

**NOTICE OF SALE  
AND  
BIDDING INSTRUCTIONS**

**ON**

**\$28,140,000\***

**CITY OF MCKINNEY, TEXAS  
(Collin County)**

**TAX AND LIMITED PLEDGE WATERWORKS AND SEWER SYSTEM REVENUE  
CERTIFICATES OF OBLIGATION, SERIES 2025**

**Electronic Bids Due Wednesday, May 21, 2025, at 11:00AM CDT**

**ELECTRONIC BIDS**

Notice is hereby given that electronic proposals will be received via **PARITY**®, in the manner described below, until 11:00AM CDT time, on May 21, 2025. Bids must be submitted electronically via **PARITY**® pursuant to this Notice of Sale and Bidding Instructions (the “Notice of Sale”) until 11:00AM CDT, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY**® conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**®, including any fee charged, potential bidders may contact Dave Gordon at Estrada Hinojosa at (214) 658-1670 or **PARITY**® at (212) 849-5021.

**THE SALE**

**CERTIFICATES OFFERED FOR SALE AT COMPETITIVE BIDDING . . .** The City of McKinney, Texas (the “City”) is offering for sale its \$28,140,000\* Tax and Limited Pledge Waterworks and Sewer System Revenue Certificates of Obligation, Series 2025 (the “Certificates”).

**BIDDING PROCEDURES . . .** Bidders must submit their bids electronically using the PARITY system, as described in “**ELECTRONIC BIDS**” below. Only bids through the PARITY system shall be accepted. Bids by other means will not be accepted. Any bids received after the scheduled time for their receipt will not be accepted.

**ELECTRONIC BIDS . . .** Any prospective bidder that intends to submit an electronic bid must submit its electronic bid via the facilities of I-Deal, LLC PARITY System (“PARITY”). Bidders must submit their electronic bid by 11:00AM CDT on the date of the sale, May 21, 2025. In the event of a malfunction in the electronic bidding process, the sale may be rescheduled at the discretion of the City. 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 Certificates on the terms provided in this Notice of Sale, 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 shall conflict with information provided by PARITY as the approved provider of electronic bidding services, this Notice of Sale shall control.

The official time for the receipt of all bids shall be the time maintained by PARITY. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale, the Official Bid Form and the Preliminary Official Statement. For information purposes only, bidders are requested to state in their electronic bids the true interest cost for the City, as described under “**CONDITIONS OF THE SALE – Basis for Award**” below. For further information about the PARITY System, including any fee charged, potential bidders may contact the City’s Financial Advisor or I-Deal LLC at 1359 Broadway, 2<sup>nd</sup> Floor, New York, New York 10018, (212) 849-5021. The winning bidder shall submit a signed bid form if not previously submitted.

**PLACE AND TIME OF BID OPENING . . .** The bids for the Certificates will be opened at the City of McKinney, 401 E. Virginia St., McKinney, Texas 75069, at 11:00AM CDT, on the date of the sale.

**AWARD AND SALE OF THE CERTIFICATES . . .** At a meeting held at 6:00 PM CDT, on Tuesday, March 18, 2025, the City approved the ordinance authorizing the sale of the Certificates (the “Certificate Ordinance”) and delegating to certain City officials (“Pricing Officers”) the authority to establish final terms of sale of the Certificates, which final sales terms will be evidenced in a “Pricing Certificate” relating to the Certificates. The Certificate Ordinance and the Pricing Certificate are jointly herein referred to as the “Ordinance”. A Pricing Officer of the City will take action to reject all bids or award the sale of the Certificates. The City reserves the right to reject any or all bids and to waive any irregularities, except time of filing.

\*Preliminary, subject to change.

## THE CERTIFICATES

**DESCRIPTION . . .** The Certificates will be dated June 18, 2025 (the “Dated Date”). Interest will accrue from the date of initial delivery to the initial purchaser and will be due on February 15, 2026, and each August 15 and February 15 thereafter until maturity or prior redemption. The Certificates will be issued in fully registered form in any integral multiple of \$5,000 for any one maturity. The Certificates will be serial and/or term certificates, as specified by each bidder, and principal amounts or mandatory sinking fund redemption amounts will be paid on August 15 in each year as follows:

### MATURITY SCHEDULE

(August 15) Maturity	Principal Amount at Maturity	(August 15) Maturity	Principal Amount at Maturity
2026	\$ 645,000	2036	\$ 1,395,000
2027	900,000	2037	1,465,000
2028	945,000	2038	1,540,000
2029	995,000	2039	1,615,000
2030	1,045,000	2040	1,700,000
2031	1,095,000	2041	1,785,000
2032	1,150,000	2042	1,870,000
2033	1,205,000	2043	1,965,000
2034	1,265,000	2044	2,065,000
2035	1,330,000	2045	2,165,000

