

**NOTICE OF SALE  
AND  
BIDDING INSTRUCTIONS**

**ON**

**\$5,950,000\***  
**CITY OF FATE, TEXAS**  
**(Rockwall County)**

**COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2026**

**Bids Due Monday, June 15, 2026, at 10:30 AM, CDT**

THE CERTIFICATES WILL BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS.

**THE SALE**

**CERTIFICATES OFFERED FOR SALE AT COMPETITIVE BIDDING** . . . The City of Fate, Texas (the "City") is offering for sale its \$5,950,000\* Combination Tax and Revenue Certificates of Obligation, Series 2026 (the "Certificates"). Bidders may submit bids for the Certificates by any of the following methods:

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

**BIDS DELIVERED TO THE CITY** . . . Sealed bids, plainly marked "Bid for Certificates," should be addressed and delivered to Mr. Nick Bulaich, Hilltop Securities Inc. ("HilltopSecurities" or the "City's Municipal Advisor"), 777 Main Street, Suite 1525, Fort Worth, Texas 76102, prior to 10:30 AM, CDT, on the date of the bid opening. All bids must be submitted on the Official Bid Form, without alteration or interlineations.

**ELECTRONIC BIDDING PROCEDURE** . . . Any prospective bidder that intends to submit an electronic bid must submit its electronic bid through the facilities of Ipreo LLC's PARITY SYSTEM ("PARITY"). Subscription to the Ipreo 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.

**If any provisions of this Notice of Sale and Bidding Instructions 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 BIDCOMP/PARITY Customer Support, 1359 Broadway, 2nd Floor, New York, New York 10018, (212) 849-5023.**

For purposes of the bidding process, regardless of the bidding method, 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 and Bidding Instructions and the Official Bid Form. The winning bidder shall submit a signed bid form if not previously submitted.**

**BIDS BY TELEPHONE.** . . . Bidders must submit, prior to June 15, 2026, SIGNED Official Bid Forms to Nick Bulaich, HilltopSecurities, 777 Main Street, Suite 1525, Fort Worth, Texas 76102, and submit their bid by telephone on the date of the sale.

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

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

The City and HilltopSecurities are not responsible if such telephone numbers are busy which prevents a bid or bids from being submitted on a timely basis.

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

\* Preliminary, subject to change. See "THE CERTIFICATES– Adjustment of Principal Amounts and/or Types of Bids."

**PLACE AND TIME OF BID OPENING . . .** The bids for the Certificates will be publicly opened and read at the offices of the City’s Municipal Advisor, at 10:30 AM, CDT, Monday, June 15, 2026.

**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 6:00 PM, CDT, on the date of the bid opening, and adopt an ordinance authorizing the Certificates and approving the Official Statement (the "Ordinance").

**THE CERTIFICATES**

**DESCRIPTION . . .** The Certificates will be dated as of June 15, 2026. Interest will accrue from the date of initial delivery to the Initial Purchaser (defined herein), anticipated to be July 15, 2026 (the “Date of Delivery”), and will be paid on February 15, 2027, and each August 15 and February 15 thereafter until 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 August 15 in each year as follows:

**MATURITY SCHEDULE\***

15-Aug Year	Principal Amount	15-Aug Year	Principal Amount
2027	\$ 160,000	2037	\$ 295,000
2028	190,000	2038	310,000
2029	200,000	2039	325,000
2030	210,000	2040	345,000
2031	220,000	2041	360,000
2032	235,000	2042	375,000
2033	245,000	2043	390,000
2034	255,000	2044	410,000
2035	270,000	2045	425,000
2036	285,000	2046	445,000

**OPTIONAL REDEMPTION . . .** The City reserves the right, at its option, to redeem Certificates maturing on and after August 15, 2036, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on August 15, 2035 or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see “THE CERTIFICATES - Optional Redemption” in the Preliminary Official Statement).

**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 any consecutive serial Certificates into Term Certificates, such Term Certificates shall be subject to mandatory redemption on the first August 15 next following the last maturity for serial Certificates, and annually thereafter on each August 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.

The principal amount of Term Certificates of a stated maturity 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 Certificates of the same maturity which, at least fifty (50) 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 Certificates 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 Certificates 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.

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, New York, New York (“DTC”). See “THE CERTIFICATES - Book-Entry-Only System” in the Preliminary Official Statement.

