

OFFICIAL NOTICE OF SALE

\$9,900,000

KAUFMAN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

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

UNLIMITED TAX ROAD BONDS
SERIES 2020

BIDS TO BE SUBMITTED BY:
10:00 A.M., THURSDAY, FEBRUARY 20, 2020
CENTRAL TIME

This Official Notice of Sale does not alone constitute an offer to sell, but is merely notice of sale of the bonds described herein. The offer to sell such bonds is being made by means of this Official Notice of Sale, the Official Bid Form and the Preliminary Official Statement.

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KAUFMAN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5
(A political subdivision of the State of Texas located within Kaufman County, Texas)

UNLIMITED TAX ROAD BONDS
SERIES 2020

BONDS OFFERED FOR SALE AT COMPETITIVE BID: The Board of Directors (the "Board") of Kaufman County Municipal Utility District No. 5 (the "District"), is offering for sale at competitive bid the District's \$9,900,000 Unlimited Tax Road Bonds, Series 2020 (the "Bonds").

METHODS FOR SUBMISSION OF BIDS AND BID FORMS: Bidders may submit bids for the Bonds by any of the following methods:

1. Deliver bids directly to the District as described below in "WRITTEN BIDDING PROCEDURE;"
2. Submit bids electronically as described below in "ELECTRONIC BIDDING PROCEDURE;" or
3. Submit bids by telephone as described below in "TELEPHONIC BIDDING PROCEDURE."

The District will not accept bids submitted by facsimile.

All bids must be submitted by 10:00 A.M., Central Time, on Thursday, February 20, 2020. Any prospective bidder must also submit, by 10:00 A.M., Central Time, on Thursday, February 20, 2020, signed Official Bid Form(s) to the District's financial advisor, Robert W. Baird & Co. Incorporated (the "Financial Advisor"), as more fully described below. Any bid or bid form submitted after such scheduled time for bid receipt will not be accepted and will be returned unopened. See "CONDITIONS OF SALE – REQUIRED DISCLOSURE OF INTERESTED PARTIES" for additional requirements concerning submission of bids by certain entities.

WRITTEN BIDDING PROCEDURE: A prospective bidder that intends to submit its bid in writing must do so in accordance with this paragraph. Two (2) sealed bids, which must be submitted on the Official Bid Form and plainly marked "Bid for Bonds," are to be addressed to "President and Board of Directors, Kaufman County Municipal Utility District No. 5." Two (2) copies of all bids, whether by completed signed bid form or by incomplete signed bid forms for use with telephone or electronic bids, must be submitted on signed Official Bid Forms, to the office of the District's Financial Advisor, Robert W. Baird & Co. Incorporated, Attn: Jan Bartholomew, 1331 Lamar, Suite 1360, Houston, Texas 77010, by 10:00 A.M., Central Time, on Thursday, February 20, 2020. Any bid or bid form submitted after such scheduled time for bid receipt will not be accepted and will be returned unopened.

ELECTRONIC BIDDING PROCEDURE: Any prospective bidder that intends to submit an electronic bid must submit its electronic bid through the facilities of PARITY. Bidders must submit, prior to 10:00 A.M., Central Time, Thursday, February 20, 2020, two (2) signed Official Bid Forms to Jan Bartholomew, Robert W. Baird & Co. Incorporated, Attn: Jan Bartholomew, 1331 Lamar, Suite 1360, Houston, Texas 77010. Subscription to the i-Deal's PARITY Electronic Bid Submission System is required in order to submit an electronic bid. The District will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe. Electronic bids must be received via PARITY in the manner described below, until 10:00 A.M., Central Time, on Thursday, February 20, 2020.

Electronic bids must be submitted via PARITY in accordance with this Official Notice of Sale, until 10:00 A.M., Central Time, but no bid will be received after the time for receiving bids specified above. An electronic bid made through the facilities of PARITY shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in the Official Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the District. **The District shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, PARITY, the use of such facilities being the sole risk of the prospective bidder.**

If any provisions of the Official Notice of Sale shall conflict with information provided by PARITY as the approved provider of electronic bidding services, this Official Notice of Sale shall control. Further information

about PARITY, including any fee charged, may be obtained from i-Deal, 1359 Broadway, 3rd Floor, New York, NY 10018, (212) 849-5031.

For purposes of both the written bidding process and the electronic bidding process, the time as maintained by PARITY shall constitute the official time. For information purposes only, bidders are requested to state in their electronic bids the net effective interest rate to the District, as described under “CONDITIONS OF THE SALE - Basis of Award” below. All electronic bids shall be deemed to incorporate the provisions of this Official Notice of Sale and the Official Bid Form. See “CONDITIONS OF SALE – REQUIRED DISCLOSURE OF INTERESTED PARTIES” for additional requirements concerning submission of bids.

TELEPHONIC BIDDING PROCEDURE: Bidders must submit, prior to 10:00 A.M., Central Time, Thursday, February 20, 2020, two (2) signed Official Bid Forms to Jan Bartholomew, Robert W. Baird & Co. Incorporated, Attn: Jan Bartholomew, 1331 Lamar, Suite 1360, Houston, Texas 77010 and submit their bid by telephone on the date of sale by 10:00 A.M., Central Time.

Jan Bartholomew of Robert W. Baird & Co. Incorporated will call telephone bidders who have submitted SIGNED Official Bid Forms prior to the date of the sale.

Robert W. Baird & Co. Incorporated will not be responsible for the submission of any bids received after the above deadlines. Robert W. Baird & Co. Incorporated assumes no responsibility or liability with respect to any irregularities associated with the submission of any bids.