**ADJUSTMENT OF PRINCIPAL AMOUNTS AND/OR BIDS INCLUDING CASH PREMIUM . . .** Prior to the Sale: Prior to 11:00AM CDT on the business day before the bids are due, the City may, in its sole discretion, adjust the principal amount set forth in the Maturity Schedule under “THE CERTIFICATES – DESCRIPTION” and/or the type of bid required on the Certificates including the cash premium. Estrada Hinojosa, as Financial Advisor to the City, will give notice of any such adjustment by Bloomberg Wire, Inc. (“Bloomberg”) and PARITY. Any such notice shall be considered an amendment to this Notice of Sale and to the OFFICIAL BID FORM. 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 change to PARITY and Bloomberg. Also see “CONDITIONS OF THE SALE” herein.

After the Sale: 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 in \$5,000 increments. Such adjustments will not change the aggregate principal amount of the Certificates by more than 15% from the amount set forth herein or change the principal amount due on the Certificates in any year by more than 15%. Such adjustment(s), if any, shall be made within 4 hours of the award of the Certificates.

THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ITS BID OR CHANGE THE INTEREST RATES BID OR THE INITIAL REOFFERING PRICES AS A RESULT OF ANY CHANGES MADE TO THE REVISED AMOUNTS WITHIN THESE LIMITS. The dollar amount bid by the successful bidder will be adjusted to reflect changes in the aggregate principal amounts of the Certificates. Such adjusted bid price will reflect changes in the dollar amount of the underwriter’s discount and the original issue discount/premium, if any, but will not change the selling compensation per \$1,000 of par amount of the Certificates from the selling compensation that would have been received based on the purchase price in the winning bid and initial reoffering prices.

In the event of any adjustment of the Maturity Schedule for the Certificates as described herein, no rebidding or recalculation of the proposals submitted will be required or permitted. Any such adjustment of the aggregate principal amount of the Certificates and/or the Maturity Schedule for the Certificates made by the City or its Financial Advisor shall be subsequent to the award of the Certificates to the winning bidder as determined pursuant to “CONDITIONS OF THE SALE” 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.

**BOOK-ENTRY-ONLY SYSTEM . . .** The City intends to utilize the Book-Entry-Only System of The Depository Trust Company (“DTC”). See “THE CERTIFICATES – BOOK-ENTRY-ONLY SYSTEM” in the Preliminary Official Statement.

**SERIAL CERTIFICATES OR COMBINATION OF SERIAL CERTIFICATES AND/OR TERM CERTIFICATES . . .** The City has provided that prospective purchasers may elect that all the Certificates be issued as serial certificates maturing in accordance with the Maturity Schedule shown above (Alternative 1) or as a combination of serial certificates and/or term certificates (Alternative 2).

#### *Alternative 1 - Serial Certificates:*

Serial certificates maturing on August 15, 2026 through August 15, 2045.

#### *Alternative 2 - Serial Certificates and/or Term Certificates:*

Serial certificates maturing on August 15, 2026 through August 15, 2045, and/or term certificate maturities with each term consisting of two or more consecutive annual principal amounts accumulated from the Maturity Schedule shown above. There may be any combination of serial and term certificates.

**MANDATORY SINKING FUND REDEMPTION . . .** If the successful bidder designates principal amounts to be combined into one or more term certificates (the "Term Certificates"), each such term certificate shall be subject to mandatory sinking fund redemption commencing on August 15 of the first year which has been combined to form such term certificate and continuing on August 15 in each year thereafter until the stated maturity date of that term certificate at the redemption prices of par plus accrued interest to the date of redemption. The principal amounts redeemed in any year on each mandatory redemption date shall be equal to the principal amount for such year set forth in the table under the "MATURITY SCHEDULE" in the Official Bid Form, had no conversion to Term Certificates occurred. Certificates to be redeemed in any year by mandatory sinking fund redemption shall be redeemed at par and shall be selected by the Paying Agent/Registrar by lot from among the Certificates then subject to redemption. The City, at its option, may credit against any mandatory sinking fund redemption requirement Term Certificates of the maturity then subject to redemption which have been acquired by the City and canceled by the Paying Agent/Registrar or have been redeemed and not theretofore applied as a credit against any mandatory sinking fund redemption requirement.

Approximately forty-five (45) days prior to each mandatory redemption date for the Term Certificates, the Paying Agent/Registrar shall select by lot the numbers of the Term Certificates within the applicable stated maturity to be redeemed on the next following August 15 from moneys set aside for that purpose in the Interest and Sinking Fund (as defined in the Certificate Ordinance). Any Term Certificate not selected for prior redemption shall be paid on the date of its stated maturity.