**PAYING AGENT/REGISTRAR . . .** The initial Paying Agent/Registrar shall be BOKF, NA , 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 a continuing ad valorem tax levied on all taxable property within the City as provided in the Ordinance, within the limits prescribed by law, sufficient to provide for the payment of principal of and interest on the Certificates. The Certificates are additionally secured by a lien on and limited pledge of \$1,000 of the revenues 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 all of the City’s revenue bonds or other obligations (now or hereafter outstanding) which are payable from all or part of said revenues, as provided in the Ordinance.

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

\* Preliminary, subject to change. See “THE CERTIFICATES – Adjustment of Principal Amounts and/or Types of Bids.”

## 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 not less than 102.10% and not more than 110.00% of par value. Bidders are invited to name the rate(s) of interest to be borne by the Certificates, provided that each rate bid must be in a multiple of 1/8 of 1% or 1/100 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% in rate. The maximum coupon rate allowed is 5%. **For Certificates having stated maturities on and after August 15, 2035, no reoffering yield producing a dollar price less than 97.00 for any individual maturity will be accepted. The high bidder will be required to submit reoffering yields and dollar prices prior to award.** No limitation is imposed upon bidders as to the number of rates or changes which may be used. All Certificates of one maturity must bear one and the same rate. No bids involving supplemental interest rates will be considered. Each bidder shall state in the bid the total interest cost in dollars and the effective interest rate determined thereby (calculated in the manner prescribed by Chapter 1204, Texas Government Code), which shall be considered informative only and not as a part of the bid.

**ADJUSTMENT OF PRINCIPAL AMOUNTS AND/OR TYPES OF BIDS . . .** Prior to 3:00 PM, CDT on the business 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. HilltopSecurities will give notice of any such adjustment by Parity. Should such adjustments be made, a revised Official Bid Form will be made available through i-Deal Prospectus and PARITY. For purposes of this paragraph, the term "Maturity Schedule" shall include any adjustments to the principal amounts shown above including the total par amount so made by the City by posting a Parity Wire.

After final computation of the bids, in awarding the sale to the best bidder, the City may determine in its sole discretion, that the funds necessary to carry out the purposes for which the Certificates are to be issued may be either more or less than the proceeds of the proposed sale of all of the Certificates. Upon making such determination, the City reserves the right to adjust the principal amount of the Certificates shown on the Maturity Schedule. The principal amount of any maturity of the Certificates shall only be adjusted in \$5,000 increments and shall not be increased or decreased by an amount that exceeds 30% of the preliminary principal amount of such maturity (rounded up to the next higher integral of \$5,000) without permission of the successful bidder. Such adjustment(s), if any, shall be made within 4 hours of the opening of the bids for the Certificates.

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 schedule for the Certificates made by the City or its Municipal Advisor shall be prior 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.

**BASIS FOR AWARD . . .** Subject to the City's right to reject any or all bids and to waive irregularities except for time of filing, the sale of the Certificates will be awarded to the bidder making a bid (the "Initial Purchaser" or "Purchaser") 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. In the event of a bidder's error in interest cost rate calculations, the interest rates and premium, if any, set forth in the Official Bid Form will be considered as the official bid.

**GOOD FAITH DEPOSIT . . .** A Good Faith Deposit, payable to the "City of Fate, Texas", in the amount of \$119,000, which is 2% of the proposed par value of the Certificates (the "Good Faith Deposit"), is required to accompany any bid. The Good Faith Deposit of the Purchaser will be retained uncashed by the City pending the Purchaser's compliance with the terms of its bid and this Official Notice of Sale. In the event the Purchaser should fail or refuse to take up and pay for the Certificates in accordance with its bid then said check shall be cashed and accepted by the City and shall constitute full and complete liquidated damages; however, if it is determined after the acceptance of the bid by the City that the Purchaser was found not to satisfy the requirements with respect to the "Covered Verifications" as described and defined below and as a result the Texas Attorney General will not deliver its approving opinion of the Certificates, then said check shall be cashed and accepted by the City but shall not be the sole or exclusive remedy available to the City. The Good Faith Deposit may accompany the Official Bid Form or it may be submitted separately; however, 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 it is drawn which authorizes its use as a Good Faith Deposit by the Purchaser who shall be named in such instructions.

