

**NOTICE OF SALE
AND
BIDDING INSTRUCTIONS**

ON

\$24,270,000*
**NORTH TEXAS MUNICIPAL WATER DISTRICT
REGIONAL WASTEWATER SYSTEM REVENUE BONDS, SERIES 2021A**

Sealed Bids Due Thursday, February 25, 2021, at 10:30 AM, CST

THE BONDS WILL NOT BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS.

THE SALE

BONDS OFFERED FOR SALE AT COMPETITIVE BIDDING . . . The North Texas Municipal Water District (the "District") is offering for sale its \$24,270,000* Regional Wastewater System Revenue Bonds, Series 2021A (the "Bonds"). Bidders may submit bids for the Bonds by any of the following methods:

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

BIDS DELIVERED TO DISTRICT . . . Sealed bids, plainly marked "Bid for Bonds," should be addressed and delivered to Mr. Nick Bulaich, Hilltop Securities Inc. ("Hilltop Securities"), 777 Main Street, Suite 1525, Fort Worth, Texas 76102, prior to 10:30 AM, CST, on the date of the bid opening. All bids must be submitted on the Official Bid Form, without alteration or interlineations.

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

An electronic bid made through the facilities of PARITY shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the 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 Notice of Sale shall conflict with information provided by PARITY as the approved provider of electronic bidding services, this Notice of Sale shall control. Further information about PARITY, including any fee charged, may be obtained from Parity Customer Support, 40 West 23rd Street, 5th Floor, New York, New York 10010, (212) 404-8102.

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

BIDS BY TELEPHONE OR FACSIMILE . . . Bidders must submit, prior to February 25, 2021, SIGNED Official Bid Forms to Nick Bulaich, Hilltop Securities, 777 Main Street, Suite 1525, Fort Worth, Texas 76102, and submit their bid by telephone or facsimile (fax) on the date of the sale.

Telephone bids will be accepted at (817) 332-9710, between 9:30 AM, CST and 10:30 AM, CST on the date of the sale.

Fax bids will be received between 9:30 AM, CST and 10:30 AM, CST, on the date of the sale at (817) 336-5572, attention: Kaylee Haddad.

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

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

Hilltop Securities assumes no responsibility or liability with respect to any irregularities associated with the submission of bids if any options are exercised.

* Preliminary, subject to change. See "Adjustment of Principal Amount and/or Types of Bids" herein.

PLACE AND TIME OF BID OPENING . . . The bids for the Bonds will be publicly opened and read in the Financial Advisor's office at Hilltop Securities, 777 Main Street, Suite 1525, Fort Worth, Texas 76102, at 10:30 AM, CST, Thursday, February 25, 2021, then tabulated and submitted to District's Board of Directors' for its consideration at a regular session of the Board to convene at 2:30 PM, CST, February 25, 2021.

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

THE BONDS

DESCRIPTION . . . The Bonds will be dated February 15, 2021. Interest will accrue from the date of initial delivery (the "Delivery Date") (expected to be March 31, 2021) to the Purchaser (hereinafter defined) and will be payable on December 1, 2021, and each June 1 and December 1 thereafter until the earlier of maturity or prior redemption. The Bonds will be issued only in fully registered form in any integral multiple of \$5,000 for any one maturity. The Bonds will mature on June 1 in each year as follows:

MATURITY SCHEDULE*

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2022	\$ 375,000	2032	\$ 715,000	2042	\$ 935,000
2023	505,000	2033	735,000	2043	955,000
2024	525,000	2034	755,000	2044	980,000
2025	545,000	2035	780,000	2045	1,005,000
2026	570,000	2036	800,000	2046	1,025,000
2027	590,000	2037	825,000	2047	1,050,000
2028	615,000	2038	850,000	2048	1,075,000
2029	640,000	2039	875,000	2049	1,100,000
2030	665,000	2040	895,000	2050	1,125,000
2031	690,000	2041	915,000	2051	1,155,000

OPTIONAL REDEMPTION . . . The District reserves the right, at its option, to redeem Bonds having stated maturities on and after June 1, 2031, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on June 1, 2030, or any date thereafter, at a price equal to the principal amount thereof plus accrued interest to the date fixed for redemption.