The principal amount of the Term Certificates for a stated maturity required to be redeemed on a mandatory redemption date may be reduced, at the option of the City, by the principal amount of Term Certificates of like stated maturity which, at least fifty (50) days prior to the 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 or (2) shall have been redeemed pursuant to the optional redemption provisions appearing below and not therefore credited against the 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.

**OPTIONAL REDEMPTION . . .** The City reserves the right, at its option, to redeem Certificates having stated maturities 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 OBLIGATIONS – Optional Redemption Provisions" in the Preliminary Official Statement).

**PAYING AGENT/REGISTRAR . . .** The initial Paying Agent/Registrar for the Certificates is BOKF, NA, Dallas, Texas (see "REGISTRATION, TRANSFER AND EXCHANGE - Paying Agent/Registrar" in the Preliminary Official Statement).

**SECURITY . . .** The Certificates, when issued, will be direct obligations of the City, payable from (i) the proceeds of a continuing and direct and annual ad valorem tax levied, within the limits prescribed by law, against all taxable property within the City and (ii) a limited pledge of net revenues (\$1,000) of the City's Waterworks and Sewer System, as described in the official statement. as described in the Preliminary Official Statement.

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

## **CONDITIONS OF THE SALE**

**TYPES OF BIDS AND INTEREST RATES . . .** The Certificates will be sold in one block on an "All or None" basis, at a price of not less than **104.11% of par and not more than 109.11% of par**. Bidders are invited to name the rate(s) of interest to be borne by the Certificates, provided that each rate bid must be in a multiple of 1/8 of 1% or 1/20 of 1% and the net effective interest rate must not exceed 15%. The highest rate bid may not exceed the lowest rate bid by more than 3% in rate. The maximum coupon rate cannot exceed 5.00%. **Each bidder shall state in the bid the total interest cost in dollars and the true interest cost rate which shall be considered informative only and not as a part of the bid.** 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 net 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. In the event of a bidder's error in interest cost rate calculations, the interest rates set forth in the Official Bid Form will be considered as the intended bid. Also see "THE CERTIFICATES – ADJUSTMENT OF PRINCIPAL AMOUNTS AND/OR TYPES OF BIDS INCLUDING CASH PREMIUM" herein.

The Purchaser (defined below) must provide the initial reoffering prices to the Financial Advisor by 11:00AM CDT, or within 30 minutes of being notified on the sale date. Such offering prices and yields, among other things, will be used by the Financial Advisor to calculate the final principal amount of each maturity of the Certificates and the cash premium for the Certificates. It is anticipated that the final principal amount of each maturity of the Certificates and the final cash premium amount will be communicated to the successful bidder by 11:00AM CDT, on the date of the sale.

**BASIS FOR AWARD . . .** The sale of the Certificates will be awarded to the bidder making a bid that conforms to the specifications herein and which produces the lowest True Interest Cost rate to the City (the "Purchaser"). The True Interest Cost rate is the rate which, when used to compute the total present value as of the Delivery Date of all debt service payments on the Certificates on the basis of semi-annual compounding, produces an amount equal to the par value of the Certificates plus any premium. 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.

**GOOD FAITH DEPOSIT . . .** The winning bidder will be required to provide a deposit in the amount of \$562,800 to the City as bid security no later than 2:00 PM CDT on May 21, 2025. The bid security may be provided to the City (i) via wire transfer (the City or its Financial Advisor will provide wire instructions to the winning bidder), or (ii) in the form of a certified or cashier's check made payable to the order of City in the amount of the deposit set forth above and delivered to Dave Gordon, Estrada Hinojosa, 600 N. Pearl St., Suite 2100, South Tower, Dallas, TX 75201.

The wire option will be retained by the City and: (a) will be applied, without allowance for interest, against the purchase price when the Certificates are delivered to and paid for by such winning bidder, (b) will be retained by the City as liquidated damages if the winning bidder defaults with respect to the terms of its bid (other than default related to the Covered Verifications), or (c) will be returned to the winning bidder if the Certificates are not issued by the City for any reason which does not constitute a default by the winning bidder.

If the check option is utilized, the check will be (a) returned uncashed to the winning bidder when the Certificates are delivered to and paid for by such winning bidder, (b) cashed by the City as liquidated damages if the winning bidder defaults with respect to the terms of its bid (other than default related to the Covered Verifications), or (c) returned uncashed to the winning bidder if the Certificates are not issued by the City for any reason which does not constitute a default by the winning bidder.

