

**NOTICE OF SALE
AND
BIDDING INSTRUCTIONS**

ON

\$28,405,000*

**CITY OF WAXAHACHIE, TEXAS
(Ellis County)**

COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2019

Bids Due Monday, September 16, 2019, at 10:00 AM, CDT

THE SALE

CERTIFICATES OFFERED FOR SALE AT COMPETITIVE BIDDING . . . The City of Waxahachie, Texas (the “City”) is offering for sale its \$28,405,000* Combination Tax and Revenue Certificates of Obligation, Series 2019 (the “Certificates”). Bidders may submit bids for the Certificates by any of the following methods:

- (1) Submit bids electronically as described below in “Electronic Bidding Procedures;” or
- (2) Submit bids by telephone or facsimile as described below in “Bids by Telephone or Facsimile.”

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 City 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 prior to award.

An electronic bid made through the facilities of PARITY shall be deemed an irrevocable offer to purchase the Certificates on the terms provided in this Notice of Sale and Bidding Instructions, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the City. The City 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 and Bidding Instructions shall conflict with information provided by PARITY as the approved provider of electronic bidding services, this Notice of Sale and Bidding Instructions 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 both the written sealed bid process and the electronic 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 City, as described under “Basis for Award” below. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale and Bidding Instructions 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 September 16, 2019, SIGNED Official Bid Forms to Susan Strnad, Hilltop Securities Inc., 1201 Elm Street, Suite 3500, Dallas, Texas 75270, and submit their bid by telephone or facsimile (fax) on the date of the sale.

Telephone bids will be accepted at (214) 953-8853, 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 (214) 953-4050, attention: Marti Shew.

Bids by delivery shall not be allowed.

Hilltop Securities Inc. will not be responsible for submitting any bids received after the above deadlines.

The City and Hilltop Securities Inc. are not responsible if such telephone or facsimile numbers are busy which prevents a bid or bids from being submitted on a timely basis, and assume no responsibility or liability with respect to any irregularities associated with the submission of bids.

The City and Hilltop Securities Inc. are not responsible for any failure of their or the sender’s fax machine, any failed delivery of a fax, any incomplete or ambiguous transmittals, or the disclosure of the bid to any persons prior to bid opening. If any portion of a faxed bid is illegible, the City and Hilltop Securities Inc. may, at their option, either call any provided reference 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 Certificates – Adjustment of Principal Amounts and/or Types of Bids.”

PLACE AND TIME OF BID OPENING . . . The bids for the Certificates will be publicly opened and read at the offices of Hilltop Securities Inc. (the “Financial Advisor”), at 10:00 AM, CDT, Monday, September 16, 2019.

AWARD OF THE CERTIFICATES . . . The City Council will take action to award the Certificates (or reject all bids) at a meeting scheduled to convene at 7:00 PM, CDT, on the date of the bid opening, and if the Certificates are awarded, will adopt an ordinance authorizing the Certificates and approving the Official Statement (the “Ordinance”).

THE CERTIFICATES

DESCRIPTION . . . The Certificates will be dated as the date of initial delivery to the winning bidder (the “Date of Delivery”). Interest will accrue from the Date of Delivery of the Certificates (anticipated to be on or about October 16, 2019) and will be paid on February 1, 2020, and each August 1 and February 1 thereafter until maturity or prior redemption. The Certificates will be issued only in fully registered form in any integral multiple of \$5,000 for any one maturity. The Certificates will mature on August 1 in each year as follows:

MATURITY SCHEDULE*

Amount	1-Aug Maturity	Amount	1-Aug Maturity
\$ 1,120,000	2020	\$ 1,460,000	2030
955,000	2021	1,505,000	2031
1,005,000	2022	1,550,000	2032
1,060,000	2023	1,595,000	2033
1,110,000	2024	1,640,000	2034
1,160,000	2025	1,695,000	2035
1,220,000	2026	1,745,000	2036
1,290,000	2027	1,790,000	2037
1,345,000	2028	1,845,000	2038
1,415,000	2029	1,900,000	2039

OPTIONAL REDEMPTION . . . The City reserves the right, at its option, to redeem Certificates having stated maturities on and after August 1, 2030, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on August 1, 2029, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. If less than all of the Certificates of either series are to be redeemed, the City may select the series and maturities of Certificates to be redeemed. If less than all the Certificates of any maturity are to be redeemed, the Paying Agent/Registrar (or DTC while the Certificates are in Book-Entry-Only form) shall determine by lot the Certificates, or portions thereof, within such maturity to be redeemed. If a Certificate (or any portion of the principal sum thereof) shall have been called for redemption and notice of such redemption shall have been given, such Certificate (or the principal amount thereof to be redeemed) shall become due and payable on such redemption date and interest thereon shall cease to accrue from and after the redemption date, provided funds for the payment of the redemption price and accrued interest thereon are held by the Paying Agent/Registrar on the redemption date. See “The Certificates – Optional Redemption” and “The Certificates – Notice of Redemption” in the Preliminary Official Statement.