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

MANDATORY SINKING FUND . . . If the successful bidder elects to alter the Maturity Schedule reflected above and convert principal amounts of the Serial Bonds into "Term Bonds", such Term Bonds shall be subject to mandatory redemption on the dates and in the principal amounts that would have been due and payable in the Maturity Schedule shown above had no conversion to Term Bonds occurred. At least thirty (30) days prior to each mandatory redemption date, the Paying Agent/Registrar shall select by lot the Term Bonds to be redeemed and cause a notice of redemption to be given in the manner provided in the Preliminary Official Statement.

The principal amount of the Term Bonds required to be redeemed pursuant to the operation of such mandatory redemption provisions may be reduced, at the option of the District, by the principal amount of the Term Bonds of the same maturity which at least 50 days prior to mandatory redemption date (i) shall have been acquired by the District and delivered to the Paying Agent/Registrar for cancellation and shall have been purchased and cancelled by the Paying Agent/Registrar at the request of the District or (ii) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the District of (iii) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.

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

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

* Preliminary, subject to change. See "Adjustment of Principal Amount and/or Types of Bids" herein.

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

SOURCE OF PAYMENT . . . The Bonds are special obligations of the District, secured by and payable from a lien on and pledge of the "Pledged Revenues" as defined in the Resolution authorizing the Bonds, including the Gross Revenues of the District's Regional Wastewater System, and including specifically certain payments to be received by the District from the Member Cities of the District's Regional Wastewater System (Plano, Richardson, Mesquite, McKinney, Forney, Allen, Frisco, Heath, Rockwall, Prosper, Seagoville, Princeton, and Melissa, Texas) (the "Member Cities"), and any future Additional Member Cities pursuant to the contracts with the Member Cities and any Additional Member Cities.

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

CONDITIONS OF THE SALE

TYPE OF BIDS AND INTEREST RATES . . . The Bonds will be sold in one block on an "All or None" basis, and at a price of par plus a cash premium of not less than \$1,213,500.00 and not more than \$1,334,850.00 (at least 105.00% of par and not more than 105.50% of par). Bidders are invited to name the rate(s) of interest to be borne by the Bonds, provided that each rate bid must be in a multiple of 1/8 of 1% or 1/20 of 1% and the net effective interest rate must not exceed 15%. The highest rate bid may not exceed the lowest rate bid by more than 2.5% in rate. No coupon rate greater than 4% will be accepted. For Bonds having stated maturities on and after June 1, 2031, no reoffering yield producing a dollar price less than 98.00 for any individual maturity will be accepted. The winning bidder will be required to submit reoffering yields and dollar prices prior to award. No limitation is imposed upon bidders as to the number of rates or changes which may be used. All Bonds of one maturity must bear one and the same rate. No bids involving supplemental interest rates will be considered.

ADJUSTMENT OF PRINCIPAL AMOUNTS AND/OR TYPES OF BIDS . . . Prior to 12:00 Noon, CST on the business day before the bids are due, the District may, in its sole discretion, adjust the principal amount set forth above (the "Maturity Schedule") and/or the type of bid required on the Bonds. Hilltop Securities, as Financial Advisor to the District, will give notice of any such adjustment by 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 District by posting a Parity Wire.

After final computation of the bids, in awarding the sale to the best bidder, the District may determine in its sole discretion, that the funds necessary to carry out the purposes for which the Bonds are to be issued may be either more or less than the proceeds of the proposed sale of all of the Bonds. Upon making such determination, the District reserves the right to adjust the principal amount of the Bonds shown on the Maturity Schedule. The principal amount of any maturity of the Bonds shall only be adjusted in \$5,000 increments and shall not be increased or decreased by an amount that exceeds 25% 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 opening of the bids for the Bonds.

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

BASIS FOR AWARD . . . The sale of the Bonds will be awarded to the bidder making a bid that conforms to the specifications herein and which produces the lowest True Interest Cost rate to the District (the "Purchaser"). 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 Bonds on the basis of semi-annual compounding, produces an amount equal to the sum of the principal amount of the Bonds 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.