In the event the Purchaser should fail or refuse to take up and pay for the Certificates in accordance with the bid, then the Good Faith Deposit shall be accepted by the City as full and complete liquidated damages except as provided under the caption "CONDITIONS OF THE SALE – VERIFICATION OF STATUTORY REPRESENTATIONS AND COVENANTS".

**ADDITIONAL CONDITION OF AWARD — DISCLOSURE OF INTERESTED PARTY FORM. . .** Obligation of the City to Receive Information From Winning Bidder . . . Pursuant to Texas Government Code, Section 2252.908 (the "Interested Party Disclosure Act"), unless a Bidder is exempt from the filing requirements of Section 2252.908, the City may not award the Certificates to a bidder unless the bidder submits a Certificate of Interested Parties Form 1295 (the "Disclosure Form") to the City as prescribed by the Texas Ethics Commission ("TEC") at the time the bidder submits its Official Bid Form. Effective January 1, 2018, publicly traded business entities (including wholly owned subsidiaries of a publicly traded business entity) are not required to file Form 1295 as provided in Section 2252.908(c)(4).

In the event that the bidder's bid for the Certificates is the best bid received, the City, acting through its Financial Advisor, will promptly notify the bidder. That notification will serve as the conditional verbal acceptance of the bid and the winning bidder must promptly file the materials described below. The apparent winning bidder and each syndicate member listed on the Official Bid Form must have submitted either (1) a completed Disclosure Form, as described below, or (2) a written representation that it is exempt from the Form 1295 filing requirements pursuant to Section 2252.908(c)(4), not later than two hours after the deadline for the submission of bids in order for City to complete the formal award. If the apparent winning bidder and each syndicate member listed on the Official Bid Form fail to file the Disclosure Form or written representation regarding the exemption from the filing requirement within the time period described in the previous sentence, the City reserves the right to notify the apparent winning bidder that their bid has been rejected and award the sale to the next highest rated bidder.

Written Representation Regarding Exemption . . . If a Bidder is claiming an exception to the filing requirement under Section 2252.908(c)(4), the written representation that the Bidder is not required to file a Form 1295 must state that it is publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity and identify the publicly traded business entity that allows them to utilize the exception.

Process For Completing The Disclosure Form . . . The Disclosure Form can be found at <https://www.ethics.state.tx.us/data/forms/1295/1295.pdf>, and reference should be made to the following information in order to complete it: (a) item 2 – Name of City ("City of McKinney, Texas"), (b) item 3 – the identification number ("COs Series 2025 Bid"), and (c) item 3 – description of the goods or services assigned to this contract by the City ("Certificate Purchasing Services").

If submitting a Disclosure Form, the Bidder must (i) complete the Disclosure Form electronically at the TEC's "electronic portal", and (ii) print, sign and deliver a copy of the Disclosure Form that is generated by the TEC's "electronic portal."

Submission of Written Representation Regarding Exemption or Completed Disclosure Form . . . The completed Disclosure Form or the written representation regarding the exemption from the Form 1295 filing requirements must be delivered electronically to Mark Holloway at [mholloway@mckinneytexas.org](mailto:mholloway@mckinneytexas.org) and the City's Financial Advisor, Dave Gordon, at [dgordon@ehmuni.com](mailto:dgordon@ehmuni.com) **no later than two hours after the deadline for the submission of bids on the Sale Date.**

Time will be of the essence in submitting the completed Disclosure Form or written representation regarding the exemption from the filing requirements to the City and no bid will be accepted by the City unless a completed Disclosure Form or a written representation of the exemption is received on time.

Neither the City nor its consultants have the ability to verify the information included in a Disclosure Form or written representation, and neither have an obligation nor undertake responsibility for advising any bidder with respect to the proper completion of the Disclosure Form or the written representation. 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 or written representation promptly upon notification from the City that its bid is the conditional winning bid.

**VERIFICATIONS OF STATUTORY REPRESENTATIONS AND COVENANTS . . .** By submission of a bid for the Certificates, each bidder makes the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code (the "Government Code"), as heretofore amended. As used herein, "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. If the bidder's bid is accepted, then liability for breach of

any such verification during the term of the contract for purchase and sale of the Certificates created thereby (the “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 this Notice of Sale, notwithstanding anything herein or therein to the contrary.

Not a Sanctioned Company . . . Each 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, Government Code, 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.

No Boycott of Israel . . . Each bidder hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, if its bid is accepted, will not boycott Israel during the term of the Agreement. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code.

No Discrimination Against Firearm Entities . . . Each 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, if its bid is accepted, will not discriminate against a firearm entity or firearm trade association during the term of the Agreement. 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.

