

**OFFICIAL NOTICE OF SALE
AND
BIDDING INSTRUCTIONS**

ON

\$26,540,000*

CITY OF EDINBURG, TEXAS

(a Political Subdivision of the State of Texas Located in Hidalgo County)

COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2021

Sealed Bids Due Monday, May 10, 2021 at 10:30 AM CENTRAL TIME

THE SALE

CERTIFICATES OFFERED FOR SALE AT COMPETITIVE BIDDING . . . The City Council (the "Council") of the City of Edinburg, Texas (the "City") is offering for sale its \$26,540,000* Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2021 (the "Certificates"). Bidders may submit bids for the Certificates by any of the following methods:

- (1) Deliver bids directly to the City as described below in "BIDS DELIVERED TO THE CITY;"
- (2) Submit bids electronically as described below in "ELECTRONIC BIDDING PROCEDURES;" or

BIDS DELIVERED TO THE CITY . . . Sealed bids, plainly marked "Bid for Certificates", should be addressed to "Mr. Ron Garza, City Manager, City of Edinburg, Texas", and delivered to the City at 415 West University Drive, Edinburg, TX 78541, prior to 10:30 AM, Central Time, on the date of the bid opening. All bids must be submitted on the Official Bid Form, without alteration or interlineation.

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 the i-Deal LLC's BIDCOMP Competitive Bidding System is required in order to submit an electronic bid. The City will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe. Bidders submitting an electronic bid shall not be required to submit the Official Bid Form prior to bidding.

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

If any provisions of this Official Notice of Sale and Bidding Instructions shall conflict with information provided by PARITY as the approved provider of electronic bidding services, this Official Notice of Sale and Bidding Instructions shall control. Further information about PARITY, including any fee charged, may be obtained from Parity Customer Support, 40 West 23rd Street, 5th Floor, New York, New York 10010, (212) 404-8102.

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

PLACE AND TIME OF BID OPENING . . . The bids for the Certificates will be publicly opened and read at the City Hall, 415 West University Drive, Edinburg, TX 78541, at 10:30 AM, Central Time, on Monday, May 10, 2021.

AWARD OF THE CERTIFICATES . . . In the ordinance authorizing the issuance of the Certificates (the "Certificate Ordinance") adopted on October 20, 2020, the Council delegated to certain City officials (each, an "Authorized Official") the authority to execute an approval certificate (the "Approval Certificate") establishing the final terms and effectuating the sale of the Certificates. Upon opening the bids as described above, the Authorized Official will award the Certificates by executing the Official Bid Form and the Approval Certificate. The City, acting by and through the Authorized Official, reserves the rights to reject any and all bids and to waive any irregularities except time of submission.

ADVANCE MODIFICATION OF PRINCIPAL AMOUNTS . . . The City reserves the right to change the principal amounts provided below in the "MATURITY SCHEDULE" in each stated maturity by giving notice of such change, via Bond Buyer wire service, and PARITY at least 18 hours in advance of the time set for receipt of bids. Such notice shall be considered an amendment to this Official Notice of Sale and Bidding Instructions.

POST BID MODIFICATION OF PRINCIPAL AMOUNTS . . . After the receipt of bids, but prior to the award of the Certificates, the City reserves the right to amend the total par amount by up to 15% in order to generate the City's target amortization. Such modifications of principal amounts will be disclosed to the winning bidder within two hours after receipt of the bids. The purchase price of the Certificates will be adjusted proportionately to the adjustment in principal amount of the Certificates and in such manner as to maintain as comparable an underwriter spread as possible to the winning bid.

* Preliminary, subject to change. See "THE SALE - Advance Modification of Principal Amounts" and "THE SALE - Post Bid Modification of Principal Amounts" herein.

