

**NOTICE OF SALE
AND
BIDDING INSTRUCTIONS**

ON

\$18,985,000*

**CITY OF MANSFIELD, TEXAS
(Tarrant, Johnson and Ellis Counties)**

COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2017

Sealed Bids Due Monday, December 12, 2016, at 10:00 A.M., CST

**THE CERTIFICATES WILL NOT BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS"
FOR FINANCIAL INSTITUTIONS**

THE SALE

CERTIFICATES OFFERED FOR SALE AT COMPETITIVE BIDDING . . . The City of Mansfield, Texas (the "City"), is offering for sale its \$18,985,000* Combination Tax and Revenue Certificates of Obligation, Series 2017 (the "Certificates"). Bidders may submit bids for the Certificates by any of the following methods:

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

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

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

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

For purposes of both the written sealed bid process and the electronic bidding process, the time as maintained by PARITY shall constitute the official time. For information purposes only, bidders are requested to state in their electronic bids the true interest cost to the City, as described under "Basis for Award" below. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale, Bidding Instructions and the Official Bid Form.

BIDS BY TELEPHONE OR FACSIMILE . . . Bidders must submit, prior to December 12, 2016, SIGNED Official Bid Forms to Nick Bulaich, FirstSouthwest, a Division of Hilltop Securities Inc. ("FirstSouthwest"), 1201 Elm Street, Suite 3500, Dallas, Texas 75270, and submit their bid by telephone or facsimile (fax) on the date of the bid opening.

Telephone bids will be accepted by Nick Bulaich at (817) 332-9710, between 9:00 A.M. CST and 10:00 A.M. CST on December 12, 2016.

Fax bids must be received between 9:00 A.M. CST and 10:00 A.M. CST, on December 12, 2016 at (817) 336-5572, attention Nick Bulaich.

Bids by delivery shall not be allowed.

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

The City and FirstSouthwest are not responsible if such telephone or facsimile numbers are busy, thereby preventing a bid or bids from being submitted on a timely basis.

The City and FirstSouthwest are not responsible for any failure of their, the City's or the sender's fax machine, any failed delivery of a fax, any incomplete or ambiguous transmittals, or the disclosure of the bid to any persons prior to bid opening. If any portion of a faxed bid is illegible, the City and FirstSouthwest may, at their option, either call any provided reference number for clarification or reject the bid. **BIDDERS WHO FAX BIDS DO SO AT THEIR OWN RISK. ALL SUCH BIDS SHALL BE BINDING ON THE BIDDER.** The City and FirstSouthwest assume no responsibility or liability with respect to any irregularities associated with the submission of the bids.

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

PLACE AND TIME OF BID OPENING . . . The bids for the Certificates will be publicly opened and read in the office of FirstSouthwest (the “Financial Advisor”) at 10:00 A.M., CST, Monday, December 12, 2016.

AWARD OF THE CERTIFICATES . . . The City Council will take action to award the Certificates (or reject all bids) at a meeting scheduled to convene at 7:00 P.M., CST, on the date of the bid opening, and adopt an ordinance (the “Ordinance”) authorizing the Certificates and approving the official statement relating to the Certificates (the “Official Statement”) and authorizing the use of the accompanying Preliminary Official Statement in connection with the sale of the Certificates.

THE CERTIFICATES

DESCRIPTION . . . The Certificates will be dated as of December 1, 2016. Interest will accrue from the Date of Delivery and will be due on August 15, 2017, and each February 15 and August 15 thereafter until the earlier of 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 February 15 in each year as follows:

MATURITY SCHEDULE*

Maturity (Feb. 15)	Principal Amount	Maturity (Feb. 15)	Principal Amount
2018	\$ 650,000	2028	\$ 945,000
2019	665,000	2029	980,000
2020	690,000	2030	1,020,000
2021	715,000	2031	1,060,000
2022	745,000	2032	1,100,000
2023	775,000	2033	1,145,000
2024	805,000	2034	1,195,000
2025	840,000	2035	1,240,000
2026	875,000	2036	1,290,000
2027	910,000	2037	1,340,000

OPTIONAL REDEMPTION . . . The City reserves the right, at its option, to redeem Certificates having stated maturities on and after February 15, 2027, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2026, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption. If less than all of the Certificates are to be redeemed, the City may select the maturities of Certificates to be redeemed. If less than all the Certificates of any maturity are to be redeemed, the Paying Agent/Registrar (or DTC while the Certificates are in Book-Entry-Only form) shall determine by lot the Certificates, or portions thereof, within such maturity to be redeemed. If a Certificate (or any portion of the principal sum thereof) shall have been called for redemption and notice of such redemption shall have been given, such Certificate (or the principal amount thereof to be redeemed) shall become due and payable on such redemption date and interest thereon shall cease to accrue from and after the redemption date, provided funds for the payment of the redemption price and accrued interest thereon are held by the Paying Agent/Registrar on the redemption date..