No Boycott of Energy Companies . . . Each 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, if its bid is accepted, will not boycott energy companies during the term of the Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

**REPRESENTATION REGARDING TEXAS ATTORNEY GENERAL STANDING LETTER AND BRINGDOWN VERIFICATION** . . . By submission of a bid for the Certificates, each bidder represents and verifies that it is aware of the Office of the Texas Attorney General’s (the “Texas Attorney General”) All Bond Counsel Letter, dated November 1, 2023, that is available on the website of the Texas Office of the Texas Attorney General using the following link: (<https://www.texasattorneygeneral.gov/sites/default/files/files/divisions/public-finance/ABCLetter-11-01-2023.pdf>) and the Texas Attorney General’s supplemental All Bond Counsel Letter, dated November 16, 2023, that is available on the website of the Texas Attorney General using the following link: (<https://texasattorneygeneral.gov/sites/default/files/files/divisions/public-finance/ABCLetter-11-06-2023.pdf>). Each bidder represents and verifies that the bidder has (i) on file a standing letter (“Standing Letter”) acceptable to the Texas Attorney General addressing the representations and verifications described under the heading “Verifications of Statutory Representations and Covenants,” and (ii) will, upon request of the City or Bond Counsel on behalf of the City, provide the City and Bond Counsel with a copy of its Standing Letter. Each bidder further represents and verifies that its Standing Letter remains in effect as of the date of the Agreement and that the Texas Attorney General has not notified the bidder that a determination has been made that the bidder boycotts energy companies or has a policy that discriminates against firearm entities or firearm trade associations under the laws of the State of Texas. Upon request of the City or Bond Counsel on the City’s behalf, each bidder shall provide additional written certifications to the City and Bond Counsel (which may be by email) to the effect that the Texas Attorney General may continue to rely on the Standing Letter and the statutory representations and covenants contained in the Agreement through the closing date (currently scheduled for May 21, 2025) (the “Bringdown Verification”). The City reserves the right, and each bidder hereby expressly authorizes the City, to provide such Bringdown Verification to the Texas Attorney General.

#### **ESTABLISHMENT OF ISSUE PRICE**

##### **(HOLD-THE-OFFERING PRICE RULE WILL APPLY IF COMPETITIVE SALE REQUIREMENTS ARE NOT SATISFIED)**

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

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

(1) the City shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;

(2) all bidders shall have an equal opportunity to bid;

(3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

(4) the City anticipates awarding the sale of the Certificates to the bidder who submits a firm offer to purchase the Certificates at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

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

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

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

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

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

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

(f) By submitting a bid, each bidder confirms that:

(1) any agreement among underwriters, any selling group agreement and each retail or other 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 retail or other third-party distribution agreement, as applicable, to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder and as set forth in the related pricing wires,

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

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

(i) “public” means any person other than an underwriter or a related party,

(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 retail or other third-party distribution agreement participating in the initial sale of the Certificates to the public),

(iii) a purchaser of any of the Certificates is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) 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), (B) 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 (C) 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.

## **DELIVERY OF THE CERTIFICATES AND ACCOMPANYING DOCUMENTS**

**CUSIP NUMBERS . . .** It is anticipated that CUSIP identification numbers will appear on the Certificates, but neither the failure to print or type such number on any Certificate nor any error with respect thereto shall constitute cause for a failure or refusal by the Purchaser to accept delivery of and pay for the Certificates in accordance with the terms of this Notice of Sale and 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.

**INITIAL DELIVERY OF THE CERTIFICATES . . .** Initial delivery will be accomplished by the issuance of one Initial Certificate with installment payments for the years of stated maturity (also called the “Certificate” or “Certificates”), either in typed or printed form, in the aggregate principal amount of \$28,140,000\*, payable to the Purchaser, approved by the Attorney General of the State of Texas (the “Attorney General”), and registered and signed manually or by facsimile by the Comptroller of Public Accounts. Upon delivery of the Initial Certificate, it shall be immediately canceled 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 designated office of the Paying Agent/Registrar. Payment for the Certificates must be made in immediately available funds for unconditional credit to the City, or as otherwise directed by the City. The Purchaser will be given six business days' notice of the time fixed for delivery of the Certificates. It is anticipated that Delivery of the Certificates can be made on or about Wednesday, June 18, 2025, and it is understood and agreed that the Purchaser will accept delivery and make payment for the Certificates by 10:00 AM CDT, on Wednesday, June 18, 2025, or thereafter on the date the Certificates are tendered for delivery, up to and including Wednesday, July 2, 2025. If for any reason the City is unable to make delivery on or before Wednesday, July 2, 2025, the City shall immediately contact the Purchaser and offer to allow the Purchaser to extend its offer for an additional thirty days. If the Purchaser does not elect to extend its offer within six days thereafter, then its Good Faith Deposit will be returned, and both the City and the Purchaser shall be relieved of any further obligation.

