

**OFFICIAL NOTICE OF SALE  
AND  
BIDDING INSTRUCTIONS**

**ON  
\$3,760,000\*  
CITY OF TALTY, TEXAS  
(Hunt County)  
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2022**

**Sealed Bids Due Tuesday, January 18, 2022 at 10:00 AM CENTRAL TIME**

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

**THE SALE**

**BONDS OFFERED FOR SALE AT COMPETITIVE BIDDING . . .** The City Council (the “Council”) of the City of Talty, Texas (the “City”) is offering for sale its \$3,760,000\* General Obligation Refunding Bonds, Series 2022 (the “Bonds”). Bidders may submit bids for the Bonds by any of the following methods:

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

**BIDS DELIVERED TO THE CITY . . .** Sealed bids, plainly marked “Bid for Bonds”, should be addressed to “James Stroman, City Administrator, City of Talty, Texas”, and delivered to the City at 9550 Helms Trail, Suite 500, Talty, TX 75126 (the “City’s Meeting Place”), prior to 10:00 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 Bonds 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 23<sup>rd</sup> 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 “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.** . . . Summary of the bids for the Bonds will be available at the City Hall, 9550 Helms Trail, Suite 500, Talty, TX 75126, at 10:00 AM, Central Time, on Tuesday, January 18, 2022.

**AWARD OF THE BONDS . . .** The Council will take action to award the Bonds (or reject all bids) at a meeting scheduled to convene at 7:00 PM, Central Time, on the date of the bid opening, and adopt an ordinance authorizing the Bonds and approving the Official Statement (the “Bond Ordinance”).

**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 Bonds, 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 Bonds will be adjusted proportionately to the adjustment in principal amount of the Bonds and in such manner as to maintain as comparable an underwriter spread as possible to the winning bid.

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\* Preliminary, subject to change. See “Advance Modification of Principal Amounts” and “Post Bid Modification of Principal Amounts” herein.

## THE BONDS

**DESCRIPTION . . .** The Bonds will be dated February 1, 2022. Interest will accrue from the date of the initial delivery (the “Delivery Date”), anticipated to be February 10, 2022, and will be due on September 15, 2022 and each March 15 and September 15 thereafter until the earlier of stated 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 in each year as follows:

### MATURITY SCHEDULE\*

Principal Amount	Maturity Date	Principal Amount	Maturity Date
\$ 55,000	9/15/2022	\$ 270,000	3/15/2030
215,000	3/15/2023	275,000	3/15/2031
225,000	3/15/2024	285,000	3/15/2032
230,000	3/15/2025	290,000	3/15/2033
240,000	3/15/2026	300,000	3/15/2034
245,000	3/15/2027	305,000	3/15/2035
255,000	3/15/2028	310,000	3/15/2036
260,000	3/15/2029		

**OPTIONAL REDEMPTION . . .** The City reserves the right, at its option, to redeem Bonds having stated maturities on and after March 15, 2032, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on March 15, 2031, or any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. Any Bonds designated as Term Bonds (defined herein) by the Initial Purchaser will also be subject to mandatory sinking fund 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 (the “Term Bonds”).

**MANDATORY SINKING FUND REDEMPTION . . .** If the successful bidder elects to alter the MATURITY SCHEDULE reflected above and convert the principal amounts of the serial Bonds into Term Bonds, such Term Bonds shall be subject to mandatory redemption the first March 15 next following the last maturity for serial Bonds, and annually thereafter on each March 15 until the stated maturity for the Term Bonds at the redemption price of par plus accrued interest to the date of redemption. The principal amounts of the Term Bonds to be redeemed on each mandatory redemption date shall be the principal amounts that would have been due and payable in the “MATURITY SCHEDULE” shown above had no designation of such maturities as Term Bonds occurred. At least forty-five (45) days prior to each mandatory 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 Official Statement.

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

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 City intends to utilize the Book-Entry-Only System of The Depository Trust Company, New York, New York (“DTC”). See “THE BONDS - Book-Entry-Only System” in the Official Statement.

**PAYING AGENT/REGISTRAR . . .** The initial Paying Agent/Registrar shall be Zions Bancorporation, National Association, dba Amegy Bank, Houston, Texas (see “THE BONDS - Paying Agent/Registrar” in the Official Statement).

