NOTICE OF SALE
AND
BIDDING INSTRUCTIONS

ON

$12,325,000*
SMILEY ROAD WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1
(Denton County, Texas)
UNLIMITED TAX UTILITY BONDS, SERIES 2026

Sealed Bids Due Wednesday, November 18, 2026, at 9:30 AM, Central Time

THE SALE

BONDS OFFERED FOR SALE AT COMPETITIVE BIDDING . . . The Smiley Road Water Control and Improvement District No. 1 (the "District") is offering for sale its $12,325,000* Unlimited Tax Utility Bonds, Series 2026 (the "Bonds"). Bidders may submit bids for the Bonds only by the electronic bidding procedures set forth below.

ADDRESS OF BIDS . . . Sealed bids, plainly marked "Bid for Bonds", should be addressed to "President and Board of Directors, Smiley Road Water Control and Improvement District No. 1", and delivered to the Financial Advisor, Specialized Public Finance Inc., 4925 Greenville Avenue, Suite 1350, Dallas, Texas 75206, prior to 9:30 AM, Central Time, on the date of the bid opening. All bids must be submitted on the Official Bid Form, without alteration or interlineation.

ELECTRONIC BIDDING PROCEDURE . . . Any prospective bidder that intends to submit an electronic bid must submit its electronic bid through the facilities of PARITY. Bidders must submit their electronic bids by 9:30 a.m. Central Time on the sale date, November 18, 2026. In the event of a malfunction in the electronic bidding process, the sale may be rescheduled at the District's discretion. Subscription to the i-Deal LLC's BIDCOMP Competitive Bidding System is required in order to submit an electronic bid. The District will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe. Each prospective purchaser is solely responsible for making necessary arrangements to access PARITY for purposes of submitting its proposal in a timely manner and in compliance with this Notice of Sale. **Bidders submitting an electronic bid shall not be required to submit Official Bid Forms prior to award, but shall be required to submit a signed bid form after pricing of the Bonds.**

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

If any provisions of 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. For further information about PARITY, potential purchasers may contact PARITY at (212) 849-5021.

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 informational purposes only, bidders are requested to state in their electronic bids the net interest cost to the District, as described under "Basis of Award" below. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale and the Official Bid Form. The winning bidder shall submit a signed bid form if not previously submitted.

Bids by delivery or facsimile shall not be allowed.

Specialized Public Finance Inc. will not be responsible for submitting any bids received after the above deadlines.

PLACE AND TIME OF BID OPENING . . . The bids for the Bonds will be publicly opened and read in the office of the Financial Advisor at 9:30 AM, Central Time, Wednesday, November 18, 2026.

AWARD OF THE BONDS . . . The Board of Directors will take action to award the Bonds (or reject all bids) at a meeting scheduled to convene at 12:00 PM, Central Time, on the date of the bid opening, and adopt a resolution authorizing the Bonds and approving the Official Statement (the "Resolution").

Preliminary, subject to change (see "CONDITIONS OF THE SALE – Post Bid Modification of Principal Amounts").

THE BONDS

DESCRIPTION . . . The Bonds will be dated November 15, 2026. Interest will accrue from the date of initial delivery of the Bonds, anticipated to be on December 15, 2026 (the "Closing Date"), and will be due on August 15, 2027, and each February 15 and September 15 thereafter until the earlier of maturity or prior redemption. The Bonds will be issued only in fully registered form in any integral multiple of $5,000 for any one maturity. The Bonds will mature on August 15 in each year as follows:

MATURITY SCHEDULE*

Year	Principal Amount	Year	Principal Amount
2027	$ 385,000	2042	$ 365,000
2028	160,000	2043	390,000
2029	170,000	2044	410,000
2030	185,000	2045	435,000
2031	195,000	2046	465,000
2032	205,000	2047	490,000
2033	215,000	2048	520,000
2034	230,000	2049	550,000
2035	245,000	2050	585,000
2036	260,000	2051	620,000
2037	275,000	2052	655,000
2038	290,000	2053	695,000
2039	310,000	2054	740,000
2040	325,000	2055	780,000
2041	345,000	2056	830,000

* Preliminary, subject to change (see "CONDITIONS OF THE SALE – Post Bid Modification of Principal Amounts").

OPTIONAL REDEMPTION . . . The Bonds are subject to redemption prior to maturity at the option of the District, as a whole or from time to time in part, on August 15, 2032, or any date thereafter at a price equal to the principal amount thereof, plus accrued interest to the date fixed for redemption.

SERIAL BONDS AND/OR TERM BONDS . . . Bidders may provide that all of the Bonds be issued as serial bonds or may provide that any two or more consecutive annual principal amounts be combined into one or more term bonds. See "CONDITIONS OF THE SALE – Type of Bids and Interest Rates" below.