AWARD AND SALE OF THE BONDS: The District will take action to adopt an order (the “Bond Order”) authorizing the issuance and awarding sale of the Bonds or will reject all bids promptly after receiving the bids at 12:00 P.M. Central Time on Thursday, February 20, 2020. **The Board reserves the right to reject any or all bids and to waive any irregularities, except time of filing. All bids must comply with the requirements in “CONDITIONS OF SALE – REQUIRED DISCLOSURE OF INTERESTED PARTIES.”**

THE BONDS

DESCRIPTION OF CERTAIN TERMS OF THE BONDS: The Bonds will be dated March 1, 2020, with interest payable on September 1, 2020, and each March 1 and September 1 thereafter (each an “Interest Payment Date”) until the earlier of maturity or prior redemption. The Bonds will be issued only in fully registered form. Principal will be payable to the registered owner(s) of the Bonds (the “Bondholder(s)”) upon presentation and surrender at the principal payment office of the paying agent/registrar, initially, Zions Bancorporation, National Association, Houston, Texas, (the “Paying Agent/Registrar”). Interest on the Bonds will be payable by check of the Paying Agent/Registrar, dated as of the Interest Payment Date, and mailed by the Paying Agent/Registrar to the Bondholders, as shown on the records of the Registrar at the close of business on the 15th day of the calendar month next preceding each Interest Payment Date (the “Record Date”). The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Bonds. Beneficial owners of the Bonds will not receive physical certificates representing the Bonds, but will receive a credit balance on the books of the nominees of such beneficial owners. So long as Cede & Co. is the registered owner of the Bonds, the principal of and interest on the Bonds will be paid by the Paying Agent/Registrar directly to DTC, which will, in turn, remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein. See “THE BONDS – Book-Entry-Only System.”

The Bonds will mature on March 1 in each of the following years in the following amounts:

| Year | Principal Amount | Year | Principal Amount |
|------|---------------------|------|---------------------|
| 2021 | \$280,000 | 2034 | \$400,000 |
| 2022 | 285,000 | 2035 | 410,000 |
| 2023 | 295,000 | 2036 | 420,000 |
| 2024 | 305,000 | 2037 | 435,000 |
| 2025 | 310,000 | 2038 | 445,000 |
| 2026 | 320,000 | 2039 | 460,000 |
| 2027 | 330,000 | 2040 | 470,000 |
| 2028 | 340,000 | 2041 | 485,000 |
| 2029 | 350,000 | 2042 | 495,000 |
| 2030 | 355,000 | 2043 | 510,000 |
| 2031 | 365,000 | 2044 | 525,000 |
| 2032 | 380,000 | 2045 | 540,000 |
| 2033 | 390,000 | | |

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

REDEMPTION PROVISIONS: The Bonds maturing on and after March 1, 2026, are subject to redemption and payment, at the option of the District, in whole or, from time to time, in part, on March 1, 2025, or on any date thereafter, at a price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption. If fewer than all the Bonds are redeemed at any time, the District shall determine the maturity or maturities and the amounts thereof to be redeemed in integral multiples of \$5,000 in principal amount, and if fewer than all of the Bonds within a maturity are to be redeemed, the Paying Agent/Registrar shall designate by method of random selection the Bonds within such maturity to be redeemed (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form). The Bondholder of any Bond, all or a portion of which has been called for redemption, shall be required to present such Bond to the Paying Agent/Registrar for payment of the redemption price on the portion of the Bond so called for redemption and issuance of an exchange Bond in a principal amount equal to the portion of the Bond not so redeemed.

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

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

USE OF PROCEEDS: Proceeds from the sale of the Bonds will be used to reimburse the Developer for the road construction costs set out in the Preliminary Official Statement under the caption "THE BONDS – Use and Distribution of Bond Proceeds." Proceeds of the Bonds will also be used to pay costs of issuance associated with the Bonds.

MUNICIPAL BOND RATING AND INSURANCE: The District has made an application to Assured Guaranty Municipal Corp. and Build America Mutual Assurance Company for a commitment for municipal bond insurance on the Bonds. The purchase of such insurance, if available, and payment of all associated costs, including the premium charged by the insurer, and fees charged by rating companies, other than Moody's Investors Service, Inc. ("Moody's"), will be at the option and expense of the Initial Purchaser. The District will pay the rating fees charged by Moody's. Moody's has assigned an underlying credit rating of "Baa3" to the Bonds. See "MUNICIPAL BOND INSURANCE AND RATING" in the Preliminary Official Statement.

CONDITIONS OF SALE

TYPES OF BIDS AND INTEREST RATES: The Bonds will be sold in one block on an "all or none" basis at a price of not less than 97% of the par value thereof, plus accrued interest from the date of the Bonds to the date of delivery. Bidders are to name the rates of interest to be borne by the Bonds, provided that each interest rate bid must be a multiple of 1/8th or 1/20th of 1%. All Bonds maturing within a single year must bear the same

rate of interest. The net effective interest rate on the Bonds may not exceed 4.56%, as calculated pursuant to Chapter 1204 of the Texas Government Code. No limitation will be imposed upon bidders as to the number of rates which may be used, but the highest rate bid may not exceed the lowest rate bid by more than 2-1/2% in interest rate. No bids involving supplemental interest payments will be considered. No bid that generates a cash premium greater than \$5,000 will be considered. Each bid shall indicate the total and net interest costs in dollars and the net effective interest rate determined therefrom, which shall be considered informative only and not as a part of the bid.