**Provision of Texas Ethics Commission Form 1295 ("TEC Form 1295") and Certification of Filing by Bidders . . .** Pursuant to Texas Government Code 2252.908 (the "Interested Party Disclosure Act"), the City may not award the Certificates to a bidder unless (i) the bidder has provided to the City a TEC Form 1295 and a Certification of Filing as generated by the Texas Ethics Commission (the "TEC"), or (ii) certifies in the Official Bid Form that it is exempt from filing the Disclosure Form by virtue of being a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity. Pursuant to the rules prescribed by the TEC, the TEC Form 1295 must be completed online through the TEC's website at <https://www.ethics.state.tx.us/tec/1295-Infom.htm>. The TEC Form 1295 must then be printed, signed and provided electronically to the City (Attn: Vickey Raduechel, City Secretary, [vraduechel@cityoffate.com](mailto:vraduechel@cityoffate.com)) the City's Municipal Advisor (Attn: Nick Bulaich, [nick.bulaich@hilltopsecurities.com](mailto:nick.bulaich@hilltopsecurities.com)) and Bond Counsel (Attn: Chris Settle, [csettle@mphlegal.com](mailto:csettle@mphlegal.com)) along with Certification of Filing generated by the TEC. In the event that the bidder's bid for the Certificates is the best bid received, the City, acting through its Municipal Advisor, will promptly notify the bidder. That notification will serve as the conditional verbal acceptance of the bid, and will obligate the bidder to file promptly a completed TEC Form 1295 or certify that it is exempt as described above, in order to complete the award. **The TEC Form 1295 or certification of exemption must be received by the City prior to the formal acceptance of the winning bid.** Following the award of the Certificates, the City will acknowledge receipt of the completed TEC Form 1295 through the TEC website, as required by law.

The City reserves the right to reject any bid that does not comply with the requirements prescribed herein. For purposes of completing the TEC Form 1295, box two is "City of Fate, Texas" and for box 3 the identification number assigned to this contract by the City: "Fate CO Series 2026", and a description of the services to be provided under the contract: "Purchase of Certificates of Certificates". Neither the City nor its consultants have the ability to verify the information included in a TEC Form 1295, and none of them have an obligation nor undertake responsibility for advising any bidder with respect to the proper completion of the TEC Form 1295. The Interested Party Disclosure Act provides that such disclosure is made "under oath and under penalty of perjury". Consequently, an entity intending to bid on the Certificates should consult its own advisors to the extent it deems necessary and be prepared to submit the completed form (unless the entity has certified that it is exempt) promptly upon notification from the City that its bid is the apparent winning bid.

**VERIFICATION OF STATUTORY REPRESENTATIONS AND COVENANTS:** The City will not award the Certificates to a bidder unless the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as amended (the "Government Code"), are included in the bid. As used in such verifications, "affiliate means an entity that controls, is controlled by, or is under common control with the bidder within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of the Official Bid Form or Official Notice of Sale, notwithstanding anything in the Official Bid Form or Official Notice of Sale to the contrary.

- (i) **NO BOYCOTT OF ISRAEL (TEXAS GOVERNMENT CODE CHAPTER 2271):** A bidder must verify that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this agreement. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.
- (ii) **NOT A SANCTIONED COMPANY (TEXAS GOVERNMENT CODE CHAPTER 2252):** A bidder must represent 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, Government Code. The foregoing representation excludes a bidder and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.
- (iii) **NO DISCRIMINATION AGAINST FIREARM ENTITIES OR FIREARM TRADE ASSOCIATIONS (TEXAS GOVERNMENT CODE CHAPTER 2274):** A bidder must verify 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 against a firearm entity or firearm trade association. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.
- (iv) **NO BOYCOTT OF ENERGY COMPANIES (TEXAS GOVERNMENT CODE CHAPTER 2276):** A bidder must verify 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. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code

**FURTHER STATE LAW COMPLIANCE AND STANDING LETTER REQUIREMENT...** Each prospective bidder must have a standing letter on file with the Municipal Advisory Council of Texas and the Texas Attorney General's Office as required by the All Bond Counsel Letter of the Texas Attorney General dated November 1, 2023 and any subsequent letters addressing similar matters (the "All Bond Counsel Letter"). In submitting a bid, a bidder represents to the City that it has filed a standing letter that conforms to the requirements set forth in the All Bond Counsel Letter and it has no reason to believe that the City may not be entitled to rely on the standing letter on file with the Municipal Advisory Council of Texas and the Texas Attorney General's Office. The winning bidder agrees that it will not rescind its standing letter at any time before the delivery of the Certificates unless same is immediately replaced with a standing letter meeting the requirements of the All Bond Counsel Letter.