MANDATORY SINKING FUND REDEMPTION . . . If the successful bidder elects to alter the Maturity Schedule reflected above and convert the principal amounts of the Serial Bonds into "Term Bonds", such "Term Bonds" shall be subject to mandatory redemption on the first August 15 next following the last maturity for Serial Bonds, and annually thereafter on each August 15 until the stated maturity for the Term Bonds at the redemption price of par plus accrued interest to the date of redemption. The principal amounts of the Term Bonds to be redeemed on each mandatory redemption date shall be the principal amounts that would have been due and payable in the Maturity Schedule shown above had no designation of such maturities as Term Bonds occurred. At least thirty (30) days prior to each mandatory date, the Paying Agent/Registrar shall select by lot the Term Bonds to be redeemed and cause a notice of redemption to be given in the manner provided in the Official Statement.

The principal amount of the Bonds required to be redeemed pursuant to the operation of such mandatory sinking fund shall be reduced by the principal amount of any Bonds which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been purchased by the Issuer and delivered to the Paying Agent/Registrar for cancellation or (ii) redeemed pursuant to the optional redemption provision described below and not theretofore credited against a mandatory sinking fund requirement.

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

PAYING AGENT/REGISTRAR . . . The initial Paying Agent/Registrar shall be BOKF, NA, Dallas, Texas (see "THE BONDS - Paying Agent/Registrar" in the Official Statement).

SOURCE OF PAYMENT . . . Principal of and interest on the Bonds are payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District. The Bonds are obligations solely of the District and are not obligations of the State of Texas; Denton County, Texas; the City of Celina, Texas; or any entity other than the District (see "THE BONDS – Source of Payment" in the Official Statement).

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

CONDITIONS OF THE SALE

TYPE OF BIDS AND INTEREST RATES . . . The Bonds will be sold in one block on an "all or none" basis at a price of not less than ninety-seven percent (97%) of the par value and not more than 100% of their par value. Bidders are invited to name the rate(s) of interest to be borne by the Bonds, provided that each rate bid must be in a multiple of 1/8 of 1% or 1/100 of 1% and the net interest cost rate must not exceed 15% pursuant to Texas Government Code Section 1204.006. The highest rate bid may not exceed the lowest rate bid by more than 2.5% in rate. For Bonds having stated maturities on and after August 15, 2032, no reoffering yield producing a dollar price less than 97.5% for any individual maturities 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 Bonds of one maturity must bear one and the same rate. No bids involving supplemental interest rates will be considered.

BASIS OF AWARD . . . Subject to the District's right to reject any or all bids and to waive any irregularities except time of filing, the sale of the Bonds will be awarded to the bidder or syndicate account manager whose name first appears on the Official Bid Form (the "Purchaser" or "Initial Purchaser") making a bid that conforms to the specifications herein and which produces the lowest Net Interest Cost rate to the District. The Net Interest Cost rate is that rate which, when used to compute the total present value as of the Closing Date of all debt service payments on the Bonds on the basis of semi-annual compounding, produces an amount equal to the sum of the par value of the Bonds. 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.

ADVANCE MODIFICATION OF PRINCIPAL AMOUNTS . . . The Maturity Schedule for the Bonds set forth above represents an estimate of the principal amount of Bonds to be sold. The District hereby reserves the right to change the Maturity Schedule, based on market conditions prior to the sale. In the event that the District elects to change the Maturity Schedule prior to the sale it will provide notice to potential bidders through PARITY. Such notice shall be considered an amendment to this Notice of Sale and Bidding Instructions.

POST BID MODIFICATION OF PRINCIPAL AMOUNTS . . . After final computation of the bids, in awarding the sale to the best bidder, the District may determine in its sole discretion, that the funds necessary to carry out the purposes for which the Bonds are to be issued may be either more or less than the proceeds of the proposed sale of all of the Bonds. Upon making such determination, the District reserves the right to adjust the principal amount of the Bonds shown on the Maturity Schedule. The principal amount of any maturity of the Bonds shall only be adjusted in $5,000 increments and the aggregate par shall not be increased or decreased by an amount that exceeds 15% of the preliminary aggregate principal amount (rounded up to the next higher integral of $5,000) without permission of the successful bidder. Such adjustment(s), if any, shall be made within 4 hours of the opening of the bids for the Bonds.

The successful bidder may not withdraw its bid or change the interest rates bid or the initial reoffering terms as a result of any changes made to the principal amounts within these limits. The dollar amount bid by the successful bidder will be adjusted to reflect any adjustments in the principal amount of the Bonds. The bid price for such an adjustment will reflect changes in the dollar amount of the underwriters' discount and original issue discount/premium, if any, but will not change the selling compensation per $1,000 of par amount of the Bonds from the selling compensation that would have been received based on the purchase price in the winning bid and the initial reoffering terms. The interest rates specified by the successful bidder for the various maturities at the initial reoffering terms will not change. The District anticipates that the final annual principal amounts and the final aggregate principal amount of the Bonds will be communicated to the successful bidder within three hours of the District's receipt of the initial public offering prices and yields for the Bonds.