ADJUSTMENT OF PRINCIPAL AMOUNTS AND/OR TYPES OF BIDS . . . Prior to 2:00 PM CST on the day before the bids are due, the City may, in its sole discretion, adjust the principal amount set forth above (the “Maturity Schedule”) and/or the type of bid required on the Certificates. FirstSouthwest, as Financial Advisor to the City, will give notice of any such adjustment by Bloomberg and Parity. Should such adjustments be made, a revised Official Bid Form will be made available through i-Deal Prospectus and PARITY. For purpose of this paragraph, the term “Maturity Schedule” shall include any adjustments to the principal amounts shown above including the total par amount so made by the City by posting a Parity and Bloomberg Wire. **Also see “Conditions of the Sale” herein.**

After final computation of the Bids, the City reserves the right to adjust the Total Par Amount and each individual maturity by up to 15% without permission of the successful bidder. Such adjustment(s), if any, shall be made within 4 hours of the award of the Certificates. **THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE REVISED AMOUNTS WITHIN THESE LIMITS.** The dollar amount bid by the successful bidder will be adjusted to reflect changes in the aggregate principal amounts of the Certificates. Such adjusted bid price will reflect changes in the dollar amount of the underwriter’s discount and the original issue discount/premium, if any, but will not change the selling compensation per \$1,000 of par amount of Certificates from the selling compensation that would have been received based on the purchase price in the winning bid and initial reoffering prices. In the event of any adjustment of the maturity schedule for the Certificates as described herein, no rebidding or recalculation of the proposals submitted will be required or permitted. Any such adjustment of the aggregate principal amount of the Certificates and/or the maturity schedules for the Certificates made by the City or its Financial Advisor shall be subsequent to the award of the Certificates to the winning bidder as determined pursuant to “CONDITIONS OF THE SALE – BASIS FOR AWARD” herein and shall not affect such determination. The successful Bidder may not withdraw its bid as a result of any changes made within the aforementioned limits.

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

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

MANDATORY SINKING FUND REDEMPTION . . . If the successful bidder elects to alter the Maturity Schedule reflected above and convert the principal amounts of the serial Certificates maturing in the years 2018 through 2037 into "Term Certificates", such "Term Certificates" shall be subject to mandatory redemption on the first February 15 next following the last maturity for serial Certificates, and annually thereafter on each February 15 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.

Approximately thirty (30) days prior to each mandatory redemption date for the Term Certificates, the Paying Agent/Registrar shall select by lot the numbers of the Term Certificates within the applicable Stated Maturity to be redeemed on the next following February 15 from moneys set aside for that purpose in the Interest and Sinking Fund (as defined in the Ordinance). Any Term Certificate not selected for prior redemption shall be paid on the date of their Stated Maturity.

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 forty-five (45) days prior to a mandatory redemption date shall have been acquired by the City at a price not exceeding the principal amount of such Term Certificates plus accrued interest to the date of purchase thereof and delivered to the Paying Agent/Registrar for cancellation.

The 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 ("DTC"). See "The Certificates – Book-Entry-Only System" in the Preliminary Official Statement.

PAYING AGENT/REGISTRAR . . . The initial Paying Agent/Registrar shall be U.S. Bank National Association, Dallas, Texas (see "The Certificates - Paying Agent/Registrar" in the Preliminary Official Statement).

SOURCE OF PAYMENT . . . The Certificates constitute direct obligations of the City, payable from (i) the levy and collection of a direct and continuing ad valorem tax, within the limits prescribed by law, on all taxable property within the City, as provided in the Certificate Ordinance and (ii) surplus revenues (not to exceed \$1,000) of the City's Waterworks and Sewer System (the "System") remaining after payment of all operation and maintenance expenses thereof, and all debt service, reserve, and other requirements in connection with any of the City's revenue bonds or other obligations (now or hereafter outstanding) which are payable from all or any part of the net revenues of the System, as provided in the Ordinance (see "The Certificates – Authority for Issuance").