THE CERTIFICATES

DESCRIPTION . . . The Certificates will be dated May 15, 2021 (the "Dated Date"). Interest will accrue from the date of the initial delivery (the "Delivery Date") to the initial purchaser of the Certificates (the "Initial Purchaser"), anticipated to be June 3, 2021, and will be due initially on March 1, 2022, and each September 1 and March 1 thereafter until the earlier of stated maturity or prior redemption. The Certificates will be issued only in fully registered form in any integral multiple of \$5,000 for any one maturity. The Certificates will mature on March 1 in each year as follows:

MATURITY SCHEDULE*

Amount	Maturity 1-Mar	Amount	Maturity 1-Mar
\$ 260,000	2022	\$ 1,705,000	2032
340,000	2023	1,765,000	2033
365,000	2024	1,825,000	2034
475,000	2025	1,875,000	2035
580,000	2026	1,925,000	2036
1,280,000	2027	1,960,000	2037
1,405,000	2028	2,000,000	2038
1,475,000	2029	2,045,000	2039
1,555,000	2030	2,075,000	2040
1,630,000	2031		

OPTIONAL REDEMPTION . . . The City reserves the right, at its option, to redeem Certificates having stated maturities on and after March 1, 2032, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on March 1, 2031, or any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. Any Certificates designated as Term Certificates (defined herein) by the Initial Purchaser will also be subject to mandatory sinking fund redemption.

SERIAL CERTIFICATES AND/OR TERM CERTIFICATES . . . Bidders may provide that all of the Certificates be issued as serial Certificates or may provide that any two or more consecutive annual principal amounts be combined into one or more term Certificates (the "Term Certificates").

MANDATORY SINKING FUND REDEMPTION . . . If the successful bidder elects to alter the MATURITY SCHEDULE reflected above and convert the principal amounts of the serial Certificates into Term Certificates, such Term Certificates shall be subject to mandatory redemption the first March 1 next following the last maturity for serial Certificates, and annually thereafter on each March 1 until the stated maturity for the Term Certificates at the redemption price of par plus accrued interest to the date of redemption. The principal amounts of the Term Certificates to be redeemed on each mandatory redemption date shall be the principal amounts that would have been due and payable in the "MATURITY SCHEDULE" shown above had no designation of such maturities as Term Certificates occurred. At least forty-five (45) days prior to each mandatory date, the Paying Agent/Registrar shall select by lot the Term Certificates to be redeemed and cause a notice of redemption to be given in the manner provided in the Official Statement.

The principal amount of the Term Certificates required to be redeemed pursuant to the operation of such mandatory redemption provisions may be reduced, at the option of the City, by the principal amount of the Term Certificates of the same maturity which at least fifty (50) days prior to a mandatory redemption date (i) shall have been acquired by the City and delivered to the Paying Agent/Registrar for cancellation or (ii) 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 Certificates in the event the successful bidder elects to convert serial maturities into one or more Term Certificates.

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

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

* Preliminary, subject to change. See "THE SALE - Advance Modification of Principal Amounts" and "THE SALE - Post Bid Modification of Principal Amounts" herein.

SOURCE OF PAYMENT . . . The Certificates constitute direct obligations of the City, payable from a combination of (i) the proceeds of an annual ad valorem tax levied, within the limits prescribed by law, on all taxable property located within the City and (ii) a limited pledge (not to exceed an aggregate total of \$1,000) of the Net Revenues of the City's waterworks and sewer system, as provided in the Certificate Ordinance, such lien and pledge of the limited amount of Net Revenues (as defined in the Certificate Ordinance) being subordinate and inferior to the lien on and pledge of the Net Revenues which are or may be pledged to the payment of the currently outstanding Prior Lien Obligations, Junior Lien Obligations, Subordinate Lien Obligations, Surplus Lien Obligations, and any additional Prior Lien Obligations, Additional Junior Lien Obligations, Additional Subordinate Lien Obligations, Additional Surplus Lien Obligations, and Additional Limited Pledge Obligations hereafter issued by the City (each as described and defined in the Certificate Ordinance).