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

COMPETITIVE BIDDING AND CERTIFICATE OF INITIAL PURCHASER: In the event that the District does not receive sufficient qualified bids to satisfy the competitive sale requirements of Treasury Regulation § 1.148-1(f)(3)(i), allowing the District to treat the reasonably expected Initial Offering Price (as defined herein) to the public as of the sale date as the issue price of the Bonds, the "hold-the-offering-price rule" shall apply, which will allow the District to treat the Initial Offering Price to the public of each maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule applies to any maturity of the Bonds, the Initial Purchaser will neither offer nor sell that maturity to any person at a price that is higher than the Initial Offering Price to the public during the period starting on the sale date and ending on the earlier of the following: (i) the date on which the Initial Purchaser has sold at least 10 percent of that maturity of the Bonds to the public at a price that is no higher than the Initial Offering Price to the public or (b) the close of the fifth business day after the sale date.

The Initial Purchaser agrees to promptly report to the District's financial advisor when it has sold 10 percent of a maturity of the Bonds to the public at a price that is no higher than the Initial Offering Price to the public if that occurs prior to the close of the fifth business day after the sale date. Alternative Certificates of Initial Purchaser are attached for use (I) when the competitive sale requirements of Treasury Regulation § 1.148-1(f)(3)(i) are met and (II) when such requirements are not met

REQUIRED DISCLOSURE OF INTERESTED PARTIES: Bidders, including any syndicate member listed on the Official Bid Form, who are not publicly traded business entities, or wholly owned subsidiaries of a publicly traded business entity, must submit to the District a completed and signed Texas Ethics Commission Form 1295 ("TEC Form 1295") in accordance with Texas Government Code Section § 2252.908. If required, the TEC Form 1295 may accompany the Official Bid Form or may be submitted separately, but must be provided to the District prior to the time prescribed for the award of the Bonds. If required the TEC Form 1295 may be provided to the District via facsimile or electronically; however, the original signed TEC Form 1295, including certificate number, must be physically delivered to the District within two business days of the award. The District reserves the right to reject any bid that does not comply with the requirements prescribed herein, if applicable, or to waive any such requirements. For purposes of completing the TEC Form 1295, box two is "Kaufman County Municipal Utility District No. 5" and box 3 is "KCMUD5 - S2020 - B." Neither the District nor its consultants have the ability to verify the information included in a TEC Form 1295, and neither have an obligation nor undertake responsibility for advising any bidder with respect to the proper completion of the TEC Form 1295. Consequently, any entity who is not a publicly traded business entity, or a wholly owned subsidiary of a publicly traded business entity, should consult its own advisors to the extent it deems necessary and be prepared to submit the completed form promptly upon notification from the District that its bid is the apparent winning bid.

COMPLIANCE WITH LAWS PROHIBITING CONTRACTS WITH COMPANIES BOYCOTTING ISRAEL AND CERTAIN COMPANIES ENGAGED IN BUSINESS WITH IRAN, SUDAN, OR FOREIGN TERRORIST ORGANIZATIONS: The District will not award the Bonds to a bidder unless the bidder verifies on behalf of itself and each syndicate member listed on the Official Bid Form that, to the extent the bid for the Bonds represents a contract for goods or services within the meaning of Section 2271.002 of the Texas Government Code, as

amended, solely for purposes of Chapter 2271 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, at the time of execution and delivery of this bid and through the end of the underwriting period as defined by United States Securities and Exchange Commission Rule 15c2-12, neither the bidder nor a syndicate member listed on the Official Bid Form, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, boycotts or will boycott Israel. The terms "boycotts Israel" and "boycott Israel" as used in this paragraph have the meanings assigned to the term "boycott Israel" in Section 808.001 of the Texas Government Code, as amended. Additionally, the District will not award the Bonds to a bidder unless the bidder certifies 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, at the time of execution and delivery of this bid, neither the bidder nor a syndicate member listed on the Official Bid Form, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same (i) engages in business with Iran, Sudan, or any foreign terrorist organization as described in Chapter 2271 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 2270.0201 or 2252.153 of the Texas Government Code. The term "foreign terrorist organization" as used in this paragraph has the meaning assigned to such term in Section 2252.151 of the Texas Government Code.

GOOD FAITH DEPOSIT: Each bid must be accompanied by a bank cashier's check payable to the order of "Kaufman County Municipal Utility District No. 5" in the amount of \$198,000, which is 2% of the principal amount of the Bonds (the "Good Faith Deposit"). **"Official Checks" will not be accepted.** The check of the Initial Purchaser will be considered as the Good Faith Deposit and will be retained uncashed by the District pending the Initial Purchaser's compliance with the terms of the bid. In the event the Initial Purchaser should fail or refuse to take up and pay for the Bonds in accordance with such terms, then the Good Faith Deposit will be cashed and the proceeds accepted by the District as full and complete liquidated damages. The Good Faith Deposit may accompany the bid or it may be submitted separately; if submitted separately, it shall be made available to the District prior to the opening of the bids and shall be accompanied by instructions from the bank on which it is drawn which authorize its use as the Good Faith Deposit of bidders named in such instructions. The Good Faith Deposit of the Initial Purchaser will be returned to the Initial Purchaser uncashed on the date of delivery of the Bonds. No interest will be credited on the Good Faith Deposit. The checks accompanying all other bids will be returned immediately after the bids are opened and the award of the sale of the Bonds has been made.

DELIVERY OF THE BONDS AND ACCOMPANYING DOCUMENTS

DELIVERY OF INITIAL BONDS: Initial delivery of the Bonds will be as one Bond for each maturity, registered in the name of the Initial Purchaser, as set forth below. Unless otherwise agreed with the Initial Purchaser, delivery will be at the corporate trust office of the Paying Agent/Registrar in Houston, Texas. Payment for the Bonds must be made in immediately available funds for unconditional credit to the District, or as otherwise directed by the District. The Initial Purchaser will be given five (5) business days' notice of the time fixed for delivery of the Bonds. It is anticipated that initial delivery can be made on or about March 24, 2020, and subject to the aforesaid notice, it is understood and agreed that the Initial Purchaser will accept delivery and make payment for the initial Bonds by 10:00 A.M., Central Time, on March 24, 2020, or thereafter on the date the initial Bonds are tendered for delivery, up to and including April 21, 2020. If for any reason the District is unable to make delivery on or before April 21, 2020, then the District immediately shall 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 five (5) days thereafter, then the Good Faith Deposit will be returned, and both the District and the Initial Purchaser shall be relieved of any further obligation.