In no event shall the City be liable for any damages by reason of its failure to deliver the Certificates.

**CONDITIONS TO DELIVERY . . .** The obligation of the Purchaser to take up and pay for the Certificates is subject to the Purchaser's receipt of (a) the legal opinion of Norton Rose Fulbright US LLP, Dallas, Texas, Bond Counsel for the City (“Bond Counsel”) and (b) the no-litigation certificate. In order to provide the City with information required to enable it to comply with certain conditions of the Code relating to the exemption of interest on the Certificates from the gross income of their owners, the Purchaser will be required to complete, execute, and deliver to the City (not later than 6 business days prior to delivery of the Certificates) a certification as to their “issue price” substantially in the form and to the effect attached hereto or accompanying this Notice of Sale. **In no event will the City fail to deliver the Certificates as a result of the Initial Purchaser's inability to sell a substantial amount of the Certificates at a particular price prior to delivery.** Each bidder, by submitting its bid, agrees to complete, execute, and deliver such a certificate no later than 6 business days prior to delivery of the Certificates, if its bid is accepted by the City. It will be the responsibility of the Purchaser to institute such syndicate reporting requirements to make such investigation, or otherwise to ascertain the facts necessary to enable it to make such certification with reasonable certainty. Any questions concerning such certification should be directed to Bond Counsel.

**LEGAL OPINIONS . . .** The Certificates are offered for delivery when, as and if issued, subject to the approval of the Attorney General. Delivery of and payment for the Certificates is subject to the receipt by the Purchaser of the opinion of Bond Counsel in substantially the form attached as Appendix C to the Preliminary Official Statement, to the effect that the Certificates are valid and binding obligations of the City, that the interest on the Certificates is excludable from gross income for federal income tax purposes under existing law, subject to the matters described under “TAX MATTERS” in the Preliminary Official Statement.

**CERTIFICATION OF OFFICIAL STATEMENT . . .** At the time of payment for, and initial delivery of the Certificates, the City will execute and deliver to the Purchaser a certificate addressing certain matters as set forth in the Preliminary Official Statement under “OTHER PERTINENT INFORMATION – Certification of the Official Statement.”

## **GENERAL**

**FINANCIAL ADVISOR . . .** Effective August 2, 2024, Texas State Bankshares, Inc., the registered bank holding company for Texas Regional Bank (collectively, “TRB”), completed its acquisition of Dallas-based investment banking group Estrada Hinojosa & Company, Inc. (“Estrada Hinojosa”). Estrada Hinojosa operates under TRB Capital Markets, LLC, a wholly-owned subsidiary of TRB, using the assumed name of “Estrada Hinojosa”. Estrada Hinojosa (the “Financial Advisor”) is employed by the City as Financial Advisor in connection with the issuance of the Certificates, and payment of fees for services rendered with respect to the sale of the Certificates is contingent upon the issuance and delivery of the Certificates. Estrada Hinojosa in its capacity as Financial Advisor, has not verified and does not assume any responsibility for the information, covenants, and representations contained in any of the legal documents with respect to the federal income tax status of the Certificates, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

**BLUE SKY LAWS . . .** By submission of its bid, the Purchaser represents that the sale of the Certificates in states other than Texas will be made only pursuant to exemptions from registration or, where necessary, the Purchaser will register the Certificates in accordance with the securities law of the states in which the Certificates are offered or sold. The City agrees to cooperate with the Purchaser, at the Purchaser's written request

and 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 execute a general or special consent to service of process in any such jurisdiction.

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

**RATINGS . . .** The Certificates have been rated “Aaa” by Moody’s Investors Service, Inc. (“Moody’s”) and “AAA” by S&P Global Ratings, a division of S&P Global Inc. (“S&P”). The presently outstanding ad valorem tax supported debt of the City is rated “Aaa” by Moody’s and “AAA” by S&P.

**THE PRELIMINARY OFFICIAL STATEMENT AND COMPLIANCE WITH SEC RULE 15c2-12 . . .** The City has prepared the accompanying Preliminary Official Statement and, for the limited purpose of complying with the United States Securities and Exchange Commission (“SEC”) Rule 15c2-12 (“Rule 15c2-12”), deems such Preliminary Official Statement to be final as of its date within the meaning of such Rule for the purpose of review prior to bidding. 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 in the Preliminary Official Statement.