ADJUSTMENT OF PRINCIPAL AMOUNTS AND/OR TYPES OF BIDS . . . Prior to 5:00PM, CDT on the business day before the bids are due, the City may, in its sole discretion, adjust the principal amount set forth above (the “Maturity Schedule”) and/or the type of bid required on the Certificates. The Financial Advisor 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 City by posting to PARITY and a Bloomberg Wire. **Also see “Conditions of the Sale” herein.**

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

POST BID MODIFICATION . . . After final computation of the Bids, the City reserves the right to adjust the aggregate principal amount and the principal amount of each maturity of the Certificates shown on the Maturity Schedule. The principal amount of any maturity of the Certificates shall only be adjusted in \$5,000 increments and shall not be increased or decreased by an amount that exceeds 15% of the preliminary principal amount of such maturity (rounded up to the next higher integral of \$5,000) without permission of the successful bidder. Such adjustment(s), if any, shall be made within 4 hours of the award of the Certificates. **THE SUCCESSFUL BIDDER MAY 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 AMOUNTS WITHIN THESE LIMITS.** The dollar amount bid by the successful bidder will be adjusted to reflect changes in the aggregate principal amounts of the Certificates. 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 of par amount of Certificates from the selling compensation that would have been received based on the purchase price in the winning bid and initial reoffering prices.

In the event of any adjustment of the maturity schedule for the Certificates 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 Certificates and/or the maturity schedule for the Certificates made by the City or its Financial Advisor shall be subsequent to the award of the Certificates 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 CERTIFICATES AND/OR TERM CERTIFICATES . . . Bidders may provide that all of the Certificates be issued as serial Certificates or may provide that any two or more consecutive annual principal amounts be combined into one or more term Certificates.

MANDATORY SINKING FUND REDEMPTION . . . If the successful bidder elects to alter the Maturity Schedule reflected above and convert the principal amounts of the serial Certificates maturing in years 2020 through 2039 into "Term Certificates", such "Term Certificates" shall be subject to mandatory redemption on the first August 1 next following the last maturity for serial Certificates, and annually thereafter on each August 1 until the stated maturity for the Term Certificates at the redemption price of par plus accrued interest to the date of redemption. The principal amounts of the Term Certificates 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 designation of such maturities as Term Certificates occurred.

The principal amount of the Term Certificates to be redeemed shall be chosen by the Paying Agent/Registrar at random by lot or other customary method. The principal amount of Term Certificates of a stated maturity required to be redeemed on any mandatory redemption date pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the City, by the principal amount of any Term Certificates of the same maturity which, at least 45 days prior to a mandatory redemption date (1) shall have been acquired by the City at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the City at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.

BOOK-ENTRY-ONLY SYSTEM . . . The City intends to utilize the Book-Entry-Only System of The Depository Trust Company, New York, New York ("DTC"). See "The Certificates - Book-Entry-Only System" in the Preliminary Official Statement.

PAYING AGENT/REGISTRAR . . . The initial Paying Agent/Registrar shall be The Bank of New York Mellon Trust Company, N.A., Dallas, Texas. See "The Certificates - Paying Agent/Registrar" in the Preliminary Official Statement.

SOURCE OF PAYMENT . . . The Certificates constitute direct obligations of the City payable from the levy and collection of a direct and continuing annual ad valorem tax levied on all taxable property within the City, within the limits prescribed by law, and from a limited pledge of \$1,000 of the surplus net revenues of the City's Waterworks and Sewer System.

