book-Entry-Only System through DTC and make payment for the Initial Bond in immediately available funds in the Corporate Trust Division, The Bank of New York Mellon Trust Company, Dallas, Texas, not later than 10:00 AM, CDT, on August 13, 2019, or thereafter on the date the Bonds are tendered for delivery, pursuant to the terms set forth in the Notice of Sale and Bidding Instructions. It will be the obligation of the purchaser of the Bonds to complete the DTC Eligibility Questionnaire.

*Preliminary, subject to change. See "THE BONDS – Adjustment of Principal Amounts and/or Types of Bids."

By executing this Bid Form, the bidder represents that, to the extent Section 2270.002 of the Texas Government Code is applicable to the sale of the Bonds, solely for purposes of compliance with Chapter 2270 of the Texas Government Code, and subject to applicable Federal law, neither the bidder nor any syndicate member listed on the Official Bid Form nor any wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of the same, (i) boycotts Israel or (ii) will boycott Israel through the delivery date of the Bonds. For purposes of this representation, the terms "boycotts Israel" and "boycott Israel" have the meanings assigned to the term "boycott Israel" in Section 808.001 of the Texas Government Code, as amended.

Additionally, by executing this Bid Form, the bidder also represents that, to the extent the bid for the 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, 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 (i) engages in business with Iran, Sudan, or any foreign terrorist organization as described in Chapters 806 or 807 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, or (ii) is a company listed by the Texas Comptroller of Public Accounts under Sections 806.051, 807.051, or 2252.153 of the Texas Government Code. For the purposes of this representation, the term "foreign terrorist organization" has the meaning assigned to such term in Section 2252.151 of the Texas Government Code.

In accordance with Texas Government Code Section 2252.908 (the "Interested Party Disclosure Act"), the Authority may not award the Bonds to a bidder unless the winning bidder either: (i) submits a Certificate of Interested Parties Form 1295 (the "Disclosure Form") to the Authority as prescribed by the Texas Ethics Commission ("TEC"), or (ii) certifies below that it is exempt from filing the Disclosure Form by virtue of being a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity.

Unless the bidder certifies that it is exempt from filing a Disclosure Form with the Authority, upon notification of conditional verbal acceptance, the undersigned will complete an electronic form of the Certificate of Interested Parties Form 1295 (the "Disclosure Form") through the Texas Ethics Commission's (the "TEC") electronic portal and the resulting certified Disclosure Form that is generated by the TEC's electronic portal will be printed, signed and sent by email to the Authority at gail@bwsa.org and Authority's financial advisor at adam.lancarte@hilltopsecurities.com. The undersigned understands that the failure to provide the certified Disclosure Form will prohibit the Authority from providing final written award of the enclosed bid.

The Purchaser (mark one): (i) Agrees to timely make a filing of a completed Disclosure Form with the Authority [] or (ii) Hereby certifies that it is exempt from filing the Disclosure Form by virtue of being a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity []. If the bid is accepted by the Authority, this bid shall thereupon become a contract of purchase for the Authority under the terms contained in this Official Bid Form and in the Notice of Sale and Bidding Instructions. We hereby acknowledge that we have received and read the Notice of Sale and Bidding Instructions and Preliminary Official Statement referred to above.

The undersigned agrees to complete, execute, and deliver to the Authority, by close of business on the day following the award of the sale of the Bonds a certificate relating to the "issue price" of the Bonds in the form and to the effect accompanying the Notice of Sale and Bidding Instructions, with such changes thereto as may be acceptable to the Authority. The undersigned also agrees to provide the Authority and its consultants, at least 10 business days prior to the delivery of the Certificates, 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).

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

Respectfully submitted,

Syndicate Members:

Name of Underwriter or Manager

Authorized Representative

Phone Number

Signature

ACCEPTANCE CLAUSE

The above and foregoing bid is hereby in all things accepted by the Benbrook Water Authority, subject to and in accordance with the Notice of Sale and Bidding Instructions, this the 16th day of July, 2019.

President
Benbrook Water Authority

ISSUE PRICE CERTIFICATE

[THREE BID REQUIREMENT SATISFIED]

I, the undersigned officer of _____ (the "Purchaser"), acting on behalf of itself and any underwriting syndicate, make this certification in connection with the \$6,650,000* Waterworks and Sewer System Revenue Bonds, Series 2019 (the "Bonds") issued by Benbrook Water Authority (the "Authority").

1. I hereby certify as follows in good faith as of the date hereof:

(a) I am the duly chosen, qualified and acting officer of the Purchaser for the office shown below my signature; as such, I am familiar with the facts herein certified and I am duly authorized to execute and deliver this certificate on behalf of the Purchaser and any underwriting syndicate. I am the officer of the Purchaser charged, along with other officers of the Purchaser and any underwriting syndicate, with responsibility for the Bonds.

(b) The reasonably expected initial offering prices of the Bonds to the Public by the Purchaser as of the Sale Date are the prices set forth on the inside cover of the Official Statement prepared in connection with the Bonds (the "Initial Offering Prices"). The Initial Offering Prices are the applicable prices for the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached as Attachment I is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

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

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

(e) The aggregate of the Initial Offering Prices of all maturities of the Bonds is \$ _____. The Bonds were sold with pre-issuance accrued interest in the amount of \$ _____. The sum of these two amounts is \$ _____.

(f) Please choose the appropriate statement:

The Purchaser will not purchase bond insurance for the Bonds.