The City will furnish to the Purchaser, or Purchasers, within seven (7) business days after the sale date, a copy of the Official Statement (and any addenda, supplement or amendment thereto), together with information regarding interest rates and other terms relating to the reoffering of the Certificates, in accordance with Rule 15c2-12. The Purchaser will be responsible for providing information concerning the City and the Certificates to subsequent purchasers of the Certificates, and the City will undertake no responsibility for providing such information other than to make the Official Statement available to the Purchaser as provided herein. The City’s obligation to supplement the Official Statement to correct key representations determined to be materially misleading, after the date of the Official Statement, shall terminate upon initial delivery of the Certificates to the Purchaser, unless the Purchaser notifies, in writing, the City that less than all of the Certificates have been sold to ultimate customers on or before such date, in which case the obligation will extend for an additional period of time (but not more than 90 days after the sale date) until all of the Certificates have been sold to ultimate customers. The Purchaser shall be responsible for providing in writing the initial reoffering prices and other terms, if any to the Financial Advisor by the close of the next business day after the award. Except as noted above, the City assumes no responsibility or obligation for the distribution or delivery of any copies of the Official Statement in connection with the offering or reoffering of the Certificates.

**CONTINUING DISCLOSURE AGREEMENT. .** The City has agreed in the Certificate Ordinance to provide certain periodic information and notices of certain events in accordance with Rule 15c2-12, 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 for the Purchaser or its agent of a certified copy of the Certificate Ordinance containing the agreement described under such heading.

**COMPLIANCE WITH PRIOR UNDERTAKINGS. . .** During the last five years, the City has complied in all material respects with continuing disclosure agreements made by it in accordance with the Rule. In connection with the required annual disclosure due Sunday, March 31, 2024, the City failed to timely file the disclosure documents due to an administrative issue with the EMMA system that could not be resolved until the next business day, Monday, April 1, 2024. Subsequent to the issue being resolved with EMMA, the documents were promptly filed on April 1, 2024.

The City Council has approved the Certificate Ordinance authorizing the issuance of the Certificates which delegated to the Pricing Officer the authority to approve of the form and content of the Preliminary Official Statement, and any addenda, supplement or amendment thereto, and authorized its use in the reoffering of the Certificates by the Purchaser.

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Pricing Officer  
City of McKinney, Texas

May 5, 2025



**Form 1295 Identification Number: COs Series 2025 Bid- Certificate Purchasing Services****OFFICIAL BID FORM**

May 21, 2025

Mayor and City Council:

Reference is made to your Preliminary Official Statement and Notice of Sale, dated May 5, 2025 of \$28,140,000\* CITY OF MCKINNEY, TEXAS TAX AND LIMITED PLEDGE WATERWORKS AND SEWER SYSTEM REVENUE CERTIFICATES OF OBLIGATION, SERIES 2025 both of which constitute a part hereof.

For your legally issued Certificates, as described in said Notice of Sale and Preliminary Official Statement, we will pay you par plus a cash premium of \$\_\_\_\_\_ (not less than 104.11% of par and not more than 109.11% of par) for the Certificates maturing and bearing interest as follows:

**MATURITY SCHEDULE**

<b>(August 15) Maturity</b>	<b>Principal Amount at Maturity</b>	<b>Interest Rate</b>	<b>(August 15) Maturity</b>	<b>Principal Amount at Maturity</b>	<b>Interest Rate</b>
2026	\$ 645,000		2036	\$ 1,395,000	
2027	900,000		2037	1,465,000	
2028	945,000		2038	1,540,000	
2029	995,000		2039	1,615,000	
2030	1,045,000		2040	1,700,000	
2031	1,095,000		2041	1,785,000	
2032	1,150,000		2042	1,870,000	
2033	1,205,000		2043	1,965,000	
2034	1,265,000		2044	2,065,000	
2035	1,330,000		2045	2,165,000	

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

Total Interest Cost	\$ _____
Less Premium	\$ _____
Net Interest Cost	\$ _____
TRUE INTEREST COST RATE	_____ %

Check appropriate box and fill in the blank in Alternative 2 if it is chosen:

Alternative 1: ☐ All Serial Certificates

Alternative 2: ☐ The Term Certificates must consist of two or more consecutive annual principal amounts accumulated from 2026 through 2045 maturities from the maturity schedule shown above.

\*Preliminary, subject to change.

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 certificates 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:

<b>Term Certificate</b>	<b>Year of First Mandatory</b>	<b>Principal</b>	<b>Interest</b>
<b><u>Maturing</u></b>	<b><u>Redemption</u></b>	<b><u>Amount</u></b>	<b><u>Rate</u></b>
<b><u>August 15</u></b>		\$	
		\$	
		\$	
		\$	
		\$	

We are having the Certificates 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 City.**

The Initial Certificate 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 the \_\_\_\_\_ Bank, \_\_\_\_\_ or a wire, in the amount of \$562,800, which represents our Good Faith Deposit (is attached hereto) or (has been made available to you prior to the opening of this bid), and is submitted in accordance with the terms as set forth in the Preliminary Official Statement and Notice of Sale.