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

CONDITIONS OF THE SALE

TYPE OF BIDS AND INTEREST RATES . . . The Certificates will be sold in one block on an “All or None” basis, and at a price of not less than 101% of par and not greater than 111% of par. The maximum coupon rate should be no greater than 5.00%. Bidders are invited to name the rate(s) of interest to be borne by the Certificates, provided that each rate bid must be in a multiple of 1/8 of 1% or 1/100 of 1%. The highest rate bid may not exceed the lowest rate bid by more than 3.00% in rate. **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 Certificates of one maturity must bear one and the same rate. No bids involving supplemental interest rates will be considered.

BASIS FOR AWARD . . . Subject to the City’s right to reject any or all bids and to waive irregularities except for time of filing, the sale of the Certificates will be awarded to the bidder making a bid (the “Initial Purchaser” or “Purchaser”) that conforms to the specifications herein and which produces the lowest True Interest Cost rate to the City. The True Interest Cost rate is that rate which, when used to compute the total present value as of the Delivery Date of all debt service payments on the Certificates on the basis of semi-annual compounding, produces an amount equal to the sum of the par value of the Certificates plus any premium bid. 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 official bid.

ADDITIONAL CONDITION OF AWARD — DISCLOSURE OF INTERESTED PARTY FORM

Obligation of the City to receive information from winning bidder. Pursuant to Texas Government Code Section 2252.908 (the “Interested Party Disclosure Act”), the City may not award the Certificates to the winning bidder unless (i) the bidder submits a Certificate of Interested Parties Form 1295 (the “Disclosure Form”) to the City as prescribed by the Texas Ethics Commission (“TEC”), or (ii) certifies in the Official Bid Form 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. In the event that the bidder’s bid for the Certificates is the best bid received, the City, acting through its Financial Advisor, will promptly notify the bidder. That notification will serve as the conditional verbal acceptance of the bid, and, unless exempt, will obligate the bidder to promptly file a completed Disclosure Form, as described below, in order to complete the award.

Process for completing the Disclosure Form. Reference should be made to the Disclosure Form, the rules of the TEC with respect to the Disclosure Form (the “Disclosure Rules”) and the Interested Party Disclosure Act. Instructional information regarding such matters are set forth at https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm. For purposes of completing the Disclosure Form the Initial Purchaser will need the following information: (a) item 2 – name of governmental entity: City of Waxahachie, Texas and (b) item 3 – the identification number assigned to this contract by the City: Waxahachie CO 2019, and a description of the services to be provided under the contract: Purchase of Certificates. The Interested Party Disclosure Act and the Disclosure Rules require a business entity contracting with the City to complete the form at the TEC Internet “portal” that may be accessed at the URL set forth above, and then print, complete the unsworn declaration, sign and deliver the Disclosure Form by e-mail to the City (Lori Cartwright, City Secretary, lcartwright@waxahachie.com), Financial Advisor (Marti Shew, marti.shew@hilltopsecurities.com) and Bond Counsel (Jeff Leuschel, jleuschel@mphlegal.com). Following the award of the Certificates, the City will acknowledge receipt of the completed Disclosure Form through the TEC website, as required by the law.

Preparations and for completion, and the significance of, the reported information. No exceptions may be made to that requirement. The Interested Party Disclosure Act provides that such acknowledgment is made “under oath and under penalty of perjury.” **Consequently, a bidder should take appropriate steps prior to completion of the Disclosure Form to familiarize itself with the Interested Party Disclosure Act, the Disclosure Rules and the Disclosure Form.** Time will be of the essence in submitting the form to the City, and, unless exempt, no award will be made by the City of the Certificates until a completed Disclosure Form from the winning bidder is received. The City reserves the right to reject any bid that is not accompanied by a completed Disclosure Form, as described herein. Neither the City nor its consultants have the ability to verify whether a bidder is exempt or the information included in a Disclosure Form, and neither have an obligation nor undertake responsibility for advising any bidder with respect to the proper completion of the Disclosure Form or exemption status. Consequently, an entity intending to bid on the Certificates should consult its own advisors to the extent it deems necessary and be prepared to submit the completed form promptly upon notification from the City that its bid is the conditional winning bid.

GOOD FAITH DEPOSIT . . . A Good Faith Deposit, payable to the “City of Waxahachie, Texas”, in the amount of \$568,100 is required. Such Good Faith Deposit shall be in the form of a bank cashier’s check or certified check, which is to be retained uncashed by the City pending the Initial Purchaser’s compliance with the terms of its bid and this 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 City prior to the opening of the bids, and shall be accompanied by instructions from the bank on which it is drawn which authorize its use as a Good Faith Deposit by the Initial Purchaser who shall be named in such instructions. **The Good Faith Deposit of the Initial Purchaser will be returned to the Initial Purchaser upon payment for the Certificates.** No interest will be allowed on the Good Faith Deposit. In the event the Initial Purchaser should fail or refuse to take up and pay for the Certificates in accordance with its bid, then said check shall be cashed and accepted by the City 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 Certificates has been made.