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

CONDITIONS OF THE SALE

TYPE OF BIDS AND INTEREST RATES . . . **The Certificates will be sold in one block, on an "All or None" basis, and at a price of not less than 108.00% and not more than 116.00% of their par value.** Bidders are invited to name the rate(s) of interest to be borne by the Certificates, provided that each rate bid must be in a multiple of 1/8 of 1% or 1/20 of 1% and the net effective interest rate must not exceed 15%. **The highest rate bid may not exceed the lowest rate bid by more than 3.00% in rate. The high bidder will be required to submit reoffering yields and dollar prices prior to award.** No limitation is imposed upon bidders as to the number of rates or changes which may be used. All Certificates of one maturity must bear one and the same rate. No bids involving supplemental interest rates will be considered. Each bidder shall state in the bid the total interest cost in dollars and the True Interest Cost as defined below.

BASIS FOR AWARD . . . Subject to the City's right to reject any or all bids and to waive any irregularities except time of filing, the sale of the Certificates will be awarded to the bidder or syndicate account manager whose name first appears on the Official Bid Form (the "Initial Purchaser") making a bid that conforms to the specifications herein and which produces the lowest True Interest Cost (defined herein) rate to the City based on the maturity schedule in the Official Bid Form. The "True Interest Cost" rate is that rate which, when used to compute the total present value as of the Delivery Date of all debt service payments on the Certificates on the basis of semi-annual compounding, produces an amount equal to the sum of the par value of the Certificates plus any premium bid, if any. In the event of a bidder's error in interest cost rate calculations, the interest rates, and premium, if any, set forth in the Official Bid Form will be considered as the intended bid.

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

ESTABLISHMENT OF ISSUE PRICE . . .

(a) The winning bidder shall assist the City in establishing the issue price of the Certificates and shall execute and deliver to the City by the Delivery Date an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City and Bond Counsel. All actions to be taken by the City under this Official Notice of Sale and Bidding Instructions to establish the issue price of the Certificates may be taken on behalf of the City by the City's municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City's municipal advisor.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Certificates) will apply to the initial sale of the Certificates (the "competitive sale requirements") because:

- (1) the City shall disseminate this Official Notice of Sale and Bidding Instructions to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Certificates to the bidder who submits a firm offer to purchase the Certificates at the highest price (or lowest interest cost), as set forth in this Official Notice of Sale and Bidding Instructions.

Any bid submitted pursuant to this Official Notice of Sale and Bidding Instructions shall be considered a firm offer for the purchase of the Certificates, as specified in the bid.

(c) In the event that the competitive sale requirements are not satisfied, the City shall so advise the winning bidder. In such event, the City intends to treat the initial offering price to the public as of the sale date of each maturity of the Certificates as the issue price of that maturity (the “hold-the-offering-price rule”). The City shall promptly advise the winning bidder, at or before the time of award of the Certificates, if the competitive sale requirements were not satisfied, in which case the hold-the-offering-price rule shall apply to the Certificates. Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied and the hold-the-offering-price rule applies. In the event that the competitive sale requirements are not satisfied, the issue price certificate shall be modified as necessary in the reasonable judgment of Bond Counsel and the City.

(d) By submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Certificates to the public on or before the date of award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Certificates, that the underwriters will neither offer nor sell unsold Certificates of any maturity to which the hold-the-offering-price rule applies to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Certificates to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the City promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Certificates to the public at a price that is no higher than the initial offering price to the public.

(e) The City acknowledges that, in making the representations set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the requirements for establishing issue price of the Certificates, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Certificates, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Certificates to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Certificates, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Certificates, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Certificates to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Certificates, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Certificates, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Certificates, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Certificates, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Certificates, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Certificates.

(f) 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 Certificates to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Certificates to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Certificates to the public to require each broker-dealer that is a party to such third-party distribution agreement to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder or the underwriter and as set forth in the related pricing wires.

(g) Sales of any Certificates to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Official Notice of Sale and Bidding Instructions. Further, for purposes of this section of the Official Notice of Sale and Bidding Instructions:

- (1) “public” means any person other than an underwriter or a related party,
- (2) “underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the

Certificates to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Certificates to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Certificates to the public),

- (3) a purchaser of any of the Certificates is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (4) “sale date” means the date that the Certificates are awarded by the City to the winning bidder.