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

In the event that the bidding process does not satisfy the Competitive Sale Requirement as communicated by the District's Municipal Advisor (defined herein) to the winning bidder by 5:00 p.m., bids **will <u>not</u> be subject to cancellation** and the winning bidder (i) agrees to promptly report to the District the first prices at which at least 10% of each maturity of the Bonds **(the "First Price Maturity")** have been sold to the Public on the Sale Date **(the "10% Test")** (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% Test) and (ii) agrees to hold-the-offering-price of each maturity of the Bonds that does not satisfy the 10% Test **("Hold-the-Price Maturity")**, as described below.

In order to provide the District with information that enables it to comply with the establishment of the issue price of the Bonds under the Internal Revenue Code of 1986, as amended, the winning bidder agrees to complete, execute, and timely deliver to the District or to the District's municipal advisor, Specialized Public Finance, Inc. (the "District's Municipal Advisor") a certification as to the Bonds' "issue price" (the "Issue Price Certificate") substantially in the form and to the effect attached hereto or accompanying this Notice of Sale, within 5 business days prior to the Closing Date 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 Bonds for sale to the Public (as defined herein) by the Closing Date, the Issue Price Certificate may be modified in a manner approved by the District. 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 District (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public),

(iii) "Related Party" means any two or more persons (including an individual, trust, estate, partnership, association, company, or corporation) that are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "Sale Date" means the date that the Bonds are awarded by the District to the winning bidder.

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

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

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

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

PROVISION OF TEXAS ETHICS COMMISSION FORM 1295 ("TEC FORM 1295") . . . In accordance with Texas Government Code Section 2252.908 (the "Interested Party Disclosure Act"), the District may not award the Bonds to a bidder unless the winning bidder either:

(i) submits a Certificate of Interested Parties Form 1295 (the "TEC Form 1295") to the District as prescribed by the Texas Ethics Commission ("TEC"), or

(ii) certifies in the Official Bid Form that it is exempt from filing the TEC Form 1295 by virtue of being a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity.

In the event that the bidder's bid for the Bonds is the best bid received, the District, acting through its financial advisor, will promptly notify the winning bidder. That notification will serve as the District's conditional verbal acceptance of the bid, and, unless the bidder is exempt from filing a TEC Form 1295, such notification will obligate the winning bidder to promptly file a completed TEC Form 1295, as described below, in order to allow the District to complete the award. The District reserves the right to reject any bid that does not comply with the requirements prescribed herein.

For purposes of completing the TEC Form 1295, box 2 is name of the governmental entity (*Smiley Road Water Control and Improvement District No. 1*) and box 3 is the identification number assigned to this contract by the District **(Smiley Road WCID #1 Bonds 2026)** and description of the goods or services (*Purchase of the Smiley Road Water Control and Improvement District No. 1 Unlimited Tax Utility Bonds, Series 2026*). **The Interested Party Disclosure Act and the rules adopted by the TEC with respect thereto (the "Disclosure Rules") require certain business entities contracting with the District to complete the TEC Form 1295 electronically at https://www.ethics.state.tx.us/main/file.htm, print, complete the unsworn declaration, sign, and deliver, the certified TEC Form 1295 that is generated by the TEC's "electronic portal" to the District. The completed and signed TEC Form 1295 must be sent by email to the District's financial advisor at steven@spfmuni.com, as soon as possible following the notification of conditional verbal acceptance and prior to the final written award.** Upon receipt of the final written award, the winning bidder must submit the TEC Form 1295 with original signatures by email to Bond Counsel as follows: slandiak@winstead.com and glutzel@winstead.com. The winning bidder does not need to send an original TEC Form 1295 to the District, an emailed copy is sufficient.

To the extent that the bidder is not exempt from filing a TEC Form 1295 and therefor makes such filing with the District, the Interested Party Disclosure Act and the TEC 1295 provide that such declaration is made "under oath and under penalty of perjury." Consequently, a bidder should take appropriate steps prior to completion of the TEC Form 1295 to familiarize itself with the Interested Party Disclosure Act, the Disclosure Rules and the TEC Form 1295. **Time will be of the essence in submitting the form to the District, and no final award will be made by the District regarding the sale of the Bonds until a completed TEC Form 1295 is received. The District reserves the right to reject any bid that does not satisfy the requirement of a completed TEC Form 1295, as described herein.** Neither the District nor its consultants have the ability to verify the information included in a TEC Form 1295, and neither party has an obligation nor undertakes responsibility for advising any bidder with respect to the proper completion of the TEC Form 1295. Consequently, an entity intending to bid on the Bonds should consult its own advisors to the extent it deems necessary and be prepared to submit the completed form promptly upon notification from the District that its bid is the conditional winning bid. Instructional videos on logging in and creating a certificate are provided on the TEC's website at https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm.

VERIFICATIONS OF STATUTORY REPRESENTATIONS AND COVENANTS. . . The winning bidder will be required to make the following representations and covenants (the "Required Verifications") pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into the Official Bid Form. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the winning bidder within the meaning of Securities and Exchange Commission 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 the Official Bid Form shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Official Bid Form, notwithstanding anything in the Official Bid Form to the contrary.

(a) **Not a Sanctioned Company**. The winning bidder will be required to 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 the winning 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.

(b) **No Boycott of Israel**. The winning bidder will be required to 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 the Official Bid Form. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(c) **No Discrimination Against Firearm Entities**. The winning bidder will be required to 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 during the term of the Official Bid Form. 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.

(d) **No Boycott of Energy Companies**. The winning bidder will be required to 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 during the term of the Official Bid Form. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

COMPLIANCE VERIFICATION. . . By submitting a bid, each bidder or syndicate member, as applicable, confirms that it has on file with the Public Finance Division of the Texas Office of Attorney General ("OAG") a standing letter confirming that each bidder or syndicate member, as applicable, can make the unqualified verifications required by Sections 2252, 2271, 2274, and 2276 of the Government Code set forth above, as required and in the form required pursuant to the All Bond Counsel Letter of the OAG dated November 1, 2023 (a "Standing Letter"), and that it has no reason to believe that the District and the OAG may not be entitled to rely on such Standing Letter through the date of delivery of the Bonds. The bidder and each syndicate member listed on an Official Bid Form agree that it will not rescind any applicable Standing Letter at any time before the delivery of the Bonds unless same is immediately replaced with a standing letter meeting the requirements of the OAG.

In addition, as required under the All Bond Counsel Letters of the OAG dated April 27, 2022, November 1, 2023 and November 16, 2023, the winning bidder and each syndicate member listed on the Official Bid Form shall immediately notify the District if its Standing Letter is under review by the Texas Comptroller of Public Accounts (the "Comptroller") pursuant to Section 809.051 of the Texas Government Code (or by the OAG, as the case may be) (a "bidder under review"). If such Standing Letter becomes subject to review as described above, at any time prior to the date of delivery of the Bonds upon request of the District or Bond Counsel, the bidder under review shall provide the District or Bond Counsel with written confirmation to the effect that (i) it and/or its affiliate intends to timely comply with the Comptroller's request for written verification pursuant to Chapter 809 of the Texas Government Code and (ii) the applicable Standing Letter remains in effect and may be relied upon by the District and the OAG. The District and Bond Counsel may provide such written certifications to the OAG in connection with the issuance of the Bonds.

To the extent the date of delivery of the Bonds occurs before the end of the Comptroller's review period pursuant to Section 809.051 of the Texas Government Code, and the bidder under review is unable to satisfy the OAG or Comptroller verifications as described above, the District, pursuant to the All Bond Counsel Letters of the OAG dated April 27, 2022, November 1, 2023 and November 16, 2023 (requiring a new Standing Letter and the Required Verifications), reserves the right to find a replacement purchaser for the Bonds. Furthermore, the District may cash and accept the Good Faith Deposit, as described under "Good Faith Deposit." The District shall be under no further liability and no other penalty shall result as a result of such bidder's inability to satisfy the Required Verifications. Liability for breach of the verifications required under Chapters 2252, 2271, 2274, and 2276, Government Code, as heretofore amended, during the term of the Official Bid Form 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, notwithstanding anything in the Official Bid Form to the contrary.

At the request of the District, the Initial Purchaser agrees to execute further written certification as may be necessary or convenient for the District to establish compliance with the foregoing, including but not limited to a bring down certification as provided by the All Bond Counsel Letter.

FURTHER STATE LAW COMPLIANCE: THE DISTRICT, IN ITS SOLE DISCRETION RESERVES THE RIGHT TO REJECT ANY BID BY A BIDDER WHO IS, OR WHOSE PARENT COMPANY, SUBSIDIARIES OR ANY AFFILLATE IS, ON A LIST MAINTAINED BY THE TEXAS COMPTROLLER OR HAS RECEIVED A LETTER OR OTHER INQUIRY FROM A POLITICAL SUBDIVISION, THE TEXAS STATE COMPTROLLER, OR THE TEXAS ATTORNEY GENERAL RELATED TO ITS INCLUSION ON ANY LIST OF FINANCIAL COMPANIES BOYCOTTING ENERGY COMPANIES OR COMPANIES THAT HAVE A PRACTICE, POLICY, GUIDANCE OR DIRECTIVE THAT DISCRIMINATES AGAINST A FIREARM ENTITY OR FIREARM TRADE ASSOCIATION.

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

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

GOOD FAITH DEPOSIT . . . A Good Faith Deposit, payable to "Smiley Road Water Control and Improvement District No. 1", in the amount of $246,500, is required. Such Good Faith Deposit shall be a wire transfer, bank cashier's check or certified check (which is to be retained uncashed by the District pending the Initial Purchaser's compliance with the terms of the bid and this Notice of Sale and Bidding Instructions). The Good Faith Deposit may be provided to the District via wire transfer (the District will provide wire instructions to the winning bidder), or in the form of a certified or cashier's check. The Good Faith Deposit will be retained by the District and: (a) (i) if the Initial Purchaser utilizes a cashier's check as its Good Faith Deposit, said cashier's check will be returned to the purchaser after delivery of the Bonds, (ii) if the Initial Purchaser utilizes a wire transfer method for its Good Faith Deposit, said wire transfer will be applied to the purchase price at the delivery of the Bonds or (b) will be retained by the District if the Initial Purchaser defaults with respect to its purchase of the Bonds in accordance with its bid or (c) will be returned to the Initial Purchaser if the Bonds are not issued by the District for any reason which does not constitute a default by the Initial Purchaser; provided, however, if the District cashes the purchaser's Good Faith Deposit as described in this section or in "Compliance Verification" above, such action or amount does not constitute complete or liquidated damages related to the Initial Purchaser's breach of any of the Required Verifications.

In order to provide the District 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 District with a breakdown of its "underwriting spread" including among the following categories: Takedown, Management Fee (if any), Legal Counsel Fee (if any) and Spread Expenses (if any).

DELIVERY OF THE BONDS AND ACCOMPANYING DOCUMENTS

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

DELIVERY OF BONDS . . . Delivery will be accomplished by the issuance of one Initial Bond (the "Initial Bond"), either in typed or printed form, in the aggregate principal amount of $12,325,000*, payable in stated installments to the Purchaser, signed by the Board President and Secretary, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts. Upon delivery of the Initial Bond, it shall be immediately cancelled and one definitive Bond for each maturity will be registered and delivered only to Cede & Co., and deposited with DTC in connection with DTC's Book-Entry-Only System. Delivery will be at the principal office of the Paying Agent/Registrar. Payment for the Bonds must be made in immediately available funds for unconditional credit to the District, or as otherwise directed by the District. The Purchaser will be given six business days' notice of the time fixed for delivery of the Bonds. It is anticipated that delivery of the Bonds can be made on or about December 15, 2026, and it is understood and agreed that the Purchaser will accept delivery and make payment for the Bonds by 10:00 AM, Central Time, on December 15, 2026, or thereafter on the date the Bond is tendered for delivery, up to and including December 29, 2026. If for any reason the District is unable to make delivery on or before December 29, 2026, the District shall immediately contact the Purchaser and offer to allow the Purchaser to extend its offer for an additional thirty days. If the Purchaser does not elect to extend its offer within six days thereafter, then its Good Faith Deposit will be returned, and both the District and the Purchaser shall be relieved of any further obligation. In no event shall the District be liable for any damages by reason of its failure to deliver the Bonds, provided such failure is due to circumstances beyond the District's reasonable control.

CONDITIONS TO DELIVERY . . . The obligation of the Purchaser to take up and pay for the Bonds is subject to the Purchaser's receipt of (a) the legal opinion of Winstead PC, Dallas, Texas, Bond Counsel for the District ("Bond Counsel) and (b) the District's certification as to no-litigation and the Official Statement, all as further described in the Official Statement.

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

CERTIFICATION OF OFFICIAL STATEMENT . . . At the time of payment for and initial delivery of the Bonds, the District will execute and deliver to the Purchaser a certificate in the form set forth in the Official Statement.

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

* Preliminary, subject to change (see "CONDITIONS OF THE SALE – Post Bid Modification of Principal Amounts").

GENERAL

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

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

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

ANTICIPATED ISSUANCE OF UNLIMITED TAX DEBT . . . After the issuance of the Bonds the District will have authorized but unissued bonds in the amount of $80,175,000 for utility facilities.

RATING . . . The Bonds are rated “Baa3” by Moody’s Investors Service (“Moody’s”).

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

The District will furnish to the Initial Purchaser(s), acting through a designated senior representative, in accordance with instructions received from the Purchaser(s), within seven (7) business days from the sale date an aggregate of 50 copies of the Official Statement reflecting interest rates and other terms relating to the initial reoffering of the Bonds. The cost of any Official Statement in excess of the number specified shall be prepared and distributed at the cost of the Initial Purchaser(s). The Purchaser(s) shall be responsible for providing in writing the initial reoffering prices and other terms, if any, to the Financial Advisor by the close of the next business day after the award. Except as noted above, the District assumes no responsibility or obligation for the distribution or delivery of any copies of the Official Statement in connection with the offering or reoffering of the subject securities.

CONTINUING DISCLOSURE AGREEMENT . . . The District will agree in the Order to provide certain periodic information and notices of certain specified events in accordance with Securities and Exchange Commission Rule 15c2-12, as described in the Official Statement under “CONTINUING DISCLOSURE OF INFORMATION”. The Purchaser’s obligation to accept and pay for the Bonds is conditioned upon delivery to the Purchaser or its agent of a certified copy of the Order containing the agreement described under such heading.

COMPLIANCE WITH PRIOR UNDERTAKINGS . . . The District will provide annually to the MSRB certain updated financial information and operating data. The information to be updated with respect to the District includes all quantitative financial information and operating data of the general type included in this OFFICIAL STATEMENT under the headings "DISTRICT FINANCIAL DATA,” (excluding Estimated Overlapping Debt Statement) "TAX DATA," (Excluding Estimated Overlapping Taxes) and in APPENDIX A (Financial Statements of the District including supplemental schedules). The District will update and provide this information within six (6) months after the end of each fiscal year ending in or after 2027.

ADDITIONAL COPIES OF NOTICE, BID FORM AND STATEMENT . . . A limited number of additional copies of this Notice of Sale and Bidding Instructions, the Official Bid Form and the Official Statement, as available over and above the normal mailing, may be obtained at the offices of Specialized Public Finance Inc. 4925 Greenville Avenue, Suite 1350, Dallas, Texas 75206, Financial Advisor to the District.

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

Shane Jordan
President
Smiley Road Water Control and Improvement District No. 1

ATTEST:

James Robert Douglas, III
Secretary
Smiley Road Water Control and Improvement District No. 1

November 10, 2026

OFFICIAL BID FORM

President and Board of Directors
Smiley Road Water Control and Improvement District No. 1

November 18, 2026

Members of the Board of Directors:

Reference is made to your Official Statement and Notice of Sale and Bidding Instructions, dated November 10, 2026 of $12,325,000* SMILEY ROAD WATER CONTROL AND IMPROVEMENT DISTRICT NO. 1 UNLIMITED TAX UTILITY BONDS, SERIES 2026, both of which constitute a part hereof.

For your legally issued Bonds, as described in said Notice of Sale and Bidding Instructions and Official Statement, we will pay you a price of $_____, representing approximately _____% of the par value, for Bonds maturing and bearing interest as follows:

Maturity	Principal Amount*	Interest Rate	Maturity	Principal Amount*	Interest Rate
8/15/2027	$ 385,000		8/15/2042	$ 365,000	
8/15/2028	160,000		8/15/2043	390,000	
8/15/2029	170,000		8/15/2044	410,000	
8/15/2030	185,000		8/15/2045	435,000	
8/15/2031	195,000		8/15/2046	465,000	
8/15/2032	205,000		8/15/2047	490,000	
8/15/2033	215,000		8/15/2048	520,000	
8/15/2034	230,000		8/15/2049	550,000	
8/15/2035	245,000		8/15/2050	585,000	
8/15/2036	260,000		8/15/2051	620,000	
8/15/2037	275,000		8/15/2052	655,000	
8/15/2038	290,000		8/15/2053	695,000	
8/15/2039	310,000		8/15/2054	740,000	
8/15/2040	325,000		8/15/2055	780,000	
8/15/2041	345,000		8/15/2056	830,000	

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

Term Bond Maturity Date (August 15)	Year of First Mandatory Redemption	Principal Amount of Term Bond	Interest Rate

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

NET INTEREST COST _____%

* Preliminary, subject to change (see "CONDITIONS OF THE SALE – Post Bid Modification of Principal Amounts").

We are having the Bonds of the following maturities _____ insured by_____ at a premium of $_____, **said premium to be paid by the Purchaser.** Any fees to be paid to the rating agencies as a result of said insurance **will be paid by the District.**

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

A wire transfer, bank cashier's check or certified check of the _____ Bank, _____, in the amount of $246,500, which represents our Good Faith Deposit (is attached hereto) or (has been made available to you prior to the opening of this bid), and is submitted in accordance with the terms as set forth in the Official Statement and Notice of Sale and Bidding Instructions. Should we fail or refuse to make payment for the Bonds in accordance with the terms and conditions set forth in the Notice of Sale, the proceeds of this deposit shall be retained by the District as complete liquidated damages against us. Please check the box below to designate your Good Faith Deposit option.

We agree to accept delivery of the Bonds utilizing the Book-Entry-Only System through DTC and make payment for the Bonds in immediately available funds in the Corporate Trust Division, BOKF, NA, Dallas, Texas, not later than 10:00 AM, Central Time, on December 15, 2026, or thereafter on the date the Bonds are tendered for delivery, pursuant to the terms set forth in the Notice of Sale and Bidding Instructions. It will be the obligation of the purchaser of the Bonds to complete the DTC Eligibility Questionnaire.

The bidder makes the following representations and covenants (the "Required Verifications") pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Official Bid Form. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the winning bidder within the meaning of Securities and Exchange Commission 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 Official Bid Form shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Official Bid Form, notwithstanding anything in this Official Bid Form to the contrary.

(i) The bidder 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 the bidder and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(ii) The bidder 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 Official Bid Form. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(iii) The bidder 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 during the term of this Official Bid Form. 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) The bidder hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Official Bid Form. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Government Code.

By submitting a bid, each bidder or syndicate member, as applicable, confirms that it has on file with the Public Finance Division of the Texas Office of Attorney General ("OAG") a standing letter confirming that each bidder or syndicate member, as applicable, can make the unqualified verifications required by Sections 2252, 2271, 2274, and 2276 of the Government Code set forth above, as required and in the form required pursuant to the All Bond Counsel Letter of the OAG dated November 1, 2023 (a "Standing Letter"), and that it has no reason to believe that the District and the OAG may not be entitled to rely on such Standing Letter through the date of delivery of the Bonds. The bidder and each syndicate member listed on an Official Bid Form agree that it will not rescind any applicable Standing Letter at any time before the delivery of the Bonds unless same is immediately replaced with a standing letter meeting the requirements of the OAG.

In addition, as required under the All Bond Counsel Letters of the OAG dated April 27, 2022, November 1, 2023 and November 16, 2023, the winning bidder and each syndicate member listed on the Official Bid Form shall immediately notify the District if its Standing Letter is under review by the Texas Comptroller of Public Accounts (the "Comptroller") pursuant to Section 809.051 of the Texas Government Code (or by the OAG, as the case may be) (a "bidder under review"). If such Standing Letter becomes subject to review as described above, at any time prior to the date of delivery of the Bonds upon request of the District or Bond

Counsel, the bidder under review shall provide the District or Bond Counsel with written confirmation to the effect that (i) it and/or its affiliate intends to timely comply with the Comptroller's request for written verification pursuant to Chapter 809 of the Texas Government Code and (ii) the applicable Standing Letter remains in effect and may be relied upon by the District and the OAG. The District and Bond Counsel may provide such written certifications to the OAG in connection with the issuance of the Bonds.

To the extent the date of delivery of the Bonds occurs before the end of the Comptroller's review period pursuant to Section 809.051 of the Texas Government Code, and the bidder under review is unable to satisfy the OAG or Comptroller verifications as described above, the District, pursuant to the All Bond Counsel Letters of the OAG dated April 27, 2022, November 1, 2023 and November 16, 2023 (requiring a new Standing Letter and the Required Verifications), reserves the right to find a replacement purchaser for the Bonds. Furthermore, the District may cash and accept the Good Faith Deposit as described in the Official Notice of Sale under "CONDITIONS OF SALE – Verifications of Statutory Representations and Covenants"). The District shall be under no further liability and no other penalty shall result as a result of such bidder's inability to satisfy the Required Verifications. Liability for breach of the verifications required under Chapters 2252, 2271, 2274, and 2276, Government Code, as heretofore amended, during the term of this Official Bid Form shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Official Bid Form, notwithstanding anything in this Official Bid Form to the contrary.

By submitting this bid, the undersigned agrees to cooperate with the District and to take any verify and confirm compliance with the State law.

By submitting this bid, the undersigned understands and agrees that if the undersigned should fail or refuse to take up and pay for the Bonds in accordance with this bid, or it is determine that after the acceptance of this bid by the District that the undersigned was found not to satisfy the requirements described in the Official Notice of Sale under the heading "CONDITIONS OF THE SALE" and as a result the Texas Attorney General will not deliver its approving opinion of the Bonds, then the amount submitted herewith as the undersigned's Good Faith Deposit may be cashed and accepted by the District; provided, however, if the District cashes the purchaser's Good Faith Deposit as described above, such action or amount does not constitute complete or liquidated damages related to the bidder's breach of any of the Required Verifications.

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

In accordance with Texas Government Code Section 2252.908 (the "Interested Party Disclosure Act"), the District may not award the Bonds to a bidder unless the winning bidder either: (i) submits a Certificate of Interested Parties Form 1295 (the "Disclosure Form") to the District 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.

Unless the bidder certifies that it is exempt from filing a Disclosure Form with the District, upon notification of conditional verbal acceptance, the undersigned will complete 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 the resulting certified Disclosure Form that is generated by the TEC's electronic portal will be printed, signed and sent by email to the District's financial advisor at steven@spfmuni.com. The undersigned understands that the failure to provide the certified Disclosure Form will prohibit the District 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 District [___]

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 [___].

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

Respectfully submitted,

Syndicate Members:

Name of Underwriter or Manager	
Authorized Representative	
Phone Number	
Signature	

Please check one of the options below regarding Good Faith Deposit:

Submit by Wire Transfer ☐

Submit by Bank Cashier's/Certified Check ☐

ACCEPTANCE CLAUSE

The above and foregoing bid is hereby in all things accepted by the Smiley Road Water Control and Improvement District No. 1, subject to and in accordance with the Notice of Sale and Bidding Instructions, this the 18th day of November, 2026.

President
Smiley Road Water Control and Improvement District No. 1

ISSUE PRICE CERTIFICATE
(Sales where at least 3 bids are received from underwriters)

The undersigned, as the underwriter or the manager of the syndicate of underwriters ("Purchaser"), with respect to the purchase at competitive sale of the Unlimited Tax Utility Bonds, Series 2026 issued by the Smiley Road Water Control and Improvement District No. 1 ("District") in the principal amount of $12,325,000 ("Bonds"), hereby certifies and represents, based on its records and information, as follows:

(a) On the first day on which there was a binding contract in writing for the purchase of the Bonds by the Purchaser, the Purchaser's reasonably expected initial offering prices of each maturity of the Bonds with the same credit and payment terms (the "Expected Offering Prices") to a person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter are as set forth in the pricing wire or equivalent communication for the Bonds, as attached to this Certificate as Schedule A. The Expected Offering Prices are the prices for the Bonds used by the Purchaser in formulating its bid to purchase the Bonds.

(b) The Purchaser had an equal opportunity to bid to purchase the Bonds and it was not given the opportunity to review other bids that was not equally given to all other bidders (i.e., no last look).

(c) The bid submitted by the Purchaser constituted a firm bid to purchase the Bonds.

(d) The Purchaser has [___]/has not [___] purchased bond insurance for the Bonds. The bond insurance has been purchased from _____ (the "Insurer") for a fee of $_____ (net any nonguarantee cost, e.g., rating agency fees). The amount of such fee is set forth in the Insurer's commitment and does not include any payment for any direct or indirect services other than the transfer of credit risk, unless the compensation for those other services is separately stated, reasonable, and excluded from such fee. Such fee does not exceed a reasonable, arm's-length charge for the transfer of credit risk and it has been paid to a person who is not exempt from federal income taxation and who is not a user or related to the user of any proceeds of the Bonds. The present value of the debt service savings expected to be realized as a result of such insurance exceeds the amount of the fee set forth above. For this purpose, present value is computed using the yield on the Bonds, determined by taking into account the amount of the fee set forth above, as the discount rate. No portion of the fee payable to the Insurer is refundable upon redemption of any of the Bonds in an amount which would exceed the portion of such fee that has not been earned.

For purposes of this Issue Price Certificate, the term "Underwriter" means (1) (i) a person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, or (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1)(i) of this paragraph (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public) to participate in the initial sale of the Bonds to the Public, and (2) any person who has more than 50% common ownership, directly or indirectly, with a person described in clause (1) of this paragraph.

[Signature Page Follows]

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

EXECUTED and DELIVERED as of this _____.

_____, as Purchaser

By:_____

Name:_____

SCHEDULE A
PRICING WIRE OR EQUIVALENT COMMUNICATION
(*Attached*)

ISSUE PRICE CERTIFICATE
(Sales where less than 3 bids are received from underwriters)

The undersigned, as the underwriter or the manager of the syndicate of underwriters ("Purchaser"), with respect to the purchase at competitive sale of the Unlimited Tax Utility Bonds, Series 2026 issued by the Smiley Road Water Control and Improvement District No. 1 ("District") in the principal amount of $12,325,000 ("Bonds"), hereby certifies and represents, based on its records and information, as follows:

(a) Other than the Bonds maturing in _____ ("Hold-the-Price Maturities"), if any, the first prices at which at least ten percent ("Substantial Amount") of the principal amount of each maturity of the Bonds having the same credit and payment terms ("Maturity") was sold on the Sale Date to a person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter ("Public") are their respective initial offering prices (the "Initial Offering Prices"), as listed in the pricing wire or equivalent communication for the Bonds that is attached to this Certificate as Schedule A.

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

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

(d) The Purchaser has [___]/has not [___] purchased bond insurance for the Bonds. The bond insurance has been purchased from _____ (the "Insurer") for a fee of $_____ (net any nonguarantee cost, e.g., rating agency fees). The amount of such fee is set forth in the Insurer's commitment and does not include any payment for any direct or indirect services other than the transfer of credit risk, unless the compensation for those other services is separately stated, reasonable, and excluded from such fee. Such fee does not exceed a reasonable, arm's-length charge for the transfer of credit risk and it has been paid to a person who is not exempt from federal income taxation and who is not a user or related to the user of any proceeds of the Bonds. The present value of the debt service savings expected to be realized as a result of such insurance exceeds the amount of the fee set forth above. For this purpose, present value is computed using the yield on the Bonds, determined by taking into account the amount of the fee set forth above, as the discount rate. No portion of the fee payable to the Insurer is refundable upon redemption of any of the Bonds in an amount which would exceed the portion of such fee that has not been earned.

For purposes of this Issue Price Certificate, the term "Underwriter" means (1) (i) a person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, or (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1)(i) of this paragraph (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public) to participate in the initial sale of the Bonds to the Public, and (2) any person who has more than 50% common ownership, directly or indirectly, with a person described in clause (1) of this paragraph.

[Signature Page Follows]

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

EXECUTED and DELIVERED as of this _____.

_____, as Purchaser

By:_____

Name:_____

SCHEDULE A
PRICING WIRE OR EQUIVALENT COMMUNICATION
(*Attached*)