IMPACT OF BIDDING SYNDICATE ON AWARD . . . For purposes of contracting for the sale of the Certificates, the entity signing the bid form as Initial Purchaser shall be solely responsible for the payment of the purchase price of the Certificates. The Initial Purchaser may serve as a syndicate manager and contract under a separate agreement with other syndicate members. However, the City is not a party to that agreement and any information provided regarding syndicate managers would be for informational purposes only.

DELIVERY OF THE CERTIFICATES AND ACCOMPANYING DOCUMENTS

CUSIP NUMBERS. . . It is anticipated that CUSIP identification numbers will appear on the Certificates, but neither the failure to print or type such number on any Certificate 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 Certificates 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 Certificates shall be paid by the City.

DELIVERY OF CERTIFICATES . . . Initial delivery will be accomplished by the issuance of one Certificate for each maturity (the "Initial Certificates"), either in typed or printed form, in the aggregate principal amount of \$28,405,000*, payable to the Initial Purchaser or its designee, signed by the Mayor and City Secretary, approved by the Attorney General of the State of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas. Upon delivery of the Initial Certificates, they shall be immediately cancelled and one definitive Certificate 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 office of the Paying Agent/Registrar in Dallas, Texas. Payment for the Certificates must be made in immediately available funds for unconditional credit to the City, or as otherwise directed by the City. The Initial Purchaser will be given six business days' notice of the time fixed for delivery of the Certificates. It is anticipated that delivery of the Certificates can be made on or about October 16, 2019, and it is understood and agreed that the Initial Purchaser will accept delivery and make payment for the Certificates by 10:00 AM, CDT, on October 16, 2019, or thereafter on the date the Certificates are tendered for delivery, up to and including October 30, 2019. If for any reason the City is unable to make delivery on or before October 30, 2019, the City 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 days thereafter, then its Good Faith Deposit will be returned, and both the City and the Initial Purchaser shall be relieved of any further obligation. In no event shall the City be liable for any damages by reason of its failure to deliver the Certificates, provided such failure is due to circumstances beyond the City's reasonable control.

CONDITIONS TO DELIVERY . . . The obligation of the Initial Purchaser to take up and pay for the Certificates is subject to the Initial Purchaser's receipt of (a) the legal opinion of McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel for the City ("Bond Counsel") and (b) the City's certification as to the Official Statement and no litigation, all as further described in the Official Statement.

ESTABLISHING THE ISSUE PRICE FOR THE CERTIFICATES . . . The City 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 City 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 City the first prices at which at least 10% of each maturity of the Certificates, **as designated by the winning bidder, (the "First Price Maturity")** have been sold to the Public (**the "10% Test"**) (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% Test) and (ii) agrees to hold-the-offering-price of each maturity of the Certificates that does not satisfy the 10% Test (**"Hold-the-Price Maturity"**), as described below.

In order to provide the City with information that enables it to comply with the establishment of the issue price of the Certificates under the Internal Revenue Code of 1986, as amended, the winning bidder agrees to complete, execute, and timely deliver to the City or to the City's financial advisor, Hilltop Securities Inc. (the "City's Financial Advisor") a certification as to the Certificates' "issue price" (the "Issue Price Certificate") substantially in the form and to the effect attached hereto or accompanying this Notice of Sale, within 5 business days prior to the Closing Date if the Competitive Sale Requirement is satisfied or within 5 business days of the date on which the 10% Test is satisfied with respect to all of the First Price Maturities. In the event the winning bidder will not reoffer any maturity of the Certificates 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 City. 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).

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

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 to the Underwriter,
- (ii) “Underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Certificates 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 Certificates 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 Certificates 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) 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 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 Certificates are awarded by the City to the winning bidder.

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

The City will consider any bid submitted pursuant to this Notice of Sale to be a firm offer for the purchase of the Certificates, 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 Certificates 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 Certificates 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 Certificates of that maturity or all Certificates 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 Certificates 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 Certificates 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 Certificates 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 Certificates of that maturity or all Certificates 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 Certificates, 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 City 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.