The City will not accept a bid from a bidder that does not have such standing letter on file as of the deadline for bids for the Certificates. If requested by the City, the Initial Purchaser agrees to provide such further representations, certifications or assurances in connection with the Covered Verifications, as of the Delivery Date or such other date requested by the City including, but not limited to, a bring down certification as provided by the All Bond Counsel Letter.

**THE CITY RESERVES THE RIGHT, IN ITS SOLE DISCRETION, TO REJECT THE BID OF ANY BIDDER WHO IS, OR WHOSE PARENT COMPANY, SUBSIDIARIES OR AFFILIATES IS, ON A LIST MAINTAINED BY THE TEXAS COMPTROLLER OF FINANCIAL COMPANIES BOYCOTTING ENERGY COMPANIES OR DISCRIMINATING AGAINST FIREARM ENTITIES.**

**BY SUBMITTING A BID, EACH BIDDER AGREES, SHOULD IT BE THE WINNING BIDDER, TO COOPERATE WITH THE CITY AND TAKE ANY ACTION NECESSARY TO FURTHER VERIFY AND CONFIRM COMPLIANCE WITH STATE LAW.**

To the extent the Initial Purchaser and each syndicate member listed on the Official Bid Form is unable to provide a Standing Letter in a form satisfactory to the Texas Office of the Attorney General, the City reserves the right to cash and accept the Good Faith Deposit (see “CONDITIONS OF THE SALE - Good Faith Deposit”). THE LIABILITY OF THE BIDDER FOR BREACH OF ANY OF THE VERIFICATIONS MADE IN CONNECTION WITH CHAPTERS 2252, 2271, 2274, AND 2276, TEXAS GOVERNMENT CODE, AS AMENDED (COLLECTIVELY, THE “COVERED VERIFICATIONS”) SHALL SURVIVE UNTIL BARRED BY THE STATUTE OF LIMITATIONS, AND SHALL NOT BE LIQUIDATED OR OTHERWISE LIMITED BY ANY PROVISION OF THIS NOTICE OF SALE AND BIDDING INSTRUCTIONS OR THE OFFICIAL BID FORM. ADDITIONALLY, THE CITY RESERVES AND RETAINS ALL RIGHTS AND REMEDIES AT LAW AND IN EQUITY FOR PURSUIT AND RECOVERY OF DAMAGES, IF ANY, RELATING TO THE COVERED VERIFICATIONS.

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

#### **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 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 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.

**DELIVERY OF CERTIFICATES . . .** 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 \$5,950,000\*, payable for each maturity of the Certificates to the Initial Purchaser or its designee, signed by the Mayor and City Secretary, approved by the Attorney General of the State of Texas, and registered and signed by the Comptroller of Public Accounts of the State of Texas in the manner prescribed by law. Upon delivery of the Initial Certificate, the Initial Certificate shall be immediately cancelled and one definitive Certificate for each maturity will be registered and delivered only to Cede & Co., and deposited with DTC in connection with DTC’s Book-Entry-Only System. Delivery will be at the office of the Paying Agent/Registrar in Dallas, Texas. Payment for the Certificates must be made in immediately available funds for unconditional credit to the City, or as otherwise directed by the City. The Initial Purchaser will be given six business days’ notice of the time fixed for delivery of the Certificates. It is anticipated that delivery of the Certificates can be made on or about July 15, 2026, and it is understood and agreed that the Initial Purchaser will accept delivery and make payment for the Certificates by 10:00 AM, CDT, on July 15, 2026, or thereafter on the date the Certificates are tendered for delivery, up to and including July 29, 2026. If for any reason the City is unable to make delivery on or before July 29, 2026, the City shall immediately contact the Initial Purchaser and offer to allow the Initial Purchaser to extend its offer for an additional thirty (30) days. If the Initial Purchaser does not elect to extend its offer within six days thereafter, then its Good Faith Deposit will be returned, and both the City and the Initial Purchaser shall be relieved of any further obligation. In no event shall the City be liable for any damages by reason of its failure to deliver the Certificates, provided such failure is due to circumstances beyond the City’s reasonable control.

