

This Official Notice of Sale does not alone constitute an offer to sell, but is merely notice of sale of the bonds described herein. The offer to sell such bonds is being made by means of this Official Notice of Sale, the Official Bid Form and the Preliminary Official Statement. Information contained in this Official Notice of Sale is qualified in its entirety by the detailed information contained in the Preliminary Official Statement.

OFFICIAL NOTICE OF SALE

\$15,000,000

AUDUBON MUNICIPAL UTILITY DISTRICT NO. 1  
(A political subdivision of the State of Texas  
located within Montgomery County, Texas)

UNLIMITED TAX BONDS  
SERIES 2025

Bids Due: Wednesday, July 23, 2025, at 9:30 A.M., Houston Time  
Bonds Awarded: Wednesday, July 23, 2025, at 11:00 A.M., Houston Time



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AUDUBON MUNICIPAL UTILITY DISTRICT NO. 1

(A political subdivision of the State of Texas located within Montgomery County, Texas)

UNLIMITED TAX BONDS

Series 2025

**BONDS OFFERED FOR SALE AT COMPETITIVE BID:** The Board of Directors (the “Board”) of Audubon Municipal Utility District No. 1 (the “District”), is offering for sale at competitive bid \$15,000,000 Unlimited Tax Bonds, Series 2025 (the “Bonds”). Options to submit bids on the Bonds are only the following:

- (1) Deliver bids directly to the District as is described below under the caption “Sealed Bids Delivered to the District;”
- (2) Submit bids electronically as is described below under the caption “Electronic Bidding Procedures;” or
- (3) Submit bids by telephone as is described below under the caption “Bids by Telephone.”

***The District will not accept bids submitted by facsimile.***

**PLACE AND TIME OF BID OPENING:** The District will open sealed bids for the purchase of the Bonds on Wednesday, July 23, 2025, at 11:00 A.M., Houston Time, at the offices of Schwartz, Page & Harding, L.L.P., 1300 Post Oak Boulevard, Suite 2400, Houston, Texas 77056. The bids for the Bonds will be opened and publicly read by Rathmann & Associates, L.P., the District’s Financial Advisor and authorized representative of the Board. The Board will then take action to reject any or all bids or accept the qualified bid that produces the lowest net effective interest rate for the Bonds. The Board reserves the right to reject any or all bids and to waive any irregularities, except time of filing.

**SEALED BIDS DELIVERED TO THE DISTRICT:** Sealed bids, which must be submitted executed by an authorized representative of the bidder on the Official Bid Form and plainly marked “Bid for Bonds,” are to be addressed to “President and Board of Directors, Audubon Municipal Utility District No. 1” and delivered to the District in care of Rathmann & Associates, L.P., 8584 Katy Freeway, Suite 250, Houston, Texas 77024, prior to 9:30 A.M., Houston Time, Wednesday, July 23, 2025. Any bid received after such scheduled time for bid opening will not be accepted.

**ELECTRONIC BIDDING PROCEDURES:** Any prospective bidder that intends to submit an electronic bid must submit its electronic bid through the facilities of PARITY by 9:30 A.M., Houston Time, Wednesday, July 23, 2025. No bid will be accepted after the time for receiving bids specified above. Bidders must submit a signed bid form to Rathmann & Associates, L.P., c/o Craig Rathmann (craig@rathmannassociates.com), prior to 5:00 P.M., Houston Time, on Tuesday, July 22, 2025. Subscription to i-Deal LLC’s BIDCOMP Competitive Bidding System is required in order to submit an electronic bid. Neither the District nor Rathmann & Associates, L.P. will confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe.

An electronic bid made through the facilities of PARITY shall be deemed an irrevocable offer to purchase the Bonds under the terms expressed in this Official Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the District. Neither the District nor Rathmann & Associates, L.P. shall 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 at the sole risk of the prospective bidder.