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

CONDITIONS OF THE SALE

TYPE OF BIDS AND INTEREST RATES . . . The Certificates will be sold in one block on an "All or None" basis, and at a price of not less than 103.60% of par and not more than 103.75% of par from the Date of Delivery of the Certificates. Bidders are invited to name the rate(s) of interest to be borne by the Certificates, provided that each rate bid must be in a multiple of 1/8 of 1% or 1/100 of 1% and the net effective interest rate must not exceed 15%. The highest rate bid may not exceed the lowest rate bid by more than 2.5% in rate. **No coupon greater than 5% will be accepted. For maturities 2027 and after, no dollar price less than 98.50 will be accepted.** The winning bidder will be required to submit reoffering yields and dollar prices prior to award. No limitation is imposed upon bidders as to the number of rates or changes which may be used. All Bonds of one maturity must bear one and the same rate. No bids involving supplemental interest rates will be considered. In the event of a bidder's error in interest cost rate calculations the interest rates set forth in the Official Bid Form will be considered as the intended bid. Also see "ADJUSTMENT OF PRINCIPAL AMOUNTS AND/OR TYPES OF BIDS".

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 "Purchaser" or "Initial Purchaser") making a bid that conforms to the specifications herein and which produces the lowest True Interest Cost rate to the City. The True Interest Cost rate is that rate which, when used to compute the total present value as of the Date of Delivery 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 (but not interest accrued from the Dated Date to the date of their delivery). 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.

ADDITIONAL CONDITION OF AWARD — DISCLOSURE OF INTERESTED PARTY FORM

New obligation of the City to receive information from winning bidder. Effective January 1, 2016, pursuant to Texas Government Code Section 2252.908 (the "Interested Party Disclosure Act"), the City may not award the Certificates to the winning bidder unless the bidder submits a Bond of Interested Parties Form 1295 (the "Disclosure Form") to the City as prescribed by the Texas Ethics Commission ("TEC") see "Official Bid Form". In the event that the bidder's bid for the Certificates conforms to the specifications herein and which produces the lowest True Interest Cost Rate to the City, the City, acting through its financial advisor, will promptly notify the bidder. **That notification will serve as the conditional verbal acceptance of the bid, and will obligate the bidder to promptly file a completed Disclosure Form, as described below, in order to complete the award. For purposes of this obligation, "promptly filing" means the submission by the winning bidder and each syndicate member listed on the Official Bid Form of the completed, notarized Disclosure Form to the City within two (2) hours of receiving the conditional verbal response.**

Selection of Alternate Winning Bid. If the apparent winning bidder and each syndicate member listed on the Official Bid Form fail to promptly file the Disclosure Form, the City reserves the right to reject such bid and, through its financial advisor, provide conditional verbal acceptance to the bidder submitting a bid, conforming to the specifications herein, which produces the next, lowest True Interest Cost rate to the City.

Process for completing the Disclosure Form. Reference should be made to the Disclosure Form, the rules of the TEC with respect to the Disclosure Form (the "Disclosure Rules") and the Interested Party Disclosure Act. Instructional information regarding such matters are set forth at https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm. For purposes of completing the Disclosure Form the Initial Purchaser will need the following information: (a) item 2 – name of governmental entity: City of Mansfield, Texas and (b) item 3 – the identification number assigned to this contract by the City: "2016-44", 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 business entity contracting with the City to complete the form at the electronically at www.ethics.state.tx.us.

Following the electronic filing with the TEC, the winning bidder must submit an electronic copy of their completed Disclosure Form and certification of filing to the City Secretary, Jeanne Heard, at Jeanne.heard@mansfieldtexas.gov the City's Financial Advisor at nick.bulaich@hilltopsecurities.com and the City's Bond Counsel at Robert.Collins@bracewelllaw.com within 15 minutes.