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 Certificate 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 or the written representation of exemption 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 City, 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 City at mholloway@mckinneytx.gov and City's Financial Advisor at dgordon@ehmuni.com. 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 ☐. If the bid is accepted by the City, this bid shall thereupon become a contract of purchase for the City under the terms contained in this Official Bid Form and in the Notice of Sale. We hereby acknowledge that we have received and read the Notice of Sale and Preliminary Official Statement referred to above.

The undersigned agrees to complete, execute and deliver to the City at least six days before the date of delivery of the Certificates, a certificate relating to the "issue price" of the Certificates in the form and to the effect attached to or accompanying the Notice of Sale, with such changes thereto as may be acceptable to or required by the Bond Counsel for the City ("Bond Counsel"). 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 accept delivery of the Certificates utilizing the Book-Entry-Only System through DTC and make payment for the Initial Certificate in immediately available funds to BOKF, NA, Dallas, Texas, not later than 10:00 AM CDT, on June 18, 2025, or thereafter on the date the Certificates are tendered for delivery, pursuant to the terms set forth in the Notice of Sale. It will be the obligation of the Purchaser of the Certificates to complete the DTC Eligibility Questionnaire.

By executing this Bid Form, the bidder represents that, to the extent Section 2271.002 of the Texas Government Code is applicable to the sale of the Certificates solely for purposes of compliance with Chapter 2271 of the Texas Government Code, and subject to applicable Federal law, neither the bidder nor any syndicate member listed on the Official Bid Form nor any wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of the same, (i) boycotts Israel or (ii) will boycott Israel through the delivery date of the Certificates. For purposes of this representation, the terms “boycotts Israel” and “boycott Israel” have the meanings assigned to the term “boycott Israel” in Section 808.001 of the Texas Government Code, as amended.

The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification, “boycott Israel,” a term defined in Section 2271.001, Texas Government Code, by reference to Section 808.001(1), Texas Government Code, means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.

Through submittal of this executed Official Bid Form, the undersigned makes the representations and verifications provided in the Notice of Sale and Bidding Instructions under the heading “**CONDITIONS OF THE SALE – VERIFICATIONS OF STATUTORY REPRESENTATIONS AND COVENANTS**”.

**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 the Initial Purchaser or Manager

\_\_\_\_\_  
Authorized Representative

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
Signature

ACCEPTANCE CLAUSE

The above and foregoing bid is hereby in all things accepted by the City of McKinney, Texas, subject to and in accordance with the Notice of Sale, this \_\_\_\_ day of \_\_\_\_\_, 2025.

\_\_\_\_\_  
Pricing Officer  
City of McKinney, Texas

**CITY OF MCKINNEY, TEXAS**  
**TAX AND LIMITED PLEDGE WATERWORKS AND SEWER SYSTEM REVENUE CERTIFICATES OF**  
**OBLIGATION, SERIES 2025**

**ISSUE PRICE CERTIFICATE**

The undersigned, on behalf of \_\_\_\_\_ (the "Purchaser"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Certificates") of the City of McKinney, Texas (the "Issuer").

**1. Reasonably Expected Initial Offering Price.**

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

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

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

**2. Bond Insurance.**

The Purchaser (has)(has not) purchased bond insurance for the Certificates. The bond insurance, if any, has been purchased from \_\_\_\_\_ (the "Insurer") for a premium cost of \$ \_\_\_\_\_ (net of any nonguarantee cost, e.g., rating agency fees). The amount of such cost is set forth in the Insurer's commitment and is separately stated from all other fees or charges payable to the Insurer. The premium does not exceed a reasonable charge for the transfer of credit risk taking into account payments charged by guarantors in comparable transactions (including transactions in which a guarantor has no involvement other than as a guarantor). The present value of the debt service savings expected to be realized as a result of such insurance, discounted at a rate equal to the yield on the Certificates which results after recovery of the insurance premium, exceeds the present value of the bond insurance premium.

**3. Defined Terms.**

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

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

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Certificates. The Sale Date of the Certificates is \_\_\_\_\_, 2025.

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

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the tax certificate with respect to the Certificates and with respect to compliance with the federal income tax rules affecting the Certificates, and by Norton Rose Fulbright US LLP in connection with rendering its opinion that the interest on the Certificates is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Certificates.

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_

**SCHEDULE A**  
**EXPECTED OFFERING PRICES**

**SCHEDULE B**  
**COPY OF PURCHASER'S BID**  
*(Attached)*