**SOURCE OF PAYMENT . . .** The Bonds constitute direct obligations of the City, payable from the levy and collection of a direct and continuing annual ad valorem tax, within the limits prescribed by law, upon all taxable property located within the City, as provided in the Bond Ordinance. Further details regarding the Bonds are set forth in the Official Statement.

\* Preliminary, subject to change. See “Advance Modification of Principal Amounts” and “Post Bid Modification of Principal Amounts” herein.

## 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 not less than 101% and not more than 109% of their par value.** 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 2.50% 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 Bonds 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 Bonds 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 Bonds on the basis of semi-annual compounding, produces an amount equal to the sum of the par value of the Bonds 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.

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

In the event that the bidding process does not satisfy the Competitive Sale Requirement, Bids will not be subject to cancellation and the winning bidder (i) agrees to promptly report to the City the first prices at which at least 10% of each maturity of the Bonds (the “First Price Maturity”) have been sold to the Public on the Sale Date (the “10% Test”) (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% Test) and (ii) agrees to hold-the-offering-price of each maturity of the Bonds that does not satisfy the 10% Test (“Hold-the-Price Maturity”), as described below.

In order to provide the City with information that enables it to comply with the establishment of the issue price of the Bonds under the Internal Revenue Code of 1986, as amended, the winning bidder agrees to complete, execute, and timely deliver to the City or to the Issuer’s municipal advisor, Hilltop Securities Inc. (the “City’s Municipal Advisor”) a certification as to the Bonds’ “issue price” (the “Issue Price Certificate”) substantially in the form and to the effect attached hereto or accompanying this Notice of Sale, within five (5) business days prior to the Closing Date if the Competitive Sale Requirement is satisfied or within five (5) business days of the date on which the 10% Test is satisfied with respect to all of the First Price Maturities. In the event the winning bidder will not reoffer any maturity of the 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 City. It will be the responsibility of the winning bidder to institute such syndicate reporting requirements, to make such investigation, or otherwise to ascertain such facts necessary to enable it to make such certification with reasonable certainty. Any questions concerning such certification should be directed to Bond Counsel (identified in the Preliminary Official Statement).

For purposes of this section of this Notice of Sale:

- (i) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to the Underwriter,
- (ii) “Underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the 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) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) “Sale Date” means the date that the Bonds are awarded by the City to the winning bidder.

All actions to be taken by the City under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the

City by the City's Municipal Advisor, and any notice or report to be provided to the City may be provided to the Issuer's Municipal Advisor.

The City 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 City when the Underwriters have sold 10% of a Hold-the-Price Maturity to the Public at a price that is no higher than the initial offering price to the Public, if that occurs prior to the close of the fifth (5th) business day after the Sale Date

**ADDITIONAL CONDITION OF AWARD – DISCLOSURE OF INTERESTED PARTIES.** . . . Described hereinafter is the obligation of the City to receive information from the winning bidder if the bidder is not a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity (a "Privately Held Bidder"). Pursuant to Texas Government Code Section 2252.908 (the "Interested Party Disclosure Act"), the City may not award the Bonds to a winning bidder which is 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 Bonds 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.

Process for completing the Disclosure Form. Reference should be made to the Disclosure Form, the rules of the TEC with respect to the Disclosure Form (the "Disclosure Rules") and the Interested Party Disclosure Act. Instructional information regarding such matters are set forth at [https://www.ethics.state.tx.us/whatsnew/elf\\_info\\_form1295.htm](https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm). For purposes of completing the Disclosure Form a Privately Held Bidder will need the following information: (a) item 2 – name of governmental entity: City of Talty, Texas and (b) item 3 – the identification number assigned to this contract by the City: "2022 GO Ref Bds", and a description of the services to be provided under the contract: Purchase of Bonds. The Interested Party Disclosure Act and the Disclosure Rules require a non-publicly traded business entity contracting with the City to complete the form at the TEC Internet "portal" that may be accessed at the url set forth above, and then print, sign and deliver the Disclosure Form to the City and to the City's Municipal Advisor ([andre.avala@hilltopsecurities.com](mailto:andre.avala@hilltopsecurities.com)) and to Bond Counsel ([jgulbas@mphlegal.com](mailto:jgulbas@mphlegal.com)). The winning bidder does not need to send an original Disclosure Form, an emailed copy is sufficient. Following the award of the Bonds, the City will acknowledge receipt of the completed Disclosure Form through the TEC website, as required by the law.