EXCHANGE ON DELIVERY DATE: The Paying Agent/Registrar will, on the delivery date, exchange the Bonds to be delivered by the District for Bonds, consisting of one Bond for each maturity, registered in the name of Cede & Co., as nominee for DTC, maturing as set out in the Official Notice of Sale and bearing interest in accordance with the terms of the Initial Purchaser's bid.

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

be paid for by the District; however, payment of the CUSIP Global Services charge for the assignment of the numbers shall be the responsibility of the Initial Purchaser.

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

INITIAL PURCHASER'S CERTIFICATION OF ISSUE PRICE: In order to provide the District with information required to enable it to comply with certain conditions of the Internal Revenue Code of 1986, as amended (the "Code"), relating to the exclusion of interest on the Bonds from gross income for federal income tax purposes, and subject to the section entitled "CONDITIONS OF SALE – COMPETITIVE BIDDING AND CERTIFICATE OF INITIAL PURCHASER" herein, the Initial Purchaser will be required to complete, execute and deliver to the District (on or before the date of delivery of the Bonds) a certification regarding the "issue price" of the Bonds substantially in one of the forms accompanying this Official Notice of Sale. In the event the Initial Purchaser will not reoffer the Bonds for sale or is unable to sell a substantial amount of the Bonds of any maturity by the date of delivery, such certificate may be modified in a manner acceptable to the District. Each bidder, by submitting its bid, agrees to complete, execute, and deliver such a certificate by the date of delivery of the Bonds, if its bid is accepted by the District. It will be the responsibility of the Initial Purchaser to institute such syndicate reporting requirements, to make such investigation, or otherwise to ascertain the facts necessary to enable it to make such certification with reasonable certainty. Any questions concerning such certification should be directed to Bond Counsel. See "TAX MATTERS" in the Preliminary Official Statement. Such opinions express no opinion with respect to the sufficiency of the security or marketability of the Bonds.

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

LEGAL OPINIONS: The District will furnish to the Initial Purchaser a transcript of certain certified proceedings incident to the issuance and authorization of the Bonds, including a certified copy of the approving legal opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State of Texas, to the effect that the Attorney General of Texas has examined a transcript of proceedings authorizing the issuance of the Bonds, and that based upon such examination, the Bonds are valid and binding obligations of the District payable from the proceeds of an annual ad valorem tax, levied without legal limitation as to rate or amount upon all taxable property in the District. The District will also furnish the approving legal opinion of Bond Counsel, to the effect that, based upon an examination of such transcript, the Bonds are valid and binding obligations of the District under the Constitution and laws of the State of Texas, except to the extent that enforcement of the rights and remedies of the registered owners of the Bonds may be limited by laws relating to bankruptcy, reorganization, or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. The legal opinion of Bond Counsel will further state that the Bonds are payable, both as to principal and interest, from the levy of ad valorem taxes without legal limitation as to rate or amount, upon all taxable property within the District, and that the interest on the Bonds is excludable from gross income for federal income tax purposes under existing law and interest on the Bonds is not subject to the alternative minimum tax on individuals. See "LEGAL MATTERS" in the Preliminary Official Statement. Such opinions express no opinion with respect to the sufficiency of the security for or marketability of the Bonds.

NOT QUALIFIED TAX-EXEMPT OBLIGATIONS: The District will not designate the Bonds as “qualified tax-exempt obligations” for financial institutions.

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

NO MATERIAL ADVERSE CHANGE: The obligation of the Initial Purchaser to take up and pay for the initial Bonds, and of the District to deliver the initial Bonds, is subject to the condition that, up to the time of delivery of and receipt of payment for the initial Bonds, there shall have been no material adverse change in the financial condition of the District subsequent to the date of sale from that set forth in the Preliminary Official Statement, as it may have been finalized, supplemented or amended through the date of delivery.

OFFICIAL STATEMENT

To assist the Initial Purchaser in complying with Rule 15c2-12 of the United States Securities and Exchange Commission (“SEC”), the District and the Initial Purchaser contract and agree, by the submission and acceptance of the winning bid, as follows.

FINAL OFFICIAL STATEMENT: The District has approved and authorized distribution of the accompanying Preliminary Official Statement for dissemination to potential purchasers of the Bonds, but does not presently intend to prepare any other document or version thereof for such purpose, except as described below. Accordingly, the District intends the Preliminary Official Statement to be final as of its date, within the meaning of SEC Rule 15c2-12(b)(1), except for information relating to the offering prices, interest rates, final debt service schedule, selling compensation, identity of the Initial Purchaser and other similar information, terms and provisions to be specified in the competitive bidding process. The Initial Purchaser shall be responsible for promptly informing the District of the initial offering yields of the Bonds. Thereafter, the District will complete and authorize distribution of the Official Statement identifying the Initial Purchaser and containing such omitted information. The District does not intend to amend or supplement the Official Statement otherwise, except to take into account certain subsequent events, if any, as described below. By delivering the final Official Statement or any amendment or supplement thereto in the requested quantity to the Initial Purchaser on or after the sale date, the District intends the same to be final as of such date, within the meaning of SEC Rule 15c2-12(f)(3). Notwithstanding the foregoing, the only representations concerning the absence of material misstatements or omissions from the Official Statement which are being or which will be made by the District are those described and contained in the Official Statement under the caption “OFFICIAL STATEMENT - Certification as to Official Statement.”