**If any provisions of this Official Notice of Sale conflict with information provided by PARITY as the approved provider of electronic bidding services, this Official Notice of Sale shall control. Further information about PARITY, including any fee charged, may be obtained from PARITY Customer Support, 40 West 23rd Street, 5th Floor, New York, New York 10010, telephone: (212) 806-8304.**

**For purposes of any and all bids submitted to the District, 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 “CONDITIONS OF SALE - BASIS OF AWARD” below. All electronic bids shall be deemed to incorporate the provisions of this Official Notice of Sale and Official Bid Form.**

**BIDS BY TELEPHONE:** Bidders must submit a signed original Official Bid Form executed by an authorized representative of the bidder to the District’s Financial Advisor, R. Craig Rathmann, Rathmann & Associates, L.P (craig@rathmannassociates.com) prior to 5:00 P.M., Houston Time, on Tuesday, July 22, 2025, executed as described above under “Sealed Bids Delivered to the District.” Bidders who have provided signed bid forms may submit bids by telephone pursuant to arrangements made with R. Craig Rathmann, Rathmann & Associates, L.P., but no later than 9:30 A.M., Houston Time, Wednesday, July 23, 2025. Inquiries with respect to this procedure may be directed to R. Craig Rathmann, Rathmann & Associates, L.P. at craig@rathmannassociates.com..

**DISCLAIMER OF RESPONSIBILITY:** *Neither the District nor Rathmann & Associates, L.P. will be responsible for the submission of any bid(s) received after the filing deadline, nor does the District or Rathmann & Associates, L.P. assume any responsibility or liability with respect to any irregularities or errors associated with the submission of any bid.*

**AWARD AND SALE OF THE BONDS:** The Board will take action to reject any or all bids or to award the Bonds to the qualified bidder with the bid that produces the lowest net effective interest rate for the Bonds at a meeting to be held at the offices of Schwartz, Page & Harding, L.L.P., 1300 Post Oak Boulevard, Suite 2400, Houston, Texas 77056, at 11:00 A.M., Houston Time, Wednesday, July 23, 2025. The District will take action to adopt an order (the “Bond Order”) authorizing the issuance and awarding sale of the Bonds or will reject any or all bids promptly after the opening of bids. Sale of the Bonds will be made subject to compliance with Texas Government Code § 2252.908, as more fully described below. The Board reserves the right to reject any or all bids and to waive any irregularities, except time of filing of the bids.

THE BONDS

**DESCRIPTION OF CERTAIN TERMS OF THE BONDS:** The Bonds will be dated September 1, 2025, and interest will accrue from the Date of Delivery (as defined herein), with the first interest payment due on March 1, 2026, and on each September 1 and March 1 thereafter until the earlier of maturity or prior redemption. The definitive Bonds will be initially registered in the name of and delivered only to Cede & Co., nominee of The Depository Trust Company (“DTC”) in New York, New York pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Bonds may be acquired in denominations of \$5,000 or integral multiples thereof. No physical delivery of the Bonds will be made to the owners thereof. So long as Cede & Co. is the registered owner of the Bonds, principal of and interest on the Bonds will be paid by The Bank of New York Mellon Trust Company, N.A., in Dallas, Texas, the paying agent/registrar (hereinafter sometimes called the “Paying Agent,” the “Paying Agent/Registrar,” or the “Registrar”) to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds. The Bonds will mature serially on September 1 in the following years and amounts:

<u>Maturity</u>	<u>Principal Amount</u>	<u>Maturity</u>	<u>Principal Amount</u>
2027	\$230,000	2041	\$480,000
2028	245,000	2042	505,000
2029	260,000	2043	525,000
2030	275,000	2044	550,000
2031	295,000	2045	580,000
2032	315,000	2046	605,000
2033	330,000	2047	630,000
2034	350,000	2048	660,000
2035	370,000	2049	695,000
2036	385,000	2050	730,000
2037	400,000	2051	765,000
2038	420,000	2052	800,000
2039	435,000	2053	840,000
2040	460,000	2054	1,865,000

At the option of the Underwriter (hereinafter defined) as specified in the Official Bid Form, any or all of such maturities may be designated as term bonds subject to mandatory sinking fund redemption provided that the mandatory sinking fund amount in each year shall equal the amounts shown above as maturing in such year.