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

GOOD FAITH DEPOSIT . . . A Good Faith Deposit, payable to the "City of Mansfield, Texas", in the amount of \$379,700, 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 Purchaser's compliance with the terms of the bid and this Notice of Sale and Bidding Instructions. The Good Faith Deposit may accompany the Official Bid Form or it may be submitted separately. If submitted separately, it shall be made available to the City prior to the opening of the bids, and shall be accompanied by instructions from the bank on which drawn which authorize its use as a Good Faith Deposit by the Purchaser who shall be named in such instructions. **The Good Faith Deposit of the Purchaser will be returned to the Purchaser upon payment for the Certificates.** No interest will be allowed on the Good Faith Deposit. In the event the Purchaser should fail or refuse to take up and pay for the Certificates in accordance with the bid, then the Good Faith Deposit 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 Purchaser to accept delivery of and pay for the Certificates in accordance with the terms of this Notice of Sale and Bidding Instructions and the terms of the Official Bid Form. All expenses in relation to the printing or typing of CUSIP numbers on the Certificates shall be paid by the City; provided, however, that the CUSIP Services Bureau charge for the assignment of the numbers shall be the responsibility of and shall be paid for by the City.

DELIVERY OF CERTIFICATES . . . Initial delivery of the Certificates (the "Initial Delivery") will be accomplished by the issuance of one Initial Certificate (the "Initial Certificate"), either in typed or printed form, in the aggregate principal amount of \$18,985,000* (or such other amount in the event the City elects to adjust the principal amount set forth under "MATURITY SCHEDULE" as described under "Adjustments of Principal Amounts and/or Types of Bids"), payable in stated installments to the 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 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. Initial 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 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 January 11, 2017, and it is understood and agreed that the Purchaser will accept delivery and make payment for the Certificates by 10:00 AM, CST, on January 11, 2017, or thereafter on the date the Certificates are tendered for delivery, up to and including January 25, 2017. If for any reason the City is unable to make delivery on or before January 25, 2017, the City shall immediately contact the Purchaser and offer to allow the Purchaser to extend its offer for an additional thirty days. If the Purchaser does not elect to extend its offer within six days thereafter, then its Good Faith Deposit will be returned, and both the City and the 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 Purchaser to take up and pay for the Certificates is subject to the Purchaser's receipt of (a) the legal opinion of Bracewell LLP, Bond Counsel for the City ("Bond Counsel"), (b) the City's no-litigation certificate, and (c) the City's certification as to the Official Statement, all as further described in the Official Statement.

In order to provide the City with information required to enable it to comply with certain conditions of the Internal Revenue Code of 1986 relating to the exemption of interest on the Certificates from the gross income of their owners, the Purchaser will be required to complete, execute, and deliver to the City (on or before the 6th business day prior to the delivery of the Certificates) a certification as to their "issue price" substantially in the form and to the effect attached to this Notice of Sale and Bidding Instructions. In the event the Initial Purchaser is unable to sell a substantial amount of the Certificates of any stated maturity to the public, such certificate may be modified in a manner approved by the City and Bond Counsel. **In no event will the City fail to deliver the Certificates as a result of the Purchaser's inability to sell a substantial amount of the Certificates at a particular price prior to delivery.** Each bidder, by submitting its bid, agrees to complete, execute, and deliver such a certificate at least six business days prior to the date of delivery of the Certificates, if its bid is accepted by the City. It will be the responsibility of the Purchaser to institute such syndicate reporting requirements to make such investigation, or otherwise to ascertain the facts necessary to enable it to make such certification with reasonable certainty. Any questions concerning such certification should be directed to Bond Counsel.

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

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

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

* Preliminary, subject to change.

GENERAL

FINANCIAL ADVISOR . . . FirstSouthwest, a Division of Hilltop Securities Inc. ("FirstSouthwest") 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. The Financial Advisor has performed a professional review of the Preliminary Official Statement in accordance with industry standards, and, as part of its responsibilities to the City and, as applicable, to the investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of the information. FirstSouthwest, 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 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 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 Purchaser, at the Purchaser's written request and sole expense, in registering the Certificates or obtaining an exemption from registration in any state where such action is necessary, provided, however, that the City shall not be obligated to qualify as a foreign corporation or to execute a general or special consent to service of process in any such jurisdiction.

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

ISSUANCE OF ADDITIONAL DEBT . . . The City anticipates issuing \$18,000,000 of additional general obligation debt in the Fall of 2017.

RATINGS . . . The Certificates and the presently outstanding tax supported debt of the City are rated "Aa2" by Moody's Investors Services ("Moody's"), "AA+" by Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("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 SEC Rule 15c2-12 (the "Rule"), deems such Preliminary Official Statement to be final as of its date within the meaning of the Rule for the purpose of review prior to bidding. Representations made and to be made by the City concerning the absence of material misstatements and omissions in the Preliminary Official Statement are addressed elsewhere in this Notice of Sale and Bidding Instructions and in the Preliminary Official Statement.