**Preparations for completion, and the significance of, the reported information.** 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 Bonds 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 Bonds

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](https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm).

**VERIFICATION PURSUANT TO CHAPTER 2271 OF THE TEXAS GOVERNMENT CODE . . .** Pursuant to Chapter 2271 of the Texas Government Code, as amended, the winning bidder will be required to verify in the Official Bid Form, for purposes of such chapter, that at the time of execution and delivery of its bid and, except to the extent otherwise required by applicable federal law, to the date of delivery of the Bonds, neither the winning bidder, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the winning bidder, boycotts or will boycott Israel. The terms "boycotts Israel" and "boycott Israel" as used in this paragraph have the meanings assigned to the term "boycott Israel" in Section 808.001 of the Texas Government Code, as amended. The bidder understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with, the bidder and exists to make a profit.

**VERIFICATION PURSUANT TO CHAPTER 2274 OF THE TEXAS GOVERNMENT CODE . . .** Pursuant to Chapter 2274 of the Texas Government Code, as amended, the winning bidder will be required to verify in the Official Bid Form, for the purposes of such chapter, except to the extent otherwise required by applicable federal law, that at the time of execution and delivery of its bid and to the date of delivery of the Bonds, neither the winning bidder, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the winning bidder boycotts energy companies or will boycott energy companies. The terms "boycotts energy companies" and "boycott energy companies" as used in this paragraph have the meaning assigned to the term "boycott energy company" in Section 809.001 of the Texas Government Code, as amended.

Pursuant to Chapter 2274 of the Texas Government Code, as amended, the winning bidder will be required to verify in the Official Bid Form, for the purposes of such chapter, except to the extent otherwise required by applicable federal law, that at the time of execution and delivery of its bid and to the date of delivery of the Bonds, neither the winning bidder, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the winning bidder discriminates against a firearm entity or firearm trade association. The term "discriminates against a firearm entity or firearm trade association" as used in this paragraph has the meaning assigned to the term "discriminate against a firearm entity or firearm trade association" in Section 2274.001 of the Texas Government Code, as amended. The bidder understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with, the bidder and exists to make a profit.

**By submitting a bid, the winning bidder agrees to execute such further written documentation, at the request of the City, as may be necessary or required for the City to establish compliance with Section 2274 of the Texas Government Code, which may include the provision of a comfort letter or legal opinion as to the accuracy of such certifications executed by a high-level employee of the winning bidder, such as its general counsel or chief compliance officer.**

**VERIFICATION PURSUANT TO CHAPTERS 2252 AND 2270 OF THE TEXAS GOVERNMENT CODE . . .** The bidder, by submission of its bid, represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudanlist.pdf>, <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>,  
or  
<https://comptroller.texas.gov/purchasing/docs/ftolist.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the bidder and the bidder's parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The bidder understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with, the bidder and exists to make a profit.

**GOOD FAITH DEPOSIT . . .** A Good Faith Deposit, payable to the "City of Talty, Texas", in the amount of \$75,200.00\*, 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 Bonds.** 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 Bonds 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 Bonds has been made.

## 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 Initial Purchaser to accept delivery of and pay for the Bonds 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 Bonds 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 BONDS** . . . Initial 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 \$3,760,000\*, payable in stated installments to the Initial Purchaser or its designee, signed by the Mayor and City Secretary, 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 cancelled 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 corporate trust office of the Paying Agent/Registrar in Houston, Texas. Payment for the Bonds must be made in immediately available funds for unconditional credit to the 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 Bonds. It is anticipated that delivery of the Bonds can be made on or about February 10, 2022, and it is understood and agreed that the Initial Purchaser will accept delivery and make payment for the Bonds by 10:00 AM, Central Time, on February 10, 2022, or thereafter on the date the Bond is tendered for delivery, up to and including February 10, 2022. If for any reason the City is unable to make delivery on or before February 10, 2022, 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 Bonds, 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 Bonds 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 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 Initial Purchaser of the opinion of Bond Counsel, to the effect that the Bonds are valid and binding obligations of the City 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** . . . At the time of payment for, and Initial Delivery of the Bonds, the City will execute and deliver to the Initial Purchaser a certificate in the form described in the Official Statement.