GOOD FAITH DEPOSIT . . . A Good Faith Deposit, payable to the "North Texas Municipal Water District", in the amount of \$485,400.00, is required. Such Good Faith Deposit shall be a bank cashier's check or certified check, which is to be retained uncashed by the District pending the Purchaser's compliance with the terms of the bid and the Notice of Sale and Bidding Instructions. The Good Faith Deposit may accompany the Official Bid Form or it may be submitted separately. If submitted separately, it shall be made available to the District prior to the opening of the bids, and shall be accompanied by instructions from the bank on which drawn which authorize its use as a Good Faith Deposit by the Purchaser who shall be named in such instructions. **The Good Faith Deposit of the Purchaser will be returned to the Purchaser upon payment for the Bonds.** No interest will be allowed on the Good Faith Deposit. In the event the Purchaser should fail or refuse to take up and pay for the Bonds in accordance with the bid, then said check shall be cashed and accepted by the District as full and complete liquidated damages. The checks accompanying bids other than the winning bid will be returned immediately after the bids are opened, and an award of the Bonds has been made.

PROVISION OF TEXAS ETHICS COMMISSION FORM 1295 ("TEC FORM 1295") AND CERTIFICATION OF FILING BY BIDDERS . . .

Pursuant to Texas Government Code §2252.908 (the "Interested Party Disclosure Act"), unless the bidder represents and verifies on the Official Bid Form that bidder is a publicly traded business entity, or a wholly owned subsidiary of a publicly traded business entity, the District may not award the Bonds to a bidder unless the bidder has provided to the District a TEC Form 1295 and a Certification of Filing as generated by the Texas Ethics Commission (the "TEC"). Pursuant to the rules prescribed by the TEC, the TEC Form 1295 must be completed online through the TEC's website at <https://www.ethics.state.tx.us/tec/1295-Info.htm>. The TEC Form 1295 must then be printed, signed and provided to the District (c/o the District's Financial Advisor, Hilltop Securities, Inc. Attn: Nick Bulaich, nick.bulaich@hilltopsecurities.com) along with Certification of Filing generated by TEC. In the event that the bidder's bid for the Bonds is the best bid received, the District, acting through its Financial Advisor, will promptly notify the bidder. That notification will serve as the conditional verbal acceptance of the bid, and will obligate the bidder to file promptly a completed TEC Form 1295, in order to complete the award. **TEC Form 1295 must be received by the District prior to the formal acceptance of the winning bid.** The TEC Form 1295 and Certificate of Filing may be provided to the District via facsimile or electronically, however, the original signed TEC Form 1295 and Certification of Filing must be physically delivered to the District (Attn: Rodney Rhoades, 501 E. Brown, Wylie, Texas 75098) within two business days of the award. Following the award of the Bonds, the District will notify the TEC of the receipt of each completed TEC Form 1295 and Certification of Filing. The District reserves the right to reject any bid that does not comply with the requirements prescribed herein. For purposes of completing the TEC Form 1295, box two is North Texas Municipal Water District and box 3 is 2021-1005. 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, an entity intending to bid on the Bonds should consult its own advisors to the extent it deems necessary and be prepared to submit the completed form promptly upon notification from the District that its bid is the apparent winning bid.

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

VERIFICATION PURSUANT TO CHAPTER 2271 OF THE TEXAS GOVERNMENT CODE . . . To the extent the winning bid for the Bonds represents a contract for goods or services within the meaning of Section 2271.002 of the Texas Government Code, as amended, the bidder will be required to verify in the Official Bid Form, for purposes of Chapter 2271 of the Texas Government Code, as amended, that, at the time of execution and delivery of its bid, neither the bidder nor any syndicate member listed on the Official Bid Form, nor any parent company, wholly- or majority- owned subsidiaries, and other affiliates of the same, if any, boycotts Israel or will boycott Israel through the date of delivery of the Bonds. 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, "boycotts Israel" and "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 bidder understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the bidder or any syndicate member listed on the Official Bid Form and exists to make a profit.

VERIFICATION PURSUANT TO CHAPTER 2252 OF THE TEXAS GOVERNMENT CODE . . . Pursuant to Chapter 2252 of the Texas Government Code, the winning bidder will be required to verify that neither the bidder nor any syndicate member listed on the Official Bid Form, nor any parent company, wholly- or majority-owned subsidiaries, or other affiliates of the same are companies 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 winning bidder or any syndicate member listed on the Official Bid Form and each parent company, wholly- or majority-owned subsidiaries, and other affiliates, of the same, 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 or any syndicate member listed on the Official Bid Form and exists to make a profit.