CHANGES TO OFFICIAL STATEMENT: If, subsequent to the date of the Official Statement, the District learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Initial Purchaser of any adverse event which causes the Official Statement to be materially misleading, and unless the Initial Purchaser elects to terminate its obligation to purchase the Bonds, as described above under “DELIVERY OF THE BONDS AND ACCOMPANYING DOCUMENTS - CONDITIONS TO DELIVERY,” the District will promptly prepare and supply to the Initial Purchaser an appropriate amendment or supplement to the Official Statement satisfactory to the Initial Purchaser; provided, however, that the obligation of the District to do so will terminate when the District delivers the Bonds to the Initial Purchaser, unless the Initial Purchaser notifies the District on or before such date that less than all of the Bonds have been sold to ultimate customers, in which case the District's obligations hereunder will extend for an additional period of time (but not more than 90 days after the date the District delivers the Bonds) until all of the Bonds have been sold to ultimate customers.

DELIVERY OF OFFICIAL STATEMENTS: The District shall furnish to the Initial Purchaser (and to each participating underwriter of the Bonds, within the meaning of SEC Rule 15c2-12(a), designated by the Initial Purchaser), within seven (7) business days after the sale date, the aggregate number of Official Statements specified in the winning bid. The District also shall furnish to the Initial Purchaser a like number of any supplements or amendments approved and authorized for distribution by the District for dissemination to potential purchasers of the Bonds, as well as such additional copies of the Official Statement or any such supplements or amendments as the Initial Purchaser may request prior to the 90th day after the end of the underwriting period described in SEC Rule 15c2-12(f)(2). The District shall pay the expense of preparing the

number of copies of the Official Statement specified in the winning bid and an equal number of any supplements or amendments issued on or before the delivery date, but the Initial Purchaser shall pay for all other copies of the Official Statement or any supplement or amendment thereto.

CONTINUING DISCLOSURE OF INFORMATION: The District will agree in the Bond Order to provide certain periodic information and notices of material events in accordance with SEC Rule 15c2-12, as described in the Preliminary Official Statement under “CONTINUING DISCLOSURE OF INFORMATION.” The Initial Purchaser’s obligation to accept and pay for the Bonds is conditioned upon delivery to the Initial Purchasers or their agent of a certified copy of the Bond Order containing the provisions described under such heading.

GENERAL CONSIDERATIONS

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

RISK FACTORS: THE BONDS INVOLVE CERTAIN RISK FACTORS AS SET FORTH IN THE PRELIMINARY OFFICIAL STATEMENT. PROSPECTIVE PURCHASERS SHOULD CAREFULLY REVIEW THE ENTIRE PRELIMINARY OFFICIAL STATEMENT BEFORE MAKING THEIR INVESTMENT DECISION. PARTICULAR ATTENTION SHOULD BE GIVEN TO THE INFORMATION SET FORTH THEREIN UNDER THE CAPTION “RISK FACTORS.”

RESERVATION OF RIGHTS: The District reserves the right to reject all bids or any bid not conforming with the terms hereof and the right to waive any and all irregularities, except time of filing.

NOT AN OFFER TO SELL: This Official Notice of Sale does not alone constitute an offer to sell the Bonds but is merely notice of sale of the Bonds. The invitation for bids on the Bonds is being made by means of this Official Notice of Sale, the Preliminary Official Statement and the Official Bid Form.

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

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

ADDITIONAL COPIES: Additional copies of the Official Notice of Sale, the Official Bid Form and the Preliminary Official Statement may be obtained from Robert W. Baird & Co. Incorporated, 1331 Lamar, Suite 1360, Houston, Texas 77010.

/s/ John Sammons
President, Board of Directors
Kaufman County Municipal Utility District No. 5

January 16, 2020

CERTIFICATE OF INITIAL PURCHASER – FEDERAL TAX COMPETITIVE SALE REQUIREMENTS MET

The undersigned hereby certifies as follows with respect to the \$9,900,000 Kaufman County Municipal Utility District No. 5 Unlimited Tax Road Bonds, Series 2020 (the "Bonds"):

1. The undersigned is the initial purchaser or the manager of the syndicate of initial purchasers ("Initial Purchaser") which has purchased the Bonds from Kaufman County Municipal Utility District No. 5 (the "District"), at competitive sale.
2. The Initial Purchaser was not given the opportunity to review other bids prior to submitting its bid, and the bid submitted by the Initial Purchaser constituted a firm bid to purchase the Bonds.
3. As of the Sale Date (defined below), the reasonably expected initial offering prices of the Bonds (the "Initial Offering Prices") to the public by the Initial Purchaser (expressed as a percentage of principal amount and exclusive of accrued interest) is as set forth below.

| <u>Maturity (March 1)</u> | <u>Principal Amount at Maturity</u> | <u>Price/Yield</u> | <u>Maturity (March 1)</u> | <u>Principal Amount at Maturity</u> | <u>Price/Yield</u> |
|-------------------------------|---|--------------------|-------------------------------|---|--------------------|
| 2021 | \$280,000 | _____% | 2034 | \$400,000 | _____% |
| 2022 | 285,000 | _____% | 2035 | 410,000 | _____% |
| 2023 | 295,000 | _____% | 2036 | 420,000 | _____% |
| 2024 | 305,000 | _____% | 2037 | 435,000 | _____% |
| 2025 | 310,000 | _____% | 2038 | 445,000 | _____% |
| 2026 | 320,000 | _____% | 2039 | 460,000 | _____% |
| 2027 | 330,000 | _____% | 2040 | 470,000 | _____% |
| 2028 | 340,000 | _____% | 2041 | 485,000 | _____% |
| 2029 | 350,000 | _____% | 2042 | 495,000 | _____% |
| 2030 | 355,000 | _____% | 2043 | 510,000 | _____% |
| 2031 | 365,000 | _____% | 2044 | 525,000 | _____% |
| 2032 | 380,000 | _____% | 2045 | 540,000 | _____% |
| 2033 | 390,000 | _____% | | | |