**CHANGE IN TAX EXEMPT STATUS** . . . At any time before the Bonds are tendered for delivery, the Initial Purchaser may withdraw its bid if the interest received by private holders on Bonds 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 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 Bonds. The Financial Advisor’s fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. HilltopSecurities, in its capacity as Financial Advisor, 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.

**BLUE SKY LAWS** . . . By submission of its bid, the Initial Purchaser represents that the sale of the Bonds in states other than Texas will be made only pursuant to exemptions from registration or, where necessary, the Initial Purchaser will register the Bonds in accordance with the securities law of the states in which the Bonds 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 Bonds or obtaining an exemption from registration in any state where such action is necessary, provided, however, that the City shall not be obligated to qualify as a foreign corporation or execute a general or special consent to service of process in any such jurisdiction.

\* Preliminary, subject to change

**NOT AN OFFER TO SELL . . .** This Official 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 this 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 Bonds.

**RATING . . .** The Bonds have been rated “A1” by Moody’s Investors Services (“Moody’s”), without regard to credit enhancement.

**MUNICIPAL BOND INSURANCE . . .** In the event the Bonds are qualified for municipal bond insurance, and the Initial Purchaser desires to purchase such insurance, the cost therefore **will be paid by the Initial Purchaser**. Any fees to be paid to the rating agencies as a result of said insurance **will be paid by the Initial Purchaser**. It will be the responsibility of the Initial Purchaser to disclose the existence of such insurance, its terms and the effect thereof with respect to the reoffering of the Bonds. Any rating downgrade of the bond insurance provider after the Bid Opening shall not relieve the Initial Purchaser of its obligation to purchase the Bonds from the City as described under the heading “DELIVERY OF THE BONDS AND ACCOMPANYING DOCUMENTS”.

**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 Bonds. 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 10 copies of the Official Statement reflecting interest rates and other terms relating to the initial reoffering of the Bonds. 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.

**CONTINUING DISCLOSURE AGREEMENT . . .** The City will agree in the Bond 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 Bonds is conditioned upon delivery to the Initial Purchaser or agent of a certified copy of the Bond Ordinance containing the agreement described under such heading.

**COMPLIANCE WITH PRIOR UNDERTAKINGS . . .** The City has not previously entered into a continuing disclosure agreement pursuant to the Rule.

**ADDITIONAL COPIES OF NOTICE, BID FORM AND 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., 717 N. Harwood Street, Suite 3400, Dallas, Texas 75201, Financial Advisor to the City.

On the date of the sale, the City Council will, in the Bond Ordinance 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 Initial Purchaser.

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Mayor  
City of Talty, Texas

ATTEST:

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City Secretary  
City of Talty, Texas

January 7, 2022

**OFFICIAL BID FORM**

Honorable Mayor and City Council  
City of Talty, Texas

January 18, 2022

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 January 7, 2022 of \$3,760,000\* CITY OF TALTY, TEXAS, GENERAL OBLIGATION REFUNDING BONDS, SERIES 2022 (the "Bonds"), both of which constitute a part hereof.

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

Principal Amount	Maturity Date	Interest Rate	Principal Amount	Maturity Date	Interest Rate
\$ 55,000	9/15/2022	_____ %	\$ 270,000	3/15/2030	_____ %
215,000	3/15/2023	_____ %	275,000	3/15/2031	_____ %
225,000	3/15/2024	_____ %	285,000	3/15/2032	_____ %
230,000	3/15/2025	_____ %	290,000	3/15/2033	_____ %
240,000	3/15/2026	_____ %	300,000	3/15/2034	_____ %
245,000	3/15/2027	_____ %	305,000	3/15/2035	_____ %
255,000	3/15/2028	_____ %	310,000	3/15/2036	_____ %
260,000	3/15/2029	_____ %			

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 certificate maturity date shall mature in such year. The Term Bonds created are as follows:

Term Bond Maturity Date	Year of First Mandatory Redemption	Principal Amount of Term Bond	Interest Rate
_____	_____	\$ _____	_____ %
_____	_____	\$ _____	_____ %
_____	_____	\$ _____	_____ %
_____	_____	\$ _____	_____ %

PREMIUM (DISCOUNT) \$ \_\_\_\_\_

TRUE INTEREST COST \_\_\_\_\_ %

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

A bank cashier's check or certified check of the \_\_\_\_\_ Bank, \_\_\_\_\_, in the amount of \$75,200.00\*, 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.