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

2. For purposes of this Issue Price Certificate, the following definitions apply:

(a) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

(b) "Related Party" means any two or more persons who are subject, directly or indirectly, to (A) 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), (B) 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 interest or profits interest 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).

(c) "Sale Date" means the first day on which there is a binding contract in writing for the sale or exchange of the Bonds. The Sale Date of the Bonds is July 16, 2019.

*Preliminary, subject to change. See "THE BONDS – Adjustment of Principal Amounts and/or Types of Bids."

(d) "Underwriter" means (i) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition 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).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Authority 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 Bracewell LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Authority from time to time relating to the Bonds.

EXECUTED as of this _____ day of _____, 2019.

Name of Purchaser: _____

By: _____

Name: _____

Title: _____

**ATTACHMENT I TO ISSUE PRICE CERTIFICATE
COPY OF WINNING BID FORM
[See Attached]**

ISSUE PRICE CERTIFICATE
[THREE BID REQUIREMENT NOT SATISFIED – HOLD THE OFFERING PRICE RULE]

I, the undersigned officer of _____ (the “Purchaser”), acting on behalf of itself and any underwriting syndicate, make this certification in connection with the \$6,650,000* Texas Waterworks and Sewer System Revenue Bonds, Series 2019 (the “Bonds”) issued by the Benbrook Water Authority (the “Authority”).

1. I hereby certify as follows in good faith as of the date hereof:

(a) I am the duly chosen, qualified and acting officer of the Purchaser for the office shown below my signature; as such, I am familiar with the facts herein certified and I am duly authorized to execute and deliver this certificate on behalf of the Purchaser and any underwriting syndicate. I am the officer of the Purchaser charged, along with other officers of the Purchaser and any underwriting syndicate, with responsibility for the Bonds.

(b) For the Certificates maturing in _____, the first price at which at least 10% of each maturity was sold to the Public is the price for each such maturity set forth on the inside cover of the Official Statement prepared in connection with the Bonds (each, an “Actual Sales Price”).

(c) For the Bonds maturing in _____ (each, a “Held Maturity”), the Purchaser on or before the Sale Date offered for purchase each such maturity to the Public at the applicable initial offering price set forth on the inside cover of the Official Statement prepared in connection with the Bonds (each, an “Initial Offering Price”). A copy of the pricing wire evidencing the Initial Offering Prices is attached hereto as Attachment I. In connection with the offering of the Bonds, the Purchaser and each member of any underwriting syndicate agreed in writing that (i) during the Hold Period, it would neither offer nor sell any Held Maturity to any person at a price higher than the applicable Initial Offering Price (the “Hold-the-Offering-Price Rule”) and (ii) any selling group agreement would contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement would contain the agreement of each broker-dealer who is a party to the retail distribution agreement, that, during the Hold Period, such party would comply with the Hold-the-Offering-Price Rule. In accordance with such agreements, no Underwriter offered or sold any of the Held Maturities at a price higher than the applicable Initial Offering Price for such Held Maturity during the Hold Period.

(d) The aggregate of the Actual Sales Prices and the Initial Offering Prices is \$ _____. The Bonds were sold with pre-issuance accrued interest in the amount of \$ _____. The sum of these two amounts is \$ _____.

(e) Please choose the appropriate statement:

The Purchaser will not purchase bond insurance for the Bonds.

The Purchaser will purchase bond insurance from _____ (the “Insurer”) for a fee/premium of \$ _____ (the “Fee”). The Fee is a reasonable amount payable solely for the transfer of credit risk for the payment of debt service on the Bonds and does not include any amount payable for a cost other than such guarantee, e.g., a credit rating or legal fees. The Purchaser represents that the present value of the Fee for each obligation constituting the Bonds to which such Fee is properly allocated and which are insured thereby is less than the present value of the interest reasonably expected to be saved as a result of the insurance on each obligation constituting the Bonds. The Fee has been paid to a person who is not exempt from federal income taxation and who is not a user or related to the user of any proceeds of the Bonds. In determining present value for this purpose, the yield of the Bonds (determined with regard to the payment of the guarantee fee) has been used as the discount rate. No portion of the Fee is refundable upon redemption of any of the Bonds in an amount which would exceed the portion of such Fee that has not been earned. The Purchaser will also be responsible for payment of any rating fees on the Bonds, if and as required by the Insurer to be obtained in connection with the purchase of insurance.

2. For purposes of this Issue Price Certificate, the following definitions apply:

(a) “Hold Period” means, with respect to a Held 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 Underwriters have sold at least 10% of such Held Maturity to the Public at a price no higher than the applicable Initial Offering Price.

(b) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

*Preliminary, subject to change. See “THE BONDS – Adjustment of Principal Amounts and/or Types of Bids.”

(c) "Related Party" means any two or more persons who 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 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 interest or profits interest 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).

(d) "Sale Date" means the first day on which there is a binding contract in writing for the sale or exchange of the Certificates. The Sale Date of the Bonds is July 16, 2019.

(e) "Underwriter" means (i) any person that agrees pursuant to a written contract with the Authority (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition 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).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Authority 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 Bracewell LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Authority from time to time relating to the Bonds.

EXECUTED as of this _____ day of _____, 2019.

[NAME OF PURCHASER OR MANAGER OF PURCHASING SYNDICATE]

By: _____

Name: _____

Title: _____

ATTACHMENT I TO ISSUE PRICE CERTIFICATE

FINAL PRICING WIRE

[See Attached]