LEGAL OPINIONS. . . The Certificates 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 Certificates is subject to the receipt by the Initial Purchaser of an opinion of Bond Counsel, substantially in the form reproduced in Appendix C to the Official Statement, to the effect that the Certificates are valid and binding obligations of the City and that the interest on the Certificates will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under “Tax Matters” in the Official Statement.

CERTIFICATION OF PRELIMINARY OFFICIAL STATEMENT . . . At the time of payment for and initial delivery of the Certificates, the City will execute and deliver to the Initial Purchaser a certificate in the form set forth in the Preliminary Official Statement under “Other Information – Certification as to Official Statement.”

CHANGE IN TAX EXEMPT STATUS . . . At any time before the Certificates are tendered for delivery, the Initial Purchaser may withdraw its bid if the interest received by private holders on obligations of the same type and character as the Certificates 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.

VERIFICATION PURSUANT TO CHAPTER 2271 OF THE TEXAS GOVERNMENT CODE . . . Pursuant to Chapter 2271 of the Texas Government Code, as amended, the winning bidder will be required to verify in the Official Bid Form, for purposes of such chapter, that at the time of execution and delivery of its bid and, except to the extent otherwise required by applicable federal law, to the date of delivery of the Certificates, neither the winning bidder, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the winning bidder, boycotts or will boycott Israel. The terms “boycotts Israel” and “boycott Israel” as used in this paragraph have the meanings assigned to the term “boycott Israel” in Section 808.001 of the Texas Government Code, as amended.

VERIFICATION PURSUANT TO CHAPTERS 2252 AND 2270 OF THE TEXAS GOVERNMENT CODE . . . The bidder, by submission of its bid, 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 bidder and the bidder’s 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 bidder understands “affiliate” to mean any entity that controls, is controlled by, or is under common control with, the bidder and exists to make a profit.

GENERAL

FINANCIAL ADVISOR . . . Hilltop Securities Inc. is employed as Financial Advisor to the City in connection with the issuance of the Certificates. The Financial Advisor’s fee for services rendered with respect to the sale of the Certificates is contingent upon the issuance and delivery of the Certificates. Hilltop Securities Inc. has agreed, in its Financial Advisory contract, not to bid for the Certificates, either independently or as a member of a syndicate organized to submit a bid for the Certificates. Hilltop Securities Inc., in its capacity as Financial Advisor, 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 Certificates, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies..

BLUE SKY LAWS . . . By submission of its bid, the Initial Purchaser represents that the sale of the Certificates in states other than Texas will be made only pursuant to exemptions from registration or, where necessary, the Initial Purchaser will register the Certificates in accordance with the securities law of the states in which the Certificates are offered or sold. The City agrees to cooperate with the Initial Purchaser, at the Initial Purchaser’s written request and sole expense, in registering the Certificates or obtaining an exemption from registration in any state where such action is necessary; provided, however, that the City shall not be obligated to qualify as a foreign corporation or 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 Certificates, but is merely notice of the sale of the Certificates. The offer to sell the Certificates is being made by means of this Notice of Sale and Bidding Instructions, the Official Bid Form and the Preliminary Official Statement. Prospective purchasers are urged to carefully examine the Preliminary Official Statement to determine the investment quality of the Certificates.

ISSUANCE OF ADDITIONAL DEBT . . . The City anticipates the issuance of additional general obligation debt in the next 12 months in the approximate amount of \$29 million.

RATINGS . . . The Certificates and the presently outstanding general obligation debt of the City are rated “Aa2” by Moody’s Investors Service, Inc. (“Moody’s”) and “AA-” by S&P Global Ratings, a division of Standard & Poor’s Financial Service LLC (“S&P”), without regard to credit enhancement (see “Other Information - Ratings” in the Official Statement).

THE PRELIMINARY OFFICIAL STATEMENT AND COMPLIANCE WITH SEC RULE 15c2-12 . . . The City has prepared, or caused to be 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 the Rule for the purpose of review prior to bidding. To the best knowledge and belief of the City, 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 Certificates. Representations made and to be made by the City 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 City will furnish to the Initial Purchaser, acting through a designated senior representative, in accordance with instructions received from the Initial Purchaser, within seven (7) business days from the sale date, copies of the final Official Statement in such quantity and in the formats as the Initial Purchaser shall request in order for the Initial Purchaser to comply with Section (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board; provided, however, that the cost of any Official Statements in excess of 100 shall be prepared and distributed at the cost of the Initial Purchaser. The Initial Purchaser 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 City 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 Certificates.