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, not later than 10:00 AM, Central Time, on February 10, 2022, or thereafter on the date the Bonds 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 Bonds to complete the DTC Eligibility Questionnaire.

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



The undersigned agrees to complete, execute, and deliver to the City, 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 Official Notice of Sale and Bidding Instructions, with such changes thereto as may be acceptable to or required by the City.

The Initial Purchaser hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, does not boycott Israel and, to the extent this bid for the Bonds is a contract for goods or services, will not boycott Israel through the date of initial 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, ‘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 Initial Purchaser represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer’s internet website:

<https://comptroller.texas.gov/purchasing/docs/sudanlist.pdf>, <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>,  
or  
<https://comptroller.texas.gov/purchasing/docs/ftolist.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Initial Purchaser and the Initial Purchaser’s parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

To the extent this bid constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Initial Purchaser hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification, “boycott energy companies” shall mean, without an ordinary business purpose, 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 with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above.

To the extent this bid constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the Initial Purchaser hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of this Agreement against a firearm entity or firearm trade association. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification, ‘discriminate against a firearm entity or firearm trade association’ (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company’s refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity’s or association’s status as a firearm entity or firearm trade association. As used in the foregoing verification, ‘firearm entity’ means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (i.e., weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (i.e., devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (i.e., a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (as defined by Section 250.001, Texas Local Government Code), and ‘firearm trade association’ means a person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or

individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

**At the request of the City, the Initial Purchaser agrees to execute such further written documentation as may be necessary or required for the City to establish compliance with Section 2274 of the Texas Government Code, which may include the provision of a legal opinion or comfort letter as to the accuracy of such certifications executed by a high-level employee of the winning bidder, such as its general counsel or chief compliance officer.**

The Initial Purchaser understands “affiliate” to mean any entity that controls, is controlled by, or is under common control with, the Initial Purchaser and exists to make a profit.

The Initial Purchaser (mark one):

\_\_\_\_\_ Agrees to timely make a filing of a completed Disclosure Form with the City.

or

\_\_\_\_\_ Hereby certifies that it is exempt from the Disclosure Form filing requirements by virtue of being a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity.

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 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 or informational purposes only.

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 Talty, Texas, subject to and in accordance with the Official Notice of Sale and Bidding Instructions, this the 18th day of January, 2022.

\_\_\_\_\_  
Mayor  
City of Talty, Texas

ATTEST:

\_\_\_\_\_  
City Secretary  
City of Talty, Texas

## ISSUE PRICE CERTIFICATE

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

The undersigned, as the underwriter or the manager of the syndicate of Underwriters (“Purchaser”), with respect to the purchase at competitive sale of the General Obligation Refunding Bonds, Series 2022 issued by the City of Talty, Texas (“Issuer”) in the principal amount of \$ \_\_\_\_\_ (“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 Issue Price 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 [\_\_\_]/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.

*[Signature Page Follows]*

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 **less than 3 bids are received from underwriters**)

The undersigned, as the underwriter or the manager of the syndicate of Underwriters (“Purchaser”), with respect to the purchase at competitive sale of the General Obligation Refunding Bonds, Series 2022 issued by the City of Talty, Texas (“Issuer”) in the principal amount of \$ \_\_\_\_\_ (“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 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 Issue Price Certificate as Schedule A.

(b) On or before the first day on which there is a binding contract in writing for the sale of the Bonds (“Sale Date”), the Purchaser offered to the Public each Hold-the-Price Maturity at their respective Initial Offering Prices, as set forth in Schedule A hereto.

(c) As set forth in the Notice of Sale, the Purchaser agreed in writing to neither offer nor sell any of the Hold-the-Price Maturities to any person at any higher price than the Initial Offering Price for such Maturity until the earlier of the close of the fifth business day after the Sale Date or the date on which the Purchaser sells a Substantial Amount of a Maturity of the Bonds to the Public at no higher price than the Initial Offering Price for such Maturity.

(d) The Purchaser has [\_\_\_]/has not [\_\_\_] purchased bond insurance for the 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.

*[Signature Page Follows]*

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)*