4. The Initial Purchaser [has] [has not] purchased bond insurance for the Bonds. The bond insurance, has been purchased from _____ (the "Insurer") for a fee of \$_____ (net of any non-guarantee cost, e.g., rating agency fees). The amount of such fee is set forth in the Insurer's commitment and does not include any payment for any direct or indirect services other than the transfer of credit risk, unless the compensation for those other services is separately stated, reasonable, and excluded from such fee. Such fee does not exceed a reasonable, arm's length charge for the transfer of credit risk. The present value of the debt service savings expected to be realized as a result of such insurance exceeds the amount of the fee set forth above. For this purpose, present value is computed using the yield on the Bonds, determined by taking into account the amount of the fee set forth above, as the discount rate. No portion of the fee payable to the Insurer is refundable upon redemption of any of the Bonds in an amount which would exceed the portion of such fee that had not been earned.
5. The term "public" means any person (including an individual, trust, estate, partnership, association, company or corporation) other than an underwriter or a related party (as defined in Treasury Regulation § 1.150-1(b)) to an underwriter.
6. The "Sale Date" of the Bonds is February 20, 2020.
7. The undersigned understands that the statements made herein will be relied upon by the District and Coats Rose, P.C., in complying with the conditions imposed by the Internal Revenue Code of 1986, as amended, on the exclusion of interest on the Bonds from the gross income of their owners for federal income tax purposes.

EXECUTED AND DELIVERED this _____ day of _____, 2020.

(Name of Initial Purchaser or Manager)

By

Title

CERTIFICATE OF INITIAL PURCHASER – FEDERAL TAX COMPETITIVE SALE REQUIREMENTS NOT MET

The undersigned hereby certifies as follows with respect to the \$9,900,000 Kaufman County Municipal Utility District No. 5 Unlimited Tax Road Bonds, Series 2020 (the "Bonds"):

- The undersigned is the initial purchaser or the manager of the syndicate of initial purchasers ("Initial Purchaser") which has purchased the Bonds from Kaufman County Municipal Utility District No. 5 (the "District"), at competitive sale.
- As of the date of this certificate, for each of the following maturities (the "Sold Maturities"), the first price at which a substantial amount (at least ten percent) of such maturity was sold to the public (expressed as a percentage of principal amount and exclusive of accrued interest) is set forth below:

| <u>Maturity (March 1)</u> | <u>Principal Amount at Maturity</u> | <u>Price/Yield</u> | <u>Maturity (March 1)</u> | <u>Principal Amount at Maturity</u> | <u>Price/Yield</u> |
|-------------------------------|---|--------------------|-------------------------------|---|--------------------|
| 2021 | \$280,000 | _____% | 2034 | \$400,000 | _____% |
| 2022 | 285,000 | _____% | 2035 | 410,000 | _____% |
| 2023 | 295,000 | _____% | 2036 | 420,000 | _____% |
| 2024 | 305,000 | _____% | 2037 | 435,000 | _____% |
| 2025 | 310,000 | _____% | 2038 | 445,000 | _____% |
| 2026 | 320,000 | _____% | 2039 | 460,000 | _____% |
| 2027 | 330,000 | _____% | 2040 | 470,000 | _____% |
| 2028 | 340,000 | _____% | 2041 | 485,000 | _____% |
| 2029 | 350,000 | _____% | 2042 | 495,000 | _____% |
| 2030 | 355,000 | _____% | 2043 | 510,000 | _____% |
| 2031 | 365,000 | _____% | 2044 | 525,000 | _____% |
| 2032 | 380,000 | _____% | 2045 | 540,000 | _____% |
| 2033 | 390,000 | _____% | | | |

- As of the Sale Date (defined below) for the Bonds, each of the following maturities (the "Unsold Maturities") was offered to the public for purchase at the price (expressed as a percentage of principal amount and exclusive of accrued interest) set forth below (the "Initial Offering Price"):

| <u>Maturity (March 1)</u> | <u>Principal Amount at Maturity</u> | <u>Price/Yield</u> | <u>Maturity (March 1)</u> | <u>Principal Amount at Maturity</u> | <u>Price/Yield</u> |
|-------------------------------|---|--------------------|-------------------------------|---|--------------------|
| 2021 | \$280,000 | _____% | 2034 | \$400,000 | _____% |
| 2022 | 285,000 | _____% | 2035 | 410,000 | _____% |
| 2023 | 295,000 | _____% | 2036 | 420,000 | _____% |
| 2024 | 305,000 | _____% | 2037 | 435,000 | _____% |
| 2025 | 310,000 | _____% | 2038 | 445,000 | _____% |
| 2026 | 320,000 | _____% | 2039 | 460,000 | _____% |
| 2027 | 330,000 | _____% | 2040 | 470,000 | _____% |
| 2028 | 340,000 | _____% | 2041 | 485,000 | _____% |
| 2029 | 350,000 | _____% | 2042 | 495,000 | _____% |
| 2030 | 355,000 | _____% | 2043 | 510,000 | _____% |
| 2031 | 365,000 | _____% | 2044 | 525,000 | _____% |
| 2032 | 380,000 | _____% | 2045 | 540,000 | _____% |
| 2033 | 390,000 | _____% | | | |

- As set forth in the Official Notice of Sale, the Initial Purchaser has agreed in writing that, for each of the Unsold Maturities, the Initial Purchaser would neither offer nor sell any of the Bonds of such maturity to any person at a price that is higher than the Initial Offering Price for each maturity, as set forth in the pricing wire or equivalent communication for the Bonds attached to this certificate, during the Offering Period (defined below) for such maturity, nor would the Initial Purchaser permit a related party to do so. Pursuant to such agreement, the Initial Purchaser has neither offered nor sold any of the Unsold Maturities at a price higher than the respective Initial Offering Price for that maturity of the Bonds during the Offering Period.