CONTINUING DISCLOSURE AGREEMENT . . . The City has agreed in the Ordinance to provide certain periodic information and notices of certain specified 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 Certificates is conditioned upon delivery to the Purchaser or its agent of a certified copy of the Ordinance containing the agreement described under such heading.

COMPLIANCE WITH PRIOR UNDERTAKINGS . . . During the last five years, the City has timely filed financial information and operating data with respect to the City in the form of tables as described in the above subsection "Annual Reports" (the "Annual Financial Report"). For fiscal year ending 2014, the City's audited financial statements were not available by the filing deadline provided in its prior undertakings made in accordance with the Rule (the "Undertakings"), which is six months following the close of its fiscal year (the "Filing Deadline"). As provided in its Undertakings, the City was required to file "unaudited financial statements" to the extent the audited financial statements were not available by the Filing Deadline. For fiscal year ending 2014, the City filed a draft form of the audited financial statements separately from the tables by the Filing Deadline and subsequently filed the final form of the audited financial statements for such year end when they became available. Additionally, the City was upgraded by Standard & Poor's Ratings Services on August 29, 2014 but notice of such rating change was filed after the 10 business day filing deadline on September 22, 2014.

Furthermore, in 2011, the City created the Waxahachie Public Improvement District No. 1 (the "PID") for the purpose of assisting the developer of Saddlebrook Estates with funding public improvements within the PID and, in connection therewith, the City issued its "Special Assessment Bonds, Series 2011 (Waxahachie Public Improvement District No. 1 Phase 1 Project)" (the "PID Bonds"). In connection with its issuance of the PID Bonds, the City became obligated to file certain financial information and operating data on a quarterly basis, beginning with the quarter ending March 31, 2011. In an agreement with the PID board, the City contracted the day-to-day affairs of the PID, including the City's continuing disclosure responsibilities relating to the PID Bonds to a private management company. The management company failed to file the audited financial statements for fiscal year ending 2014 and also failed to timely file the annual financial information and audited financial statements for fiscal year ending 2015 which were due on March 28, 2016 and filed on March 29, 2016. On June 14, 2016, the management company filed the audited financial statements for fiscal year ending 2014 along with a notice of late filing to disclose the above mentioned compliance issues. The management company also failed to file the unaudited financial statements for fiscal year ending 2016 which was due on March 31, 2017 and filed on April 18, 2017.

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, are available over and above the normal mailing, may be obtained at the offices of Hilltop Securities Inc., a Division of Hilltop Securities Inc., Investment Bankers, 1201 Elm Street, Suite 3500, Dallas, Texas 75270, Financial Advisor to the City.

On the date of the sale, the City will, in the Ordinance authorizing the issuance of the Certificates, confirm its approval of the form and content of the Official Statement, and any addenda, supplement or amendment thereto, and authorize its use in the reoffering of the Certificates by the Initial Purchaser.

KEVIN STRENGTH
Mayor
City of Waxahachie, Texas

ATTEST:

LORI CARTWRIGHT
City Secretary

OFFICIAL BID FORM

Honorable Mayor and City Council
City of Waxahachie, Texas

September 16, 2019

Honorable Mayor and Members of the City Council:

Reference is made to your Preliminary Official Statement and Notice of Sale and Bidding Instructions, dated September 6, 2019 with respect to the \$28,405,000 CITY OF WAXAHACHIE, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2019, both of which constitute a part hereof.

For your legally issued Certificates, as described in said Notice of Sale and Bidding Instructions and Preliminary Official Statement, we will pay you par plus a net cash premium of \$ _____, from date of issue to date of delivery to us, for Certificates maturing and bearing interest as follows:

<u>Amount</u>	<u>1-Aug Maturity</u>	<u>Interest Rate</u>	<u>Amount</u>	<u>1-Aug Maturity</u>	<u>Interest Rate</u>
\$ 1,120,000	2020	_____	\$ 1,460,000	2030	_____
955,000	2021	_____	1,505,000	2031	_____
1,005,000	2022	_____	1,550,000	2032	_____
1,060,000	2023	_____	1,595,000	2033	_____
1,110,000	2024	_____	1,640,000	2034	_____
1,160,000	2025	_____	1,695,000	2035	_____
1,220,000	2026	_____	1,745,000	2036	_____
1,290,000	2027	_____	1,790,000	2037	_____
1,345,000	2028	_____	1,845,000	2038	_____
1,415,000	2029	_____	1,900,000	2039	_____