ADDITIONAL CONDITION OF AWARD – DISCLOSURE OF INTERESTED PARTIES. . . Pursuant to Texas Government Code Section 2252.908 (the “Interested Party Disclosure Act”), the City may not award the Certificates to a winning bidder which is not a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity (a “Privately Held Bidder”) unless such party submits a Certificate of Interested Parties Form 1295 (the “Disclosure Form”) to the City as prescribed by the Texas Ethics Commission (“TEC”). In the event that a Privately Held Bidder’s bid for the Certificates is the best bid received, the City, acting through its financial advisor, will promptly notify the winning Privately Held Bidder. That notification will serve as the City’s conditional verbal acceptance of the bid, and will obligate the winning Privately Held Bidder to establish (unless such winning Privately Held Bidder has previously so established) an account with the TEC, and promptly file a completed Disclosure Form, as described below, in order to allow the City to complete the award.

The following information will be needed to complete the Disclosure Form: (a) item 2 - name of the governmental entity (City of Edinburg, Texas) and (b) item 3 - the identification number assigned to this contract by the City (Edinburg COS2021 – Bid Form) and description of the goods or services (Purchase of the City of Edinburg, Texas Combination Tax and Revenue Certificates of Obligation, Series 2021). The Interested Party Disclosure Act and the rules adopted by the TEC with respect thereto (the “Disclosure Rules”) require a non-publicly traded business entity contracting with the City to complete the Disclosure Form electronically at <https://www.ethics.state.tx.us/main/file.htm>, print, sign, and deliver, in physical form, the certified Disclosure Form that is generated by the TEC’s “electronic portal” to the City. The executed Disclosure Form must be sent by email to the City’s financial advisor at cris.vela@hilltopsecurities.com, as soon as possible following the notification of conditional verbal acceptance and prior to the final written award. Upon receipt of the final written award, a PDF executed version of the Disclosure Form must be submitted by email to Bond Counsel at Arnold.cantu@nortonrosefulbright.com.

In accordance with the Interested Party Disclosure Act, the information reported by the winning Privately Held Bidder must be declared by an authorized agent of the Privately Held Winning Bidder. No exceptions may be made to that requirement. The Interested Party Disclosure Act and the Disclosure Form provides that such acknowledgment is made “under penalty of perjury.” Consequently, a winning Privately Held Bidder should take appropriate steps prior to completion of the Disclosure Form to familiarize itself with the Interested Party Disclosure Act, the Disclosure Rules and the Disclosure Form. Time will be of the essence in submitting the form to the City, and no final award will be made by the City regarding the sale of the Certificates until a completed Disclosure Form is received. If applicable, the City reserves the right to reject any bid that does not satisfy the requirement of a completed Disclosure Form, as described herein. Neither the City nor its consultants have the ability to verify the information included in a Disclosure Form, and neither party has an obligation nor undertakes responsibility for advising any bidder with respect to (1) the bidder’s obligation to submit the Disclosure Form or (2) the proper completion of the Disclosure Form. Consequently, an entity intending to bid on the Certificates should consult its own advisors to the extent it deems necessary and be prepared to submit the completed form, if required, promptly upon notification from the City that its bid is the conditional winning bid. Instructional videos on logging in and creating a certificate are provided on the TEC’s website at https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm.

ADDITIONAL CONDITION OF AWARD – COMPLIANCE WITH H.B. 89 AND S.B. 252, 85TH TEXAS LEGISLATURE. . . Each bidder, through submittal of an executed Official Bid Form, hereby verifies that it and its parent company, wholly - or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Official Notice of Sale and Bidding Instructions and Official Bid Form is a contract for goods or services, will not boycott Israel during the term of this agreement. 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 Texas or Federal law. As used in the foregoing verification, ‘boycott Israel’ means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. Each Bidder, through submittal of an executed Official Bid Form, understands ‘affiliate’ to mean an entity that controls, is controlled by, or is under common control with the bidder and exists to make a profit.

Each bidder, through submittal of an executed Official Bid Form, hereby represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website: <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>, <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or <https://comptroller.texas.gov/purchasing/docs/fto-list.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 Texas or Federal law and excludes the bidder and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. Each bidder, through submittal of an executed Official Bid Form, understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the bidder and exists to make a profit.