5. The Initial Purchaser [has] [has not] purchased bond insurance for the Bonds. The bond insurance, has been purchased from _____ (the "Insurer") for a fee of \$_____ (net of any non-guarantee cost, e.g., rating agency fees). The amount of such fee is set forth in the Insurer's commitment and does not include any payment for any direct or indirect services other than the transfer of credit risk, unless the compensation for those other services is separately stated, reasonable, and excluded from such fee. Such fee does not exceed a reasonable, arm's length charge for the transfer of credit risk. The present value of the debt service savings expected to be realized as a result of such insurance exceeds the amount of the fee set forth above. For this purpose, present value is computed using the yield on the Bonds, determined by taking into account the amount of the fee set forth above, as the discount rate. No portion of the fee payable to the Insurer is refundable upon redemption of any of the Bonds in an amount which would exceed the portion of such fee that had not been earned.
6. The term "public" means any person (including an individual, trust, estate, partnership, association, company or corporation) other than an underwriter or a related party (as defined in Treasury Regulation § 1.150-1(b)) to an underwriter.
7. The "Sale Date" of the Bonds is February 20, 2020.
8. The term "Offering Period" means, with respect to an Unsold Maturity, the period beginning on the Sale Date and ending on the earlier of (a) the close of the fifth business day after the Sale Date or (b) the date on which the Initial Purchaser has sold at least 10 percent of such Unsold Maturity to the public at a price that is no higher than the Initial Offering Price for such Unsold Maturity.
9. The undersigned understands that the statements made herein will be relied upon by the District and Coats Rose, P.C., in complying with the conditions imposed by the Internal Revenue Code of 1986, as amended, on the exclusion of interest on the Bonds from the gross income of their owners for federal income tax purposes

EXECUTED AND DELIVERED this _____ day of _____, 2020.

(Name of Initial Purchaser or Manager)

By _____

Title _____

OFFICIAL BID FORM

February 20, 2020

President and Board of Directors
 Kaufman County Municipal Utility District No. 5
 c/o Robert W. Baird & Co. Incorporated
 Attn: Jan Bartholomew
 1331 Lamar Street, Suite 1360
 Houston, Texas 77010

Board Members:

We have read in detail the Official Notice of Sale and Preliminary Official Statement, which are hereby made a part hereof, of Kaufman County Municipal Utility District No. 5 (the "District") relating to its \$9,900,000 Unlimited Tax Road Bonds, Series 2020 (the "Bonds"). We realize that the Bonds involve certain investment risks and that the ability of the District to service the Bonds depends, in part, on the Risk Factors set forth in the Preliminary Official Statement dated January 16, 2020. We have made such inspections and investigations as we deem necessary relating to the investment quality of the Bonds. Accordingly, we offer to purchase the Bonds for a cash price of \$_____ (which represents _____% of the principal amount thereof), plus accrued interest to the date of delivery of the Bonds to us, provided such Bonds bear interest at the following rates:

| <u>Maturity (March 1)</u> | <u>Principal Amount at Maturity</u> | <u>Price/Yield</u> | <u>Maturity (March 1)</u> | <u>Principal Amount at Maturity</u> | <u>Price/Yield</u> |
|-------------------------------|---|--------------------|-------------------------------|---|--------------------|
| 2021 | \$280,000 | _____% | 2034(a) | \$400,000 | _____% |
| 2022 | 285,000 | _____% | 2035(a) | 410,000 | _____% |
| 2023 | 295,000 | _____% | 2036(a) | 420,000 | _____% |
| 2024 | 305,000 | _____% | 2037(a) | 435,000 | _____% |
| 2025 | 310,000 | _____% | 2038(a) | 445,000 | _____% |
| 2026(a) | 320,000 | _____% | 2039(a) | 460,000 | _____% |
| 2027(a) | 330,000 | _____% | 2040(a) | 470,000 | _____% |
| 2028(a) | 340,000 | _____% | 2041(a) | 485,000 | _____% |
| 2029(a) | 350,000 | _____% | 2042(a) | 495,000 | _____% |
| 2030(a) | 355,000 | _____% | 2043(a) | 510,000 | _____% |
| 2031(a) | 365,000 | _____% | 2044(a) | 525,000 | _____% |
| 2032(a) | 380,000 | _____% | 2045(a) | 540,000 | _____% |
| 2033(a) | 390,000 | _____% | | | |

(a) The Bonds maturing on or after March 1, 2026, are subject to redemption and payment, at the option of the District, in whole or, from time to time, in part, on March 1, 2025, or on any date thereafter, at a price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption.

At the option of the Initial Purchaser, any or all of such serial maturities may be designated as term bonds ("Term Bonds") subject to mandatory sinking fund redemption provided that the mandatory sinking fund redemption amount in each year shall equal the amounts shown above as maturing in such year.

We hereby designate the following as Term Bonds with mandatory sinking redemptions.

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

As part of our bid, we agree/disagree to pay the premium for the municipal bond guaranty insurance issued by _____ and the rating agency fee(s) of _____ of \$ _____.