DELIVERY OF THE BONDS AND ACCOMPANYING DOCUMENTS

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

DELIVERY OF BONDS . . . Delivery will be accomplished by the issuance of one Initial Bond (the "Initial Bond"), either in typed or printed form, in the aggregate principal amount of \$24,270,000*, payable in stated installments to the Purchaser, signed by the President and Secretary of the Board of Directors, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts. Upon delivery of the Initial Bond, it shall be immediately canceled and one definitive Bond for each maturity will be registered and delivered only to Cede & Co., and deposited with DTC in connection with DTC's Book-Entry-Only System. Delivery will be at the principal office of the Paying Agent/Registrar. Payment for the Bonds must be made in immediately available funds for unconditional credit to the District, or as otherwise directed by the District.

The Purchaser will be given five business days' notice of the time fixed for delivery of the Bonds. It is anticipated that delivery of the Bond(s) can be made on or about March 31, 2021, and it is understood and agreed that the Purchaser will accept delivery and make payment for the Bonds by 10:00 AM, CST, on March 31, 2021, or thereafter on the date the Bonds are tendered for delivery, up to and including April 14, 2021. If for any reason the District is unable to make delivery on or before April 14, 2021, the District shall immediately contact the Purchaser and offer to allow the Purchaser to extend its offer for an additional thirty days. If the Purchaser does not elect to extend its offer within six days thereafter, then its Good Faith Deposit will be returned, and both the District and the Purchaser shall be relieved of any further obligation. In no event shall the District be liable for any damages by reason of its failure to deliver the Bonds, provided such failure is due to circumstances beyond the District's reasonable control.

CONDITIONS TO DELIVERY . . . The obligation of the Purchaser to take up and pay for the Bonds is subject to the Purchaser's receipt of (a) the legal opinion of McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel for the District ("Bond Counsel"), (b) the no-litigation certificate, (c) the certification as to the Official Statement, all as further described in the Official Statement, and (d) the non-occurrence of the events described under "No Material Adverse Change" below.

NO-LITIGATION CERTIFICATE . . . At the time of the initial delivery of the Bonds, the District will provide the Purchaser with a certificate to the effect that no litigation of any nature has been filed or is then pending challenging the issuance of the Bonds or that affects the payment and security of the Bonds or in any other manner questioning the issuance, sale or delivery of the Bonds.

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

CERTIFICATION REGARDING OFFERING PRICE OF BIDS . . . In order to provide the District with information required to enable it to comply with certain conditions of the Internal Revenue Code of 1986 relating to the exemption of interest on the Bonds from the gross income of their owners, the Purchaser will be required to complete, execute, and deliver to the District (on or before the 6th business day prior to the delivery of the Bonds) a certification as to their "issue price" substantially in the form and to the effect attached hereto or accompanying this Notice of Sale and Bidding Instructions. In the event the successful bidder will not reoffer the Bonds for sale, such certificate may be modified in a manner approved by the District. **In no event will the District fail to deliver the Bonds as a result of the Purchaser's inability to sell a substantial amount of the Bonds at a particular price prior to delivery.** 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 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.

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

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

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

* Preliminary, subject to change. See "Adjustment of Principal Amount and/or Types of Bids" herein.

ESTABLISHING THE ISSUE PRICE FOR THE BONDS . . . The Issuer intends to rely on Treasury Regulation section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of municipal bonds), which require, among other things, that the Issuer receives bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (the "Competitive Sale Requirement").

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

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

For purposes of this section of this Notice of Sale:

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

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

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

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, (A) to report the prices at which it sells to the Public the unsold Bonds of each maturity allocated to it until either all such Bonds have been sold or it is notified by the winning bidder that either the 10% Test has been satisfied as to the Bonds of that maturity, (B) to promptly notify the winning bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a Related Party to an Underwriter, and (C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder will assume that based on such agreement each order submitted by the underwriter, dealer or broker-dealer is a sale to the Public; and (ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each underwriter or dealer that is a party to such third-party distribution agreement to report the prices at which it sells to the Public the unsold Bonds of each maturity allocated to it until either all such Bonds have been sold or it is notified by the winning bidder or such Underwriter that either the 10% Test has been satisfied as to the Bonds of that maturity. Sales of any Bonds to any person that is a Related Party to an Underwriter shall not constitute sales to the public for purposes of this Notice of Sale.

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

GENERAL

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

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

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

ISSUANCE OF ADDITIONAL DEBT . . . The District anticipates issuing additional Regional Wastewater System Revenue debt in the amount of approximately \$100,000,000 in the next 12 months.