GOOD FAITH DEPOSIT . . . A "Good Faith Deposit", payable to the "City of Edinburg, Texas", in the amount of \$530,800.00, is required. Such Good Faith Deposit shall be a bank cashier's check or certified check, which is to be retained uncashed by the City pending the Initial Purchaser's compliance with the terms of the bid and the Official Notice of Sale and Bidding Instructions. The Good Faith Deposit may accompany the Official Bid Form or it may be submitted separately. If submitted separately, it shall be made available to the City prior to the opening of the bids, and shall be accompanied by instructions from the bank on which drawn which authorize its use as a Good Faith Deposit by the Initial Purchaser who shall be named in such instructions. **The Good Faith Deposit of the Initial Purchaser will be returned to the Initial Purchaser upon payment for the Certificates.** No interest will be allowed on the Good Faith Deposit. In the event the Initial Purchaser should fail or refuse to take up and pay for the Certificates in accordance with the bid, then said check shall be cashed and accepted by the City as full and complete liquidated damages. The checks accompanying bids other than the winning bid will be returned immediately after the bids are opened, and an award of the Certificates has been made.

DELIVERY OF THE CERTIFICATES AND ACCOMPANYING DOCUMENTS

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

DELIVERY OF CERTIFICATES . . . Delivery will be accomplished by the issuance of one Initial Certificate (also called the "Certificate" or "Certificates"), either in typed or printed form, in the aggregate principal amount of \$26,540,000*, payable in stated installments to the Initial Purchaser, signed by the Mayor or Mayor Pro-Tem and City Secretary, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts. Upon delivery of the Initial Certificate, it shall be immediately cancelled and one definitive Certificate for each maturity will be registered and delivered only to Cede & Co., and deposited with DTC in connection with DTC's Book-Entry-Only System. Delivery will be at the principal office of the Paying Agent/Registrar. Payment for the Certificates must be made in immediately available funds for unconditional credit to the City, or as otherwise directed by the City. The Initial Purchaser will be given six business days' notice of the time fixed for delivery of the Certificates. It is anticipated that delivery of the Certificates can be made on or about June 3, 2021, and it is understood and agreed that the Initial Purchaser will accept delivery and make payment for the Certificates by 10:00 AM, Central Time, on June 3, 2021. If for any reason the City is unable to make delivery on or before June 3, 2021, the City shall immediately contact the Initial Purchaser and offer to allow the Initial Purchaser to extend its offer for an additional thirty days. If the Initial Purchaser does not elect to extend its offer within six days thereafter, then its Good Faith Deposit will be returned, and both the City and the Initial Purchaser shall be relieved of any further obligation. In no event shall the City be liable for any damages by reason of its failure to deliver the Certificates, provided such failure is due to circumstances beyond the City's reasonable control.

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

LEGAL OPINION . . . The Certificates are offered when, as and if issued, subject to the approval of the Attorney General of the State of Texas. Delivery of and payment for the Certificates is subject to the receipt by the Initial Purchaser of the opinion of Bond Counsel, to the effect that the Certificates are valid and binding obligations of the City and that the interest on the Certificates will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under "TAX MATTERS" in the Official Statement.

CERTIFICATION OF OFFICIAL STATEMENT . . . At the time of payment for, and Initial Delivery of the Certificates, the City will execute and deliver to the Initial Purchaser a certificate in the form described in the Official Statement.

* Preliminary, subject to change. See "THE SALE - Advance Modification of Principal Amounts" and "THE SALE - Post Bid Modification of Principal Amounts" herein.

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

GENERAL

FINANCIAL ADVISOR . . . Hilltop Securities Inc. (“HilltopSecurities”) is employed as Financial Advisor to the City in connection with the issuance of the Certificates. The Financial Advisor's fee for services rendered with respect to the sale of the Certificates is contingent upon the issuance and delivery of the Certificates. HilltopSecurities, in its capacity as Financial Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Certificates, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

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

NOT AN OFFER TO SELL . . . This Official Notice of Sale and Bidding Instructions does not alone constitute an offer to sell the Certificates, but is merely notice of the sale of the Certificates. The offer to sell the Certificates is being made by means of the Official 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 Certificates.