The City will furnish to the Purchaser, acting through a designated senior representative, in accordance with instructions received from the Purchaser, copies of the final Official Statement (which final Official Statement will contain the final interest rates and other terms relating to the initial reoffering of the Certificates) in such quantity and in the formats as the Purchaser shall request in order for the Purchaser to comply with Section (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board; provided, however, that the cost of any Official Statements in excess of 150 shall be prepared and distributed at the cost of the Purchaser. The Purchaser shall be responsible for providing in writing the initial reoffering prices and other terms, if any, to the Financial Advisor by the close of the next business day after the award. Except as noted above, the City assumes no responsibility or obligation for the distribution or delivery of any copies of the Official Statement in connection with the offering or reoffering of the Certificates.

CONTINUING DISCLOSURE AGREEMENT . . . The City has agreed in the Ordinance to provide certain periodic information and notices of certain specified events in accordance with the Rule, as described in the Preliminary Official Statement under "Continuing Disclosure of Information". The Purchaser's obligation to accept and pay for the Certificates is conditioned upon delivery to the Purchaser or its agent of a certified copy of the Ordinance containing the agreement described under such heading.

COMPLIANCE WITH PRIOR UNDERTAKINGS . . . During the previous five years, the City has substantially complied in all material respects with all continuing disclosure agreements made by it in accordance with SEC Rule 15c2-12.

ADDITIONAL COPIES OF NOTICE, BID FORM AND STATEMENT . . . A limited number of additional copies of this Notice of Sale and Bidding Instructions, the Official Bid Form and the Preliminary Official Statement, as available over and above the normal mailing, may be obtained at the offices of FirstSouthwest, a Division of Hilltop Securities Inc., 1201 Elm Street, Suite 3500, Dallas, Texas 75270, Financial Advisor to the City.

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

DAVID L. COOK
Mayor
City of Mansfield, Texas

ATTEST:

JEANNE HEARD
City Secretary

December 5, 2016

OFFICIAL BID FORM

Honorable Mayor and City Council
City of Mansfield, Texas

December 12, 2016

Members of the City Council:

Reference is made to your Preliminary Official Statement and Notice of Sale and Bidding Instructions, dated December 5, 2016 of \$18,985,000 CITY OF MANSFIELD, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2017, both of which constitute a part hereof.

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

Maturity (Feb. 15)	Principal Amount	Interest Rate	Maturity (Feb. 15)	Principal Amount	Interest Rate
2018	\$ 650,000		2028	\$ 945,000	
2019	665,000		2029	980,000	
2020	690,000		2030	1,020,000	
2021	715,000		2031	1,060,000	
2022	745,000		2032	1,100,000	
2023	775,000		2033	1,145,000	
2024	805,000		2034	1,195,000	
2025	840,000		2035	1,240,000	
2026	875,000		2036	1,290,000	
2027	910,000		2037	1,340,000	

Term Certificate Maturity Date	Year of First Mandatory Redemption	Principal Amount of Term Certificate	Interest Rate

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

TRUE INTEREST COST _____ %

The Initial Certificate 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 DTC's Book-Entry-Only System.

A bank cashier's check or certified check of the _____ Bank, _____, in the amount of \$379,700, 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 Preliminary Official Statement and Notice of Sale and Bidding Instructions.

We agree to accept delivery of the Certificates utilizing the Book-Entry-Only System through DTC and make payment for the Certificate in immediately available funds to U.S. Bank National Association, Dallas, Texas, not later than 10:00 AM, CST, on January 11, 2017, or thereafter on the date the Certificates are tendered for delivery, pursuant to the terms set forth in the Notice of Sale and Bidding Instructions. It will be the obligation of the Purchaser of the Certificates to complete the DTC Eligibility Questionnaire.

The undersigned agrees to complete, execute, and deliver to the City, at least six (6) 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 Notice of Sale and Bidding Instructions, with such changes thereto as may be acceptable to the City.