RATINGS . . . The Bonds and the Outstanding Bonds issued without credit support are rated "Aa2" by Moody's Investors Service, Inc. ("Moody's") and "AAA" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). Applications for contract ratings on this issue have been made to both Moody's and S&P (see "OTHER INFORMATION - Ratings").

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

The District will furnish to the Purchaser, acting through a designated senior representative, in accordance with instructions received from the Purchaser, within seven (7) business days from the sale date an aggregate of 250 copies of the Official Statement including a like number of copies of any Supplement(s) reflecting interest rates and other terms relating to the initial reoffering of the Bonds. The cost of a reprinted Official Statement, if the Purchaser shall so elect, and the cost of any Official Statement in excess of the number specified shall be prepared and distributed at the cost of the Purchaser. The 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 District assumes no responsibility or obligation for the distribution or delivery of any copies of the Official Statement in connection with the offering or reoffering of the subject securities.

CONTINUING DISCLOSURE AGREEMENT . . . The District will agree in the Resolution authorizing issuance of the Bonds to provide certain periodic information and notices of certain events in accordance with the Rule, as described in the Official Statement under "Continuing Disclosure of Information". The Purchaser's obligation to accept and pay for the Bonds is conditioned upon delivery to the Purchaser or (its) agent of a certified copy of the Resolution containing the agreement described under such heading.

COMPLIANCE WITH PRIOR UNDERTAKINGS . . . During the last five years, the District believes it has complied in all material respects with its previous continuing disclosure undertakings, entered into pursuant to the Rule, except as described in the Official Statement under "CONTINUING DISCLOSURE OF INFORMATION – Compliance with Prior Undertakings".

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 Official Statement, as available over and above the normal mailing, may be obtained at the offices of Hilltop Securities Inc., Investment Bankers, 777 Main Street, Suite 1525, Fort Worth, Texas 76102, Financial Advisor to the District.

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

RODNEY RHOADES
Interim Executive Director/
General Manager
North Texas Municipal Water District

February 10, 2021

BOND YEARS*

<u>Bonds Maturing</u>	<u>Amount</u>	<u>Bond Years</u>	<u>Accumulated Bond Years</u>	<u>Bonds Maturing</u>
2022	\$ 375,000	438.542	438.542	2022
2023	505,000	1,095.569	1,534.111	2023
2024	525,000	1,663.958	3,198.069	2024
2025	545,000	2,272.347	5,470.417	2025
2026	570,000	2,946.583	8,417.000	2026
2027	590,000	3,639.972	12,056.972	2027
2028	615,000	4,409.208	16,466.181	2028
2029	640,000	5,228.444	21,694.625	2029
2030	665,000	6,097.681	27,792.306	2030
2031	690,000	7,016.917	34,809.222	2031
2032	715,000	7,986.153	42,795.375	2032
2033	735,000	8,944.542	51,739.917	2033
2034	755,000	9,942.931	61,682.847	2034
2035	780,000	11,052.167	72,735.014	2035
2036	800,000	12,135.556	84,870.569	2036
2037	825,000	13,339.792	98,210.361	2037
2038	850,000	14,594.028	112,804.389	2038
2039	875,000	15,898.264	128,702.653	2039
2040	895,000	17,156.653	145,859.306	2040
2041	915,000	18,455.042	164,314.347	2041
2042	935,000	19,793.431	184,107.778	2042
2043	955,000	21,171.819	205,279.597	2043
2044	980,000	22,706.056	227,985.653	2044
2045	1,005,000	24,290.292	252,275.944	2045
2046	1,025,000	25,798.681	278,074.625	2046
2047	1,050,000	27,477.917	305,552.542	2047
2048	1,075,000	29,207.153	334,759.694	2048
2049	1,100,000	30,986.389	365,746.083	2049
2050	1,125,000	32,815.625	398,561.708	2050
2051	1,155,000	34,845.708	433,407.417	2051

Average Maturity 17.858 Years

* Preliminary, subject to change. See "Adjustment of Principal Amount and/or Types of Bids" herein.

OFFICIAL BID FORM

Honorable President and Board of Directors
North Texas Municipal Water District

February 25, 2021

Members of the Board of Directors:

Reference is made to your Official Statement and Notice of Sale and Bidding Instructions, dated February 10, 2021 of \$24,270,000 NORTH TEXAS MUNICIPAL WATER DISTRICT REGIONAL WASTEWATER SYSTEM REVENUE BONDS, SERIES 2021A, both of which constitute a part hereof.