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

| | |
|--|----------|
| Total Interest Cost from March 1, 2020..... | \$ _____ |
| Plus: Dollar Amount of Discount (or Less: Dollar Amount of Premium) | \$ _____ |
| NET INTEREST COST..... | \$ _____ |
| NET EFFECTIVE INTEREST RATE | _____ % |

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

Cashier's Check ("Official Checks" are not acceptable) No. _____, issued by _____, and payable to your order in the amount of \$198,000 (is attached hereto) (has been made available to you prior to the opening of this bid) as a Good Faith Deposit for disposition in accordance with the terms and conditions set forth in the Official Notice of Sale. Should we fail or refuse to make payment for the Bonds in accordance with the terms and conditions stated in the Official Notice of Sale, this check shall be cashed and the proceeds retained as complete liquidated damages against us. The Good Faith Deposit will be returned to the Initial Purchaser uncashed on the date of delivery of the Bonds.

We agree to accept delivery of and make payment for the Initial Bonds in immediately available funds at the corporate trust office of Zions Bancorporation, National Association, Houston, Texas, not later than 10:00 A.M., Central Time, on March 24, 2020, or thereafter on the date the Bonds are tendered for delivery pursuant to the terms set forth in the Official Notice of Sale.

By executing this Official Bid Form, the bidder represents and verifies that, to the extent this bid for the Bonds represents a contract for goods or services within the meaning of Section 2271.002 of the Texas Government Code, as amended, solely for purposes of Chapter 2271 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, at the time of execution and delivery of this bid and through the end of the underwriting period as defined by United States Securities and Exchange Commission Rule 15c2-12, neither the bidder nor a syndicate member listed on the Official Bid Form, nor any wholly owned subsidiary, majority owned subsidiary, parent company or affiliate of the same, boycotts or will boycott Israel. The terms "boycotts Israel" and "boycott Israel" as used in this paragraph have the meanings assigned to the term "boycott Israel" in Section 808.001 of the Texas Government Code, as amended.

Additionally, by executing this Official Bid Form, the bidder also represents and certifies that, to the extent this 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, at the time of execution and delivery of this bid, neither the bidder nor a syndicate member listed on the Official Bid Form, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same (i) engages in business with Iran, Sudan, or any foreign terrorist organization as described in Chapter 2271 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 2270.0201 or 2252.153 of the Texas Government Code. The term "foreign terrorist organization" in this paragraph has the meaning assigned to such term in Section 2252.151 of the Texas Government Code.

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

We hereby represent that sale of the Bonds in jurisdictions other than Texas will be made only pursuant to exemptions from registration or qualification and that, where necessary, we will register or qualify the Bonds in accordance with the securities laws and regulations of the jurisdictions in which the Bonds are offered or sold.

Respectfully submitted,

By:

Authorized Representative

ACCEPTANCE CLAUSE

The above and foregoing bid is hereby in all things accepted by Kaufman County Municipal Utility District No. 5 this 20th day of February, 2020.

ATTEST:

Secretary, Board of Directors

President, Board of Directors

Return of \$198,000 Good Faith Deposit is hereby acknowledged:

Firm: _____

By: _____

Date: _____

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

\$9,900,000

KAUFMAN COUNTY MUNICIPAL UTILITY DISTRICT NO. 5

**UNLIMITED TAX ROAD BONDS
SERIES 2020**

BOND YEARS

Interest accrues from: March 1, 2020

Due: March 1

| <u>Year</u> | <u>Amount</u> | <u>Bond Years</u> | <u>Accumulated Bond Years</u> |
|-------------------|---------------|-------------------|-----------------------------------|
| 2021 | \$280,000 | 280.0000 | 280.0000 |
| 2022 | 285,000 | 570.0000 | 850.0000 |
| 2023 | 295,000 | 885.0000 | 1,735.0000 |
| 2024 | 305,000 | 1,220.0000 | 2,955.0000 |
| 2025 | 310,000 | 1,550.0000 | 4,505.0000 |
| 2026 | 320,000 | 1,920.0000 | 6,425.0000 |
| 2027 | 330,000 | 2,310.0000 | 8,735.0000 |
| 2028 | 340,000 | 2,720.0000 | 11,455.0000 |
| 2029 | 350,000 | 3,150.0000 | 14,605.0000 |
| 2030 | 355,000 | 3,550.0000 | 18,155.0000 |
| 2031 | 365,000 | 4,015.0000 | 22,170.0000 |
| 2032 | 380,000 | 4,560.0000 | 26,730.0000 |
| 2033 | 390,000 | 5,070.0000 | 31,800.0000 |
| 2034 | 400,000 | 5,600.0000 | 37,400.0000 |
| 2035 | 410,000 | 6,150.0000 | 43,550.0000 |
| 2036 | 420,000 | 6,720.0000 | 50,270.0000 |
| 2037 | 435,000 | 7,395.0000 | 57,665.0000 |
| 2038 | 445,000 | 8,010.0000 | 65,675.0000 |
| 2039 | 460,000 | 8,740.0000 | 74,415.0000 |
| 2040 | 470,000 | 9,400.0000 | 83,815.0000 |
| 2041 | 485,000 | 10,185.0000 | 94,000.0000 |
| 2042 | 495,000 | 10,890.0000 | 104,890.0000 |
| 2043 | 510,000 | 11,730.0000 | 116,620.0000 |
| 2044 | 525,000 | 12,600.0000 | 129,220.0000 |
| 2045 | 540,000 | 13,500.0000 | 142,720.0000 |
| Total Bond Years: | 142,720.0000 | | |
| Average Maturity: | 14.4162 years | | |