The undersigned has submitted, or upon notification that it is the apparent winning bidder will submit, in accordance with the requirements in the Notice of Sale (i) an electronic form of the Certificate of Interested Parties Form 1295 (the "Disclosure Form") through the Texas Ethics Commission's (the "TEC") electronic portal and (ii) the Disclosure Form and certification of filing that is generated by the TEC's electronic portal to the City, all as required by and in accordance with Section 2252.908 of the Texas Government Code, and the TEC's rules promulgated thereunder. The undersigned understands that the failure to provide the Disclosure Form and certification of filing will prohibit the County from accepting the enclosed bid.

The undersigned agrees to complete, execute and deliver to the City by the date of delivery of the Certificates, a certificate relating to the "issue price" of the Certificates in the form and to the effect attached to or accompanying the Official Notice of Sale, with such changes thereto as may be acceptable to the Bond Counsel for the Issuer. The undersigned also agrees to provide the City and its consultants, at least ten business days prior to the delivery of the Certificates, a breakdown of its "underwriting spread" among the following categories: Takedown, Management Fee (if any), Legal Counsel Fee (if any) and Spread Expenses (if any).

We agree to provide in writing the initial reoffering prices and other terms, if any, to the Financial Advisor by 10:00 AM, CST, or within 30 minutes of being notified on the sale date.

Respectfully submitted,

Syndicate Members:

Name of Underwriter or Manager

Authorized Representative

Phone Number

Signature

ACCEPTANCE CLAUSE

The above and foregoing bid is hereby in all things accepted by the City of Mansfield, Texas, subject to and in accordance with the Notice of Sale and Bidding Instructions, this the 12th day of December, 2016.

ATTEST:

Mayor
City of Mansfield, Texas

City Secretary
City of Mansfield, Texas

ISSUE PRICE CERTIFICATE

The undersigned hereby certifies with respect to the sale of CITY OF MANSFIELD, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2017 (the "Certificates"), issued in aggregate principal amount of \$18,985,000, as follows:

1. The undersigned is the duly authorized representative of the purchaser (the "Purchaser") of the Certificates from the City of Mansfield, Texas (the "Issuer").
2. All of the Certificates have been offered to members of the public in a bona fide initial offering. For purposes of this Issue Price Certificate, the term "public" does not include any bondhouses, brokers, dealers, and similar persons or organizations acting in the capacity of underwriters or wholesalers (including the Purchaser or members of the selling group or persons that are related to, or controlled by, or acting on behalf of or as agents for the undersigned of members of the selling group).
3. Each maturity of the Certificates was offered to the public at a price which, on the date of such offering, was reasonably expected by the Purchaser to be equal to the fair market value of such maturity.
4. Other than the obligations set forth in paragraph 5 hereof (the "Retained Maturity" or "Retained Maturities"), the first price/yield at which a substantial amount (i.e., at least ten (10) percent) of the principal amount of each maturity of the Certificates was sold to the public is set forth below.

Principal Amount Maturing	Maturity (Feb. 15)	Offering Price (%/Yield)	Principal Amount Maturing	Maturity (Feb. 15)	Offering Price (%/Yield)
\$ 650,000	2018		\$ 945,000	2028	
665,000	2019		980,000	2029	
690,000	2020		1,020,000	2030	
715,000	2021		1,060,000	2031	
745,000	2022		1,100,000	2032	
775,000	2023		1,145,000	2033	
805,000	2024		1,195,000	2034	
840,000	2025		1,240,000	2035	
875,000	2026		1,290,000	2036	
910,000	2027		1,340,000	2037	

5. In the case of the Retained Maturities, the Purchaser reasonably expected on the offering date to sell a substantial amount (i.e., at least ten (10) percent) of each Retained Maturity at the initial offering price/yield as set forth below:

Maturity	Principal Amount	Price/Yield

6. Based on the foregoing, the aggregate of such initial offering prices of all of the Certificates is \$_____ (the "Issue Price").
7. The Purchaser understands that the statements made herein will be relied upon, by the Issuer in its effort to comply with the conditions imposed by the Internal Revenue Code of 1986, and by Bond Counsel in rendering their opinion that the interest on the Certificates is excludable from gross income and its preparation of the Internal Revenue Service Form 8038-G. The Purchaser makes no representation as to the legal sufficiency of the factual matters set forth herein.
8. The term "public," as used herein, means persons other than bondhouses, brokers, dealers, and similar persons or organizations acting in the capacity of underwriters or wholesalers.
9. The initial offering prices described above reflect current market prices at the time of such sales.

EXECUTED and DELIVERED this _____ day of _____, 2016.

(Name of Underwriter or Manager)

By

(Title)