The Bonds maturing on and after September 1, 2031, are subject to redemption and payment, at the option of the District, in whole or in part, on September 1, 2030, or on any date thereafter, at a price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption. If fewer than all the Bonds are redeemed at any time, the District shall determine the maturity or maturities and the amounts thereof to be redeemed, in integral multiples of \$5,000 in principal amount, and if fewer than all of the Bonds within a maturity are to be redeemed, the Bonds within such maturity to be redeemed shall be selected by DTC in accordance with its procedures while the Bonds are in book-entry-only form.

**SECURITY FOR PAYMENT:** The Bonds, when issued, will constitute valid and binding obligations of the District, payable as to principal and interest from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property within the District. See "THE BONDS - Source and Security for Payment" in the Preliminary Official Statement.

**MUNICIPAL BOND INSURANCE AND RATINGS:** Applications have been made to Assured Guaranty Corp. ("AG") and Build America Mutual Assurance Company ("BAM") to issue a commitment for municipal bond guaranty insurance on the Bonds. **The purchase of such insurance on the Bonds is mandatory, and such insurance must be unconditional, irrevocable, and in full force and effect for the scheduled maturity of the entire bond issue. The payment of all associated costs, including the premium charged by the insurer, and fees charged by any rating companies other than Moody's Investors Service, Inc. ("Moody's") as described below, will be at the expense of the Underwriter (hereinafter defined). It is a condition of the District's consideration of any bid on the Bonds, and of the District's obligation to deliver the Bonds, that Moody's assigns the Bonds a rating not less than "A1," or S&P Global Ratings assigns the Bonds a rating not less than "AA" based upon the issuance of such municipal bond guaranty insurance.** Moody's has assigned an underlying rating of "Baa3" to the Bonds. Separate rating(s), including a rating by Moody's, may at the election of the Underwriter be assigned the Bonds based upon the understanding that upon delivery of the Bonds an insurance policy insuring the timely payment of the principal of and interest on the Bonds will be issued by the insurer. The District will pay the cost of both the underlying rating of Moody's and the Moody's rating associated with the insurance policy issued relating to the Bonds. As is stated in this Official Notice of Sale under the caption "NO MATERIAL ADVERSE CHANGE," the rating of the insurer's creditworthiness by any rating agency does not and will not in any manner affect the District's financial condition, and thus any change to such rating, including a downgrade thereof, at any time, does not and will not constitute a change, material or otherwise, in the District's financial condition, and therefore cannot be a basis for termination by the Underwriter of its obligations to take up and pay for the Bonds.

**OTHER TERMS AND COVENANTS:** Other terms of the Bonds and the various covenants of the District contained in the Bond Order are described in the Preliminary Official Statement, to which reference is made for all purposes.

#### CONDITIONS OF SALE

**TYPES 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 97% of the principal amount thereof. Bidders are to name the rates of interest to be borne by the Bonds, provided that each interest rate bid must be a multiple of 1/8th or 1/20th of 1%. All Bonds maturing within a single year must bear the same rate of interest. The net effective interest rate on the Bonds may not exceed 7.27% as calculated pursuant to Chapter 1204, Texas Government Code, as amended. No limitation will be imposed upon bidders as to the number of rates which may be used, but the highest rate bid may not exceed the lowest rate bid by more than 2-1/2% in interest rate. No bid involving supplemental interest payments or zero interest rates will be considered. No bid generating a cash premium greater than \$5,000 will be considered. Each bid shall indicate the total and net interest costs in dollars and the net effective interest rate determined therefrom, which shall be considered informative only and not as a part of the bid.

**BASIS OF AWARD:** For the purpose of awarding sale of the Bonds, the interest cost of each bid will be computed by determining, at the rates specified therein, the total dollar value of all interest on the Bonds from the date thereof to their respective maturities and adding thereto the discount bid, if any, or deducting therefrom the premium bid, if any. Subject to the District's right to reject any or all bids, sale of the Bonds will be awarded to the bidder (the "Underwriter") whose bid, under the above computation, produces the lowest net interest cost, as calculated pursuant to Chapter 1204, Texas Government Code, as amended, to the District, subject to compliance with Texas Government Code § 2252.908, as described below. The Board reserves the right to reject any or all bids. In the event of mathematical discrepancies between the interest rate(s) bid and the interest cost determined therefrom, as both appear on the Official Bid Form, the bid will be governed solely by the interest rate(s) named.