ISSUANCE OF ADDITIONAL DEBT . . . The City is concurrently issuing Utility System Revenue Improvement and Refunding Bonds, Series 2021 and General Obligation Refunding Bonds, Series 2021.

RATINGS . . . The Certificates have been rated “AA” by S&P Global Ratings (“S&P”) and “AA” by Fitch Ratings, Inc. (“Fitch”), without regard to credit enhancement.

THE PRELIMINARY OFFICIAL STATEMENT AND COMPLIANCE WITH SEC RULE 15C2-12 . . . The City has prepared the accompanying Preliminary Official Statement and, for the limited purpose of complying with United States Securities and Exchange Commission Rule 15c2-12 (the “Rule”), deems such Preliminary Official Statement to be final as of its date within the meaning of such Rule for the purpose of review prior to bidding. To the best knowledge and belief of the City, the Preliminary Official Statement contains information, including financial information or operating data, concerning every entity, enterprise, fund, account, or person that is material to an evaluation of the offering of the Certificates. Representations made and to be made by the City concerning the absence of material misstatements and omissions in the Preliminary Official Statement are addressed elsewhere in this Official Notice of Sale and Bidding Instructions and in the Preliminary Official Statement.

The City will furnish to the Initial Purchaser, acting through a designated senior representative, in accordance with instructions received from the Initial Purchaser, within seven (7) business days from the sale date an aggregate of 30 copies of the Official Statement reflecting interest rates and other terms relating to the initial reoffering of the Certificates. In addition, the City agrees to provide, or cause to be provided, to the Initial Purchaser, the Preliminary Official Statement and the Official Statement and any amendments or supplements thereto in a “designated electronic format” (or printed format with respect to the final Official Statement) as may be required for the Initial Purchaser to comply with the Rule or the rules of the Municipal Securities Rulemaking Board (“MSRB”). The City consents to the distribution of such documents in a “designated electronic format.” Upon receipt, the Initial Purchaser shall promptly file the Official Statement with the MSRB in accordance with the applicable MSRB rules. The cost of any Official Statement in excess of the number specified shall be prepared and distributed at the cost of the Initial Purchaser. The Initial Purchaser shall be responsible for providing in writing the initial reoffering prices and other terms, if any, to the Financial Advisor by the close of the next business day after the award. Except as noted above, the City assumes no responsibility or obligation for the distribution or delivery of any copies of the Official Statement in connection with the offering or reoffering of the subject securities.

If, subsequent to the date of the Official Statement, the City 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 Certificates as provided under “DELIVERY OF THE CERTIFICATES AND ACCOMPANYING DOCUMENTS - Conditions to Delivery”, the City will promptly prepare and supply to the Initial Purchaser an appropriate amendment or supplement to the Official Statement satisfactory to the Initial Purchaser and in a “designated electronic format”; provided, however, that the obligation of the City to do so will terminate when the City delivers the Certificates to the Initial Purchaser, unless the Initial Purchaser notifies the City on or before such date that less than all of the Certificates have been sold to ultimate customers, in

which case the City's obligations hereunder will extend for an additional period of time (but not more than 90 days after the date the City delivers the Certificates) until all of the Certificates have been sold to ultimate customers.

CONTINUING DISCLOSURE AGREEMENT . . . The City will agree in the Certificate Ordinance to provide certain periodic information and notices of certain events in accordance with the Rule, as described in the Preliminary Official Statement under "CONTINUING DISCLOSURE OF INFORMATION". The Initial Purchaser's obligation to accept and pay for the Certificates is conditioned upon delivery to the Initial Purchaser or agent of a certified copy of the Certificate Ordinance containing the agreement described under such heading.

COMPLIANCE WITH PRIOR UNDERTAKINGS . . . Except as provided below, the City has complied in all material respects with its prior continuing disclosure agreements made in accordance with the Rule.