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

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
6/1/2022	\$ 375,000	_____	6/1/2032 *	\$ 715,000	_____	6/1/2042 *	\$ 935,000	_____
6/1/2023	505,000	_____	6/1/2033 *	735,000	_____	6/1/2043 *	955,000	_____
6/1/2024	525,000	_____	6/1/2034 *	755,000	_____	6/1/2044 *	980,000	_____
6/1/2025	545,000	_____	6/1/2035 *	780,000	_____	6/1/2045 *	1,005,000	_____
6/1/2026	570,000	_____	6/1/2036 *	800,000	_____	6/1/2046 *	1,025,000	_____
6/1/2027	590,000	_____	6/1/2037 *	825,000	_____	6/1/2047 *	1,050,000	_____
6/1/2028	615,000	_____	6/1/2038 *	850,000	_____	6/1/2048 *	1,075,000	_____
6/1/2029	640,000	_____	6/1/2039 *	875,000	_____	6/1/2049 *	1,100,000	_____
6/1/2030	665,000	_____	6/1/2040 *	895,000	_____	6/1/2050 *	1,125,000	_____
6/1/2031 *	690,000	_____	6/1/2041 *	915,000	_____	6/1/2051 *	1,155,000	_____

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

<u>Maturity Date</u>	<u>Year of First Mandatory Redemption</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
<u>June 1</u>	_____	\$ _____	_____ %
_____	_____	\$ _____	_____ %
_____	_____	\$ _____	_____ %
_____	_____	\$ _____	_____ %
_____	_____	\$ _____	_____ %

Our calculation (which is not a part of this bid) of the True Interest Cost from the above is:

TRUE INTEREST COST _____ %

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

A bank cashier's check or certified check of the _____, in the amount of \$485,400.00, which represents our Good Faith Deposit (is attached hereto) or (has been made available to you prior to the opening of this bid), and is submitted in accordance with the terms as set forth in the Official Statement and Notice of Sale and Bidding Instructions.

We agree to accept delivery of the Bonds utilizing the Book-Entry-Only System through DTC and make payment for the Initial Bond in immediately available funds in the Corporate Trust Division The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, not later than 10:00 AM, CST, on March 31, 2021, or thereafter on the date the Bonds are tendered for delivery, pursuant to the terms set forth in the Notice of Sale and Bidding Instructions. It will be the obligation of the purchaser of the Bonds to complete the DTC Eligibility Questionnaire.

* Subject to redemption, at the option of the District, on June 1, 2030, and on any date thereafter.

The Purchaser hereby represents and verifies that the Purchaser **(is) (is not)** a publicly traded business entity, or a wholly owned subsidiary of a publicly traded business entity. If the Purchaser is not a publicly traded business entity, or a wholly owned subsidiary of a publicly traded business entity, the District may not accept this bid until it has received from the Purchaser a completed and signed TEC Form 1295 and Certification of Filing pursuant to Texas Government Code § 2252.908 and the rules promulgated thereunder by the Texas Ethics Commission. The undersigned understands that failure to provide said form and Certification of Filing will result in a non-conforming bid and will prohibit the District from considering this bid for acceptance.

The bidder hereby verifies that, at the time of execution and delivery of this bid, neither the bidder nor any syndicate member listed on the Official Bid Form, nor any parent company, wholly- or majority- owned subsidiaries, and other affiliates of the same, if any, boycotts Israel or, to the extent this Official Bid Form is a contract for goods or services, will boycott Israel through the date of delivery of the Bonds. 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, "boycotts Israel" and "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 bidder understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the bidder or any syndicate member listed on the Official Bid Form and exists to make a profit.

By submission of a bid, and as a condition of the award and delivery of the Bonds, the bidder represents that, neither the bidder nor any syndicate member listed on the Official Bid Form, nor any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the same, if any, are companies identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2271.0201, 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 or any syndicate member listed on the Official Bid Form and each parent company, wholly- or majority-owned subsidiaries, and other affiliates of the same, 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 or any syndicate member listed on the Official Bid Form and exists to make a profit.

The undersigned agrees to complete, execute, and deliver to the District, at least six business days prior to delivery of the Bonds, a certificate relating to the "issue price" of the Bonds in the form and to the effect accompanying the Notice of Sale and Bidding Instructions, with such changes thereto as may be acceptable to the District.