**CONDITIONS TO DELIVERY . . .** The obligation of the Initial Purchaser to take up and pay for the Certificates is subject to the Initial Purchaser’s receipt of (a) the legal opinion of McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel for the City (“Bond Counsel”) and (b) the City’s certification as to the Official Statement and no litigation, all as further described in the Official Statement. Bond Counsel may not deliver its approving opinion of the Certificates without the prior receipt of the approving opinion of the Texas Attorney General, as described on the cover of the Preliminary Official Statement under “LEGALITY”.

In order to provide the City and its consultants with information required to be submitted to the Texas Bond Review Board pursuant to Section 1202.008, Texas Government Code, as amended, the Initial Purchaser will be required to provide the City (on or before the 10th day prior to delivery of the Certificates) with 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).

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

**ESTABLISHING THE ISSUE PRICE FOR THE CERTIFICATES . . .** 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 Certificates), which require, among other things, that the City receives bids from **at least three underwriters** of municipal Certificates who have established industry reputations for underwriting new issuances of municipal Certificates (**the “Competitive Sale Requirement”**).

In the event that the bidding process does not satisfy the Competitive Sale Requirement as communicated by the City’s Municipal Advisor to the winning bidder by 2 p.m., 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 Certificates (**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 Certificates 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 Certificates under the Internal Revenue Code of 1986, as amended, the winning bidder agrees to complete, execute, and timely deliver to McCall, Parkhurst & Horton L.L.P., the City's Bond Counsel ("Bond Counsel"), a certification as to the Certificates' "issue price" (the "Issue Price Certificate") substantially in the form and to the effect attached hereto or accompanying this Notice of Sale, within 5 business days prior to the Date of Delivery if the Competitive Sale Requirement is satisfied or within 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 Certificates for sale to the Public (as defined herein) by the Date of Delivery, the Issue Price Certificate may be modified in a manner approved by the City and Bond Counsel. 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 Certificates to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Certificates to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Certificates to the Public),

(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 Certificates 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 Certificates may be taken on behalf of the City by the City's Municipal Advisor municipal advisor, Hilltop Securities Inc. (the "City's Municipal Advisor") and any notice or report to be provided to the City may be provided to the City'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 Certificates, 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 Certificates to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to report the prices at which it sells to the Public the unsold Certificates of each maturity allotted to it until it is notified by the winning bidder that either the 10% Test has been satisfied as to the Certificates of that maturity or all Certificates of that maturity have been sold to the Public, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Certificates to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Certificates to the Public to require each broker-dealer that is a party to such third-party distribution agreement to report the prices at which it sells to the Public the unsold Certificates of each maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the 10% Test has been satisfied as to the Certificates of that maturity or all Certificates of that maturity have been sold to the Public, if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wire.

By submitting a bid, the winning bidder agrees, on behalf of each Underwriter participating in the purchase of the Certificates, 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.

**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 Initial Purchaser of the opinion of Bond Counsel, to the effect that the Certificates are valid and binding obligations of the City and that the interest on the Certificates will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under "TAX MATTERS", including the alternative minimum tax on certain corporations.

**CERTIFICATION OF THE OFFICIAL STATEMENT AND NO LITIGATION . . .** At the time of payment for and Initial Delivery of the Certificates, the City will execute and deliver to the Initial Purchaser a Bond in the form set forth in the Preliminary Official Statement.

**CHANGE IN TAX EXEMPT STATUS . . .** At any time before the Certificates are tendered for delivery, the Initial Purchaser may withdraw its bid if the interest received by private holders on obligations of the same type and character 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.

## **GENERAL**

**MUNICIPAL ADVISOR . . .** Hilltop Securities Inc. is employed as Municipal Advisor to the City in connection with the issuance of the Certificates. The Municipal Advisor's fee for services rendered with respect to the sale of the Certificates is contingent upon the issuance and delivery of the Certificates. Hilltop Securities Inc. has agreed, in its Municipal Advisory contract, not to bid for the Certificates, either independently or as a member of a syndicate organized to submit a bid for the Certificates. Hilltop Securities Inc., in its capacity as Municipal Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Certificates, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

**BLUE SKY LAWS . . .** By submission of its bid, the Initial Purchaser represents that the sale of the Certificates in states other than Texas will be made only pursuant to exemptions from registration or, where necessary, the Initial Purchaser will register the Certificates in accordance with the securities law of the states in which the Certificates are offered or sold. The City agrees to cooperate with the Initial Purchaser, at the Initial Purchaser's written request and 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 does not anticipate the issuance of additional general obligation debt within the next 12 months.

**RATINGS . . .** The Certificates and the presently outstanding tax supported debt of the City are rated "AA" by S&P Global Ratings, a division of S&P Global Inc. ("S&P"), without regard to credit enhancement (see "OTHER INFORMATION - Ratings" in the Official Statement).

**THE PRELIMINARY OFFICIAL STATEMENT AND COMPLIANCE WITH SEC RULE 15c2-12 . . .** The City has prepared, or caused to be 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. To the best knowledge and belief of the City, the Preliminary Official Statement contains information, including financial information or operating data, concerning every entity, enterprise, fund, account, or person that is material to an evaluation of the offering of the Certificates. Representations made and to be made by the City concerning the absence of material misstatements and omissions in the Preliminary Official Statement are addressed elsewhere in this 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, copies of the final Official Statement in such quantity and in the formats as the Initial Purchaser shall request in order for the Initial 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 100 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 Municipal 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 last five years, the City believes it has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

**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, are available over and above the normal mailing, may be obtained at the offices of Hilltop Securities Inc., 777 Main Street, Suite 1525, Fort Worth, Texas 76102, Municipal Advisor to the City.

On the date of the sale, the City will, in the Ordinance authorizing the issuance of the Certificates, 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 Certificates by the Initial Purchaser.

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Mayor  
City of Fate, Texas

ATTEST:

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City Secretary

**OFFICIAL BID FORM**

Honorable Mayor and City Council  
City of Fate, Texas

June 15, 2026

Honorable Mayor and Members of the City Council:

Reference is made to your Preliminary Official Statement and Notice of Sale and Bidding Instructions, dated June 3, 2026 with respect to the \$5,950,000\* CITY OF FATE, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2026 (the "Certificates"), 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 par plus a net cash premium of \$ \_\_\_\_\_, for Certificates maturing and bearing interest as follows:

<u>15-Aug Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>15-Aug Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2027	\$ 160,000	_____	2037	\$ 295,000	_____
2028	190,000	_____	2038	310,000	_____
2029	200,000	_____	2039	325,000	_____
2030	210,000	_____	2040	345,000	_____
2031	220,000	_____	2041	360,000	_____
2032	235,000	_____	2042	375,000	_____
2033	245,000	_____	2043	390,000	_____
2034	255,000	_____	2044	410,000	_____
2035	270,000	_____	2045	425,000	_____
2036	285,000	_____	2046	445,000	_____

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

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

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

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

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

A bank cashier's check or certified check of \_\_\_\_\_ in the amount of \$119,000, which represents our Good Faith Deposit 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 Initial Bond in immediately available funds to BOKF, NA, not later than 10:00 AM, CDT, on July 15, 2026, 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.

In accordance with Texas Government Code Section 2252.908 (the "Interested Party Disclosure Act"), the City may not award the Certificates to a bidder unless the winning bidder either: (i) submits a Bond of Interested Parties Form 1295 (the "Disclosure Form") to the City as prescribed by the Texas Ethics Commission ("TEC"), or (ii) certifies below that it is exempt from filing the Disclosure Form by virtue of being a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity.

\*Preliminary, subject to change. See "THE CERTIFICATES – Adjustment of Principal Amounts and/or Types of Bids".

Unless the bidder certifies that it is exempt from filing a Disclosure Form with the City, upon notification of conditional verbal acceptance, the undersigned will complete an electronic Disclosure Form through the TEC electronic portal and the resulting certified Disclosure Form that is generated by the TEC's electronic portal will be printed, signed and sent by email to the City's Municipal Advisor as set forth in the Notice of Sale and Bidding Instructions. The undersigned understands that the failure to provide the certified Disclosure Form will prohibit the City from providing final written award of the enclosed bid. The Purchaser (mark one):

(i) Agrees to timely make a filing of a completed Disclosure Form with the City

Or

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

### Covered Verifications

As used in the following verifications, "affiliate means an entity that controls, is controlled by, or is under common control with the bidder within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of the bid or Notice of Sale, notwithstanding anything in the bid or Notice of Sale to the contrary.

- (i) No Boycott of Israel Verification (Texas Government Code Chapter 2271). The Purchaser hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this agreement. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.
- (ii) Not a Sanctioned Company (Texas Government Code Chapter 2252). The 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, Government Code. The foregoing representation excludes a bidder and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.
- (iii) No Boycott of Energy Companies (Texas Government Code Chapter 2276). The 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. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.
- (iv) No Discrimination Against Firearm Entities or Firearm Trade Associations (Texas Government Code Chapter 2274). The 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 against a firearm entity or firearm trade association. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Government Code.

By submitting this bid, the Purchaser understands and agrees that if Purchaser should fail or refuse to take up and pay for the Certificates in accordance with this bid, or it is determined that after the acceptance of this bid by the City that the Purchaser was found not to satisfy the requirements described in the Official Notice of Sale and Bidding Instructions under the heading "CONDITIONS OF THE SALE" and as a result the Texas Attorney General will not deliver its approving opinion of the Certificates, then the check submitted herewith as the Purchaser's Good Faith Deposit shall be cashed and accepted by the City. IF THE CITY CASHES THE PURCHASER'S GOOD FAITH DEPOSIT AS DESCRIBED ABOVE, SUCH ACTION DOES NOT CONSTITUTE COMPLETE OR LIQUIDATED DAMAGES RELATED TO THE PURCHASER'S BREACH OF ANY OF THE COVERED VERIFICATIONS.

By submitting this bid, the Purchaser understands and agrees that the liability of the Purchaser for breach of any of the verifications made in connection with Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as amended and as described above (collectively, the "Covered Verifications") shall survive until barred by the statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Official Bid Form or the Official Notice of Sale. Additionally, the Purchaser acknowledges and agrees that the City reserves and retains all rights and remedies at law and in equity for pursuit and recovery of damages, if any, relating to the Covered Verifications.

Further State Law Compliance and Standing Letter Requirement. By submitting this bid, the Purchaser understands and agrees that it and each syndicate member listed in this Official Bid Form must have a standing letter on file with the Municipal Advisory Council of Texas and the Texas Attorney General's Office in the form included as Exhibit A to the All Bond Counsel Letter of the Texas Attorney General dated November 1, 2023 and any subsequent letters addressing similar matters thereto (collectively, the "All Bond Counsel Letter"). In submitting this bid, the Purchaser represents to the City that it and each syndicate member listed in this Official Bid Form has filed a standing letter in the form required by the All Bond Counsel Letter without qualification and including current

statutory citations and it has no reason to believe that the City may not be entitled to rely on the standing letters on file with the Municipal Advisory Council of Texas and the Texas Attorney General's Office. The Purchaser hereby further agrees that it and each syndicate member listed in this Official Bid Form will not rescind its standing letter at any time before the delivery of the Certificates unless same is immediately replaced with a standing letter meeting the requirements of the All Bond Counsel Letter.

The Purchaser agrees that it and each syndicate member listed in this Official Bid Form will provide such further representations, certifications or assurances in connection with the Covered Verifications, as of the Delivery Date or such other date requested by the City including, but not limited to, a bring down certification as provided by the All Bond Counsel Letter.

The Purchaser acknowledges that the City, in its sole discretion, has reserved the right to reject the bid of any bidder who is, or whose parent company, subsidiaries or affiliates are, on a list maintained by the Texas Comptroller of financial companies boycotting energy companies or discriminating against firearm entities.

The Purchaser understands and agrees that to the extent the Purchaser and each syndicate member listed on the Official Bid Form is unable to provide a Standing Letter in a form satisfactory to the Texas Office of the Attorney General, the City reserves the right to cash and accept the Good Faith Deposit (see "CONDITIONS OF THE SALE - Good Faith Deposit" in the Notice of Sale and Bidding Instructions).

NOTWITHSTANDING ANYTHING CONTAINED HEREIN, THE REPRESENTATIONS AND COVENANTS CONTAINED IN THIS OFFICIAL BID FORM SHALL SURVIVE TERMINATION OF THE AGREEMENT OF THE PURCHASER TO PURCHASE THE CERTIFICATES UNTIL THE STATUTE OF LIMITATIONS HAS RUN.

The undersigned agrees to complete, execute, and deliver to the City, at least six business days prior to delivery of the Certificates, a Bond 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 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 Municipal Advisor by the close of the next business day after the award.**

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 Fate, Texas, subject to and in accordance with the Notice of Sale and Bidding Instructions, this the 15<sup>th</sup> day of June 2026.

ATTEST:

\_\_\_\_\_  
Mayor  
City of Fate, Texas

\_\_\_\_\_  
City Secretary

**ISSUE PRICE CERTIFICATE**

(Sales where 3 bids are received)

The undersigned, as the underwriter or the manager of the syndicate of underwriters ("Purchaser"), with respect to the purchase at competitive sale of the Combination Tax and Revenue Certificates of Obligation, Series 2026 issued by the City of Fate, Texas ("Issuer") in the principal amount of \$5,950,000\* ("Certificates"), 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 Certificates by the Purchaser, the Purchaser's reasonably expected initial offering prices of each maturity of the Certificates 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 Certificates, as attached to this Bond as Schedule A. The Expected Offering Prices are the prices for the Certificates used by the Purchaser in formulating its bid to purchase the Certificates.
- (b) The Purchaser had an equal opportunity to bid to purchase the Certificates 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 Certificates.
- (d) The Purchaser has not purchased bond insurance for the Certificates.

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 Certificates 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 third-party distribution agreement participating in the initial sale of the Certificates to the Public) to participate in the initial sale of the Certificates to the Public, and (2) any person who has more than 50% common ownership, directly or indirectly, with a person described in clause (1) of this paragraph.

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Federal Tax Bond and with respect to compliance with the federal income tax rules affecting the Certificates, and by McCall, Parkhurst & Horton L.L.P. in connection with rendering its opinion that the interest on the Certificates is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Certificates. 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: \_\_\_\_\_

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

SCHEDULE A

PRICING WIRE OR EQUIVALENT COMMUNICATION

*(Attached)*

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

The undersigned, as the underwriter or the manager of the syndicate of underwriters ("Purchaser"), with respect to the purchase at competitive sale of the Combination Tax and Revenue Certificates of Obligation, Series 2026 issued by the City of Fate, Texas ("Issuer") in the principal amount of \$5,950,000\* ("Certificates"), hereby certifies and represents, based on its records and information, as follows:

- (a) Other than the Certificates 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 Certificates having the same credit and payment terms ("Maturity") was sold on the date of sale of the Certificates (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 Certificates that is attached to this Bond as Schedule A.
- (b) On or before the first day on which there is a binding contract in writing for the sale of the Certificates ("Sale Date"), the Purchaser offered to the Public each Maturity of the Hold-the-Price Maturities at their respective Initial Offering Prices, as set forth in Schedule A hereto.
- (c) As set forth in the Notice of Sale, the Purchaser agreed in writing to neither offer nor sell any of the Hold-the-Price Maturities to any person at any higher price than the Initial Offering Price for such Hold-the-Price Maturity until the earlier of the close of the fifth business day after the Sale Date or the date on which the Purchaser sells a Substantial Amount of a Hold-the-Price Maturity of the Certificates to the Public at no higher price than the Initial Offering Price for such Hold-the-Price Maturity.
- (d) The Purchaser has or [has not] purchased bond insurance for the Certificates. 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 Certificates. 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 Certificates, 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 Certificates 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 Certificates 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 third-party distribution agreement participating in the initial sale of the Certificates to the Public) to participate in the initial sale of the Certificates to the Public, and (2) any person who has more than 50% common ownership, directly or indirectly, with a person described in clause (1) of this paragraph.

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Federal Tax Bond and with respect to compliance with the federal income tax rules affecting the Certificates, and by McCall, Parkhurst & Horton L.L.P. in connection with rendering its opinion that the interest on the Certificates is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Certificates. 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: \_\_\_\_\_

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

SCHEDULE A

PRICING WIRE OR EQUIVALENT COMMUNICATION

*(Attached)*