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

TRUE INTEREST COST _____ %

The Initial Certificates shall be registered in the name of _____, which will, upon payment for the Certificates, be canceled by the Paying Agent/Registrar. The Certificates 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 _____ in the amount of \$568,100, which represents our Good Faith Deposit 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 Certificates utilizing the Book-Entry-Only System through DTC and make payment for the Initial Certificates in immediately available funds to The Bank of New York Mellon Trust Company, N.A., not later than 10:00 AM, CDT, on October 16, 2019, or thereafter on the date the Certificates 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 Certificates to complete the DTC Eligibility Questionnaire.

The undersigned agrees to complete, execute, and deliver to the City, in accordance with the terms set forth under "Delivery of the Certificates and Accompanying Documents – Establishing the Issue Price for the Certificates" in the Notice of Sale and Bidding Instructions, a certificate relating to the "issue price" of the Certificates 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 City.

The undersigned hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, does not boycott Israel and, to the extent this bid for the Certificates is a contract for goods or services, will not boycott Israel through the date of initial delivery of the Certificates. The foregoing verification is made solely to comply with Section 2271.002, 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 undersigned understands 'affiliate' to mean an entity that controls or is controlled by, or is under common control with, the undersigned and exists to make a profit.

In accordance with Texas Government Code Section 2252.908 (the "Interested Party Disclosure Act"), the City may not award the Certificates to a bidder unless the winning bidder either: (i) submits a Certificate of Interested Parties Form 1295 (the "Disclosure Form") to the City 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 City, upon notification of conditional verbal acceptance, the undersigned will complete an electronic form of the Disclosure Form through TEC's 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 City's City Secretary at lcartwright@Waxahachie.com. The undersigned understands that, unless exempt, the failure to provide the certified Disclosure Form will prohibit the City 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 City

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 .

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.

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 City of Waxahachie, Texas, subject to and in accordance with the Notice of Sale and Bidding Instructions, this the 16th day of September, 2019.

ATTEST:

Mayor
City of Waxahachie, Texas

City Secretary

ISSUE PRICE CERTIFICATE

(Sales where **at least 3 bids are received from underwriters**)

The undersigned, as the underwriter or the manager of the syndicate of underwriters (“Purchaser”), with respect to the purchase at competitive sale of the Combination Tax and Revenue Certificates of Obligation, Series 2019 issued by the City of Waxahachie, Texas (“Issuer”) in the principal amount of \$_____ (“Certificates”), 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 Certificates by the Purchaser, the Purchaser’s reasonably expected initial offering prices of each maturity of the Certificates 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 Certificates, as attached to this Certificate as Schedule A. The Expected Offering Prices are the prices for the Certificates used by the Purchaser in formulating its bid to purchase the Certificates.

(b) The Purchaser had an equal opportunity to bid to purchase the Certificates 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 Certificates.

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

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 Certificates 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 Certificates to the Public) to participate in the initial sale of the Certificates 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 Certificates, and by McCall, Parkhurst & Horton L.L.P. in connection with rendering its opinion that the interest on the Certificates 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 Certificates. 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 **less than 3 bids are received from underwriters**)

The undersigned, as the underwriter or the manager of the syndicate of underwriters ("Purchaser"), with respect to the purchase at competitive sale of the Combination Tax and Revenue Certificates of Obligation, Series 2019 issued by the City of Waxahachie, Texas ("Issuer") in the principal amount of \$_____ ("Certificates"), hereby certifies and represents, based on its records and information, as follows:

(a) Other than the Certificates 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 Certificates having the same credit and payment terms ("Maturity") was sold 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 Certificates that is attached to this Certificate as Schedule A.

(b) On or before the first day on which there is a binding contract in writing for the sale of the Certificates ("Sale Date"), the Purchaser offered to the Public each Hold-the-Price Maturity 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 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 Maturity of the Certificates to the Public at no higher price than the Initial Offering Price for such Maturity.

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

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 Certificates 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 Certificates to the Public) to participate in the initial sale of the Certificates 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 Certificates, and by McCall, Parkhurst & Horton L.L.P. in connection with rendering its opinion that the interest on the Certificates 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 Certificates. 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)