On July 11, 2016, the City received a rating upgrade to "AA" from "AA-" by Fitch Ratings, Inc., but did not file notice of the upgrade within ten business days as required by the Rule. The City filed notice of the rating change (along with a notice of untimely filing) with the MSRB on December 12, 2017, and has instituted procedures to provide for timely filing in the future.

Further, while the City has timely filed its Financial Statements and Annual Operating Report for each of the last five fiscal years, in connection with its continuing disclosure obligations for debt obligations issued prior to 2015, the City failed to file one of the tables entitled "Tax Adequacy for Bonds" in each of fiscal years 2014, 2015, and 2016. The City does not believe this omission to be material under the Rule, since the information described in the "Tax Adequacy for Bonds" table was readily ascertainable from other tables provided annually in the City's Annual Operating Reports. However, out of an abundance of caution, the City filed notice of this omission with the MSRB on December 13, 2017, and has included the table in its Annual Operating Report for fiscal year 2017 and thereafter.

Furthermore, due to the late receipt of its audited financial information from its outside auditor, the City did not file its audited Financial Statements for fiscal year 2017 within six months of the end of its fiscal year, as has been the City's custom. The City filed a notice of untimely filing along with its audited Financial Statements for fiscal year 2017 with the MSRB on May 10, 2018. Additionally, as a result of the administrative burden placed upon the City in its efforts to carry out emergency response measures related to the COVID-19 pandemic, changes in City management, and changes to the City's financial accounting and timekeeping/attendance-tracking software in that fiscal year, the City did not timely file its Financial Statements for fiscal year 2019. The City filed its audited Financial Statements for fiscal year 2019 with the MSRB on January 25, 2021 and a notice of untimely filing on April 30, 2021.

ADDITIONAL COPIES OF NOTICE, BID FORM AND PRELIMINARY OFFICIAL STATEMENT . . . A limited number of additional copies of this Official Notice of Sale and Bidding Instructions, the Official Bid Form and the Preliminary Official Statement, as available over and above the normal mailing, may be obtained upon request at the offices of Hilltop Securities Inc., 100 East Nolana Loop, Pharr, TX 78577, Financial Advisor to the City or upon payment of reasonable copying, handling and delivery charges.

In the Certificate Ordinance, the Council delegated to the Authorized Official the authority to approve the form and content of the Official Statement, and any addenda, supplement or amendment thereto, and authorize its use in the reoffering of the Certificates by the Initial Purchaser.

/S/ _____
Mayor
City of Edinburg, Texas

ATTEST:

/S/ _____
City Secretary
City of Edinburg, Texas

April 30, 2021

OFFICIAL BID FORM

Honorable Mayor and City Council
City of Edinburg, Texas

May 10, 2021

Honorable Mayor and Members of the City Council:

Reference is made to your Preliminary Official Statement and Official Notice of Sale and Bidding Instructions, dated April 30, 2021 of \$26,540,000* CITY OF EDINBURG, TEXAS, COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2021 (the "Certificates"), both of which constitute a part hereof.

For your legally issued Certificates, as described in said Official Notice of Sale and Preliminary Official Statement, we will pay you par, plus a cash premium of \$ _____ for Certificates 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>
3/1/2022	\$ 260,000	%	3/1/2032	\$ 1,705,000	%
3/1/2023	340,000	%	3/1/2033	1,765,000	%
3/1/2024	365,000	%	3/1/2034	1,825,000	%
3/1/2025	475,000	%	3/1/2035	1,875,000	%
3/1/2026	580,000	%	3/1/2036	1,925,000	%
3/1/2027	1,280,000	%	3/1/2037	1,960,000	%
3/1/2028	1,405,000	%	3/1/2038	2,000,000	%
3/1/2029	1,475,000	%	3/1/2039	2,045,000	%
3/1/2030	1,555,000	%	3/1/2040	2,075,000	%
3/1/2031	1,630,000	%			

Of the principal maturities set forth in the table above, term Certificates have been created as indicated in the following table (which may include multiple term Certificates, one term Certificate or no term Certificate if none is indicated). For those years which have been combined into a "Term Certificate", 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 Certificate maturity date shall mature in such year. The Term Certificates created are as follows:

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

PREMIUM (DISCOUNT) \$ _____

TRUE INTEREST COST _____%

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

A bank cashier's check or certified check of the _____ Bank, _____, in the amount of \$530,800.00, 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 Official Notice of Sale and Bidding Instructions.