**PROVISION OF TEXAS ETHICS COMMISSION FORM 1295 (“TEC FORM 1295”) AND CERTIFICATION OF FILING BY BIDDERS:** Pursuant to Texas Government Code § 2252.908 (the “Interested Party Disclosure Act” or the “Act”), the District may not award the Bonds to a bidder that is a privately held entity unless the bidder, and each privately held syndicate member listed on the Official Bid Form, have provided to the District (c/o Rathmann & Associates, L.P., 8584 Katy Freeway, Suite 250, Houston, Texas 77024; Attention: R. Craig Rathmann, craig@rathmannassociates.com) a completed and signed TEC Form 1295 which has been assigned a certificate number by the Texas Ethics Commission (the “TEC”). Pursuant to the rules prescribed by the TEC, the TEC Form 1295 must be completed online through the TEC’s website, assigned a certificate number, printed, signed and provided to the District. The TEC Form 1295 may accompany the Official Bid Form or may be submitted separately, but must be provided to the District prior to the time prescribed for the award of the Bonds. The TEC Form 1295 may be provided to the District via facsimile or electronically, however, the original signed TEC Form 1295 complete with certificate number must be physically delivered to the District (c/o Schwartz, Page & Harding, L.L.P., 1300 Post Oak Boulevard, Suite 2400, Houston, Texas 77056) within two (2) business days of the award. Following the award of the Bonds, the District will notify the TEC of the receipt of the completed TEC Form 1295 for the accepted bid. The District reserves the right to reject any bid that does not comply with the requirements prescribed herein or to waive any such requirements. For purposes of completing the TEC Form 1295, the entity’s name is Audubon Municipal Utility District No. 1 and the contract ID number is AMUD1-S2025-B. Neither the District nor its consultants have the ability to verify the information included in a TEC Form 1295, and neither have an obligation nor undertake 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 apparent winning bid.

**COMPLIANCE WITH LAWS PROHIBITING CONTRACTS WITH CERTAIN PARTIES:** The District will not award the Bonds to a bidder unless the bidder verifies on behalf of itself and each syndicate member listed on the Official Bid Form that, at the time of execution and delivery of the bid and through the term of the contract, being through the end of the underwriting period as defined by United States Securities and Exchange Commission Rule 15c2-12: (1) neither the bidder nor a syndicate member listed on the Official Bid Form, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, boycotts or will boycott Israel, (2) neither the bidder nor a syndicate member listed on the Official Bid Form, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, boycotts or will boycott energy companies, and (3) neither the bidder nor a syndicate member listed on the Official Bid Form, including any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, (a) has or will have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association, or (b) will discriminate against a firearm entity or firearm trade association.

Additionally, the District will not award the Bonds to a bidder unless the bidder certifies that, at the time of execution and delivery of this bid, neither the bidder nor a syndicate member listed on the Official Bid Form, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, is a company listed by the Texas Comptroller of Public Accounts under Sections 2270.0201 or 2252.153 of the Texas Government Code.

Bidder is advised that the foregoing representations, verifications, and certifications shall be made such that liability for breach of such representations, verifications, and certifications during the term of the bid form shall survive termination of the bid form until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of the bid form, notwithstanding anything therein to the contrary.

The terms (1) "boycotts Israel" and "boycott Israel" as used herein have the meanings assigned to the term "boycott Israel" in Section 808.001 of the Texas Government Code, as amended, (2) "boycotts energy companies" and "boycott energy companies" as used herein have the meanings assigned to the term "boycott energy company" in Sections 809.001 and 2276.001 of the Texas Government Code, each as amended, and (3) "discriminates against a firearm entity or firearm trade association" as used herein has the meaning assigned to the term "discriminate against a firearm entity or firearm trade association" in Section 2274.001(3) of the Texas Government Code, as amended. As used herein, the term "affiliate" shall mean an entity that controls, is controlled by, or is under common control with the bidder or each syndicate member listed on the Official Bid Form, as applicable, within the meaning of SEC Rules 405, 17 C.F.R. § 230.405, and exists to make a profit.

Bidders are further advised that the award of the Bonds is conditioned upon compliance by the bidder, each syndicate member listed on the Official Bid Form, and the provider of municipal bond insurance for the Bonds, if any and if required, with any rules and requirements of the Office of the Attorney General of Texas (the “Attorney General”) related to the filing of standing letters supporting the verifications and certifications herein, and that compliance with such rules and requirements has been confirmed by the District, either by its receipt of a copy of any required standing letters with the Official Bid Form prior to the time prescribed for award of the Bonds or such other means as is reasonably determined by the District. A form of standing letter may be obtained

through the website of the Office of the Attorney General of Texas at <https://www.texasattorneygeneral.gov/sites/default/files/files/divisions/public-finance/ABC%20Letter%20September%2022%202021%20-%20Standing%20Letter%20Requirement.pdf>.

In submitting a bid, bidder represents to the District that it and each syndicate member listed on the Official Bid Form, if any, (i) has filed a standing letter with the Attorney General and the Municipal Advisory Council of Texas that conforms to the requirements of the Attorney General, (ii) has no reason to believe that the District may not be entitled to rely on such standing letters, and (iii) neither bidder, any syndicate member listed on the Official Bid Form, nor any parent company, subsidiaries, or affiliates of the same, have received a letter from the Texas Comptroller of Public Accounts related to its inclusion on any list of financial companies boycotting energy companies. Bidder agrees that it will not rescind its standing letter at any time before the delivery of the Bonds unless same is immediately replaced with a standing letter that meets the requirements of the Attorney General. The District reserves the right, in its sole discretion, to reject any bid from a bidder that does not have such standing letter on file as of the deadline for bids for the Bonds. By submitting a bid, each bidder agrees, should it be the winning bidder, to cooperate with the District and take any action necessary to further verify and confirm compliance with state law by the bidder and each syndicate member listed on the Official Bid Form.

**COMPLIANCE WITH THE TEXAS PUBLIC INFORMATION ACT:** The District will not award the Bonds to a bidder unless the bidder agrees to maintain all records in accordance with the requirements of the Texas Public Information Act, including Subchapter J thereof relating to contracting information as defined therein, and the District's rules, regulations, policies, and retention schedules adopted thereunder with respect to any records to which said Act applies.

**GOOD FAITH DEPOSIT:** Each bid must be accompanied by a bank cashier's check payable to the order of "Audubon Municipal Utility District No. 1" in the amount of \$300,000, which is 2% of the principal amount of the Bonds (the "Good Faith Deposit"). **Only "bank cashier's checks" will be accepted; no "official bank checks" will be accepted.** The check of the Underwriter will be considered as the Good Faith Deposit and will be retained uncashed by the District pending the Underwriter's compliance with the terms of the bid or if it is determined that after the acceptance of its bid by the District that the Initial Purchaser was found not to satisfy the requirements described above regarding the filing of a standing letter with the Office of the Attorney General of Texas and as a result, the Attorney General will not deliver its approving opinion of the Bonds. In the event the Underwriter should fail or refuse to take up and pay for the Bonds in accordance with such terms, then the Good Faith Deposit will be cashed and the proceeds accepted by the District as full and complete liquidated damages. The Good Faith Deposit may accompany the bid or it may be submitted separately; if submitted separately, it shall be made available to the District prior to the opening of the bids and shall be accompanied by instructions from the bank on which it is drawn which authorize its use as the Good Faith Deposit of bidders named in such instructions. The Good Faith Deposit of the Underwriter will be returned to the Underwriter uncashed on the Date of Delivery of the Bonds. No interest will be credited on the Good Faith Deposit. The checks accompanying all other bids will be returned immediately after the bids are opened and the award of the sale of the Bonds has been made.

#### OFFICIAL STATEMENT

To assist the Underwriter in complying with SEC Rule 15c2-12, the District and the Underwriter contract and agree, by the submission and acceptance of the winning bid, as follows.

**FINAL OFFICIAL STATEMENT:** The District has approved and authorized distribution of the accompanying Preliminary Official Statement for dissemination to potential purchasers of the Bonds, but does not presently intend to prepare any other document or version thereof for such purpose, except as described below. Accordingly, the District intends the Preliminary Official Statement to be final as of its date, within the meaning of SEC Rule 15c2-12(b)(1), except for information relating to the offering prices, interest rates, final debt service schedule, selling compensation, identity of the Underwriter and