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

Respectfully submitted,

Syndicate Members:
(for information only)

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 North Texas Municipal Water District, subject to and in accordance with the Notice of Sale and Bidding Instructions, this the 25th day of February 2021.

Interim Executive Director/General Manager
North Texas Municipal Water District

ISSUE PRICE CERTIFICATE

(Sales where 3 bids are received)

The undersigned, as the underwriter or the manager of the syndicate of underwriters ("Purchaser"), with respect to the purchase at competitive sale of the Regional Wastewater System Revenue Bonds, Series 2021A issued by the North Texas Municipal Water District ("Issuer") in the principal amount of \$24,270,000* ("Bonds"), hereby certifies and represents, based on its records and information, as follows:

- (a) On the first day on which there was a binding contract in writing for the purchase of the Bonds by the Purchaser, the Purchaser's reasonably expected initial offering prices of each maturity of the Bonds with the same credit and payment terms (the "Expected Offering Prices") to a person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter are as set forth in the pricing wire or equivalent communication for the Bonds, as attached to this Certificate as Schedule A. The Expected Offering Prices are the prices for the Bonds used by the Purchaser in formulating its bid to purchase the Bonds.
- (b) The Purchaser had an equal opportunity to bid to purchase the Bonds and it was not given the opportunity to review other bids that was not equally given to all other bidders (i.e., no last look).
- (c) The bid submitted by the Purchaser constituted a firm bid to purchase the Bonds.
- (d) The Purchaser has or [has not] purchased bond insurance for the Bonds. 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 Bonds. 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 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 Bonds to the Public, or (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1)(i) of this paragraph (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public) to participate in the initial sale of the Bonds to the Public, and (2) any person who has more than 50% common ownership, directly or indirectly, with a person described in clause (1) of this paragraph.

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by McCall, Parkhurst & Horton L.L.P. in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. Notwithstanding anything set forth herein, the Purchaser is not engaged in the practice of law and makes no representation as to the legal sufficiency of the factual matters set forth herein.

EXECUTED and DELIVERED as of this _____.

_____,
as Purchaser

By: _____

Name: _____

SCHEDULE A

PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)

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

The undersigned, as the underwriter or the manager of the syndicate of underwriters ("Purchaser"), with respect to the purchase at competitive sale of the Regional Wastewater System Revenue Bonds, Series 2021A issued by the North Texas Municipal Water District ("Issuer") in the principal amount of \$24,270,000* ("Bonds"), hereby certifies and represents, based on its records and information, as follows:

- (a) Other than the Bonds maturing in ____ ("Hold-the-Price Maturities"), if any, the first prices at which at least ten percent ("Substantial Amount") of the principal amount of each maturity of the Bonds having the same credit and payment terms ("Maturity") was sold on the date of sale of the Bonds (the "Sale Date") to a person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter ("Public") are their respective initial offering prices (the "Initial Offering Prices"), as listed in the pricing wire or equivalent communication for the Bonds that is attached to this Certificate as Schedule A.
- (b) On or before the Sale Date, the Purchaser offered to the Public each Maturity of the Hold-the-Price Maturities at their respective Initial Offering Prices, as set forth in Schedule A hereto.
- (c) As set forth in the Notice of Sale, the Purchaser agreed in writing to neither offer nor sell any of the Hold-the-Price Maturities to any person at any higher price than the Initial Offering Price for such Hold-the-Price Maturity until the earlier of the close of the fifth business day after the Sale Date or the date on which the Purchaser sells a Substantial Amount of a Hold-the-Price Maturity of the Bonds to the Public at no higher price than the Initial Offering Price for such Hold-the-Price Maturity.
- (d) The Purchaser has or [has not] purchased bond insurance for the Bonds. 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 Bonds. 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 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 Bonds to the Public, or (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1)(i) of this paragraph (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public) to participate in the initial sale of the Bonds to the Public, and (2) any person who has more than 50% common ownership, directly or indirectly, with a person described in clause (1) of this paragraph.

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by McCall, Parkhurst & Horton L.L.P. in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. Notwithstanding anything set forth herein, the Purchaser is not engaged in the practice of law and makes no representation as to the legal sufficiency of the factual matters set forth herein.

EXECUTED and DELIVERED as of this _____.

_____, as Purchaser

By: _____

Name: _____

SCHEDULE A

PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)