* Preliminary, subject to change. See "THE SALE - Advance Modification of Principal Amounts" and "THE SALE - Post Bid Modification of Principal Amounts" herein.

We agree to accept delivery of the Certificates utilizing the Book-Entry-Only System through DTC and make payment for the Initial Certificate in immediately available funds, not later than 10:00 AM, Central Time, on June 3, 2021, or thereafter on the date the Certificates are tendered for delivery, pursuant to the terms set forth in the Official Notice of Sale and Bidding Instructions. It will be the obligation of the Initial Purchaser of the Certificates to complete the DTC Eligibility Questionnaire.

The undersigned agrees to complete, execute, and deliver to the City, at least six business days prior to delivery of the Certificates, a certificate relating to the "issue price" of the Certificates in the form and to the effect accompanying the Official Notice of Sale and Bidding Instructions, with such changes thereto as may be acceptable or required by Norton Rose Fulbright US LLP, San Antonio, Texas, Bond Counsel to the City.

We agree to provide a completed Form 1295 to the City promptly upon notification that our bid is the winning bid, and 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.

Through submittal of this executed Official Bid Form, the undersigned verifies that, except to the extent otherwise required by applicable Federal law, it does not and will not "boycott Israel" and is not on the Texas Comptroller's list concerning "foreign terrorist organizations" prepared and maintained thereby under applicable Texas law, all as more fully provided in the Official Notice of Sale and Bidding Instructions under the heading "ADDITIONAL CONDITION OF AWARD - COMPLIANCE WITH H.B. 89 AND S.B. 252, 85TH TEXAS LEGISLATURE".

Respectfully submitted,

Name of Underwriter or Manager

Authorized Representative

Phone Number

Signature

ACCEPTANCE CLAUSE

The above and foregoing bid is hereby in all things accepted by the City of Edinburg, Texas, subject to and in accordance with the Official Notice of Sale and Bidding Instructions, this the 10th day of May, 2021.

Mayor
City of Edinburg, Texas

ATTEST:

City Secretary
City of Edinburg, Texas

§ _____
CITY OF EDINBURG, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2021

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of _____, _____, _____ (“Purchaser”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Certificates”) of City of Edinburg, Texas (the “Issuer”).

1. **Reasonably Expected Initial Offering Price.** As of the Sale Date, the reasonably expected initial offering prices of the Certificates to the Public by the Purchaser are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Certificates used by the Purchaser in formulating its bid to purchase the Certificates. Attached as Schedule B is a true and correct copy of the bid provided by the Purchaser to purchase the Certificates.

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

The bid submitted by the Purchaser constituted a firm offer to purchase the Certificates.

2. **Defined Terms.**

(a) **Maturity** means Certificates with the same credit and payment terms. Certificates with different maturity dates, or Certificates with the same maturity date but different stated interest rates, are treated as separate maturities.

(b) **Public** means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) **Sale Date** means the first day on which there is a binding contract in writing for the sale of a Maturity of the Certificates. The Sale Date of the Certificates is _____, 2021.

(d) **Underwriter** means (i) 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 Certificates to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Certificates to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Certificates to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Purchaser’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate with respect to the Certificates and with respect to compliance with the federal income tax rules affecting the Certificates, and by Norton Rose Fulbright US LLP in connection with rendering its opinion that the interest on the Certificates is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Certificates. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose.

[The remainder of this page intentionally left blank.]

By: _____

Name: _____

Title: _____

Dated: _____, 2021

SCHEDULE A

EXPECTED OFFERING PRICES

(Attached)

SCHEDULE B

COPY OF UNDERWRITER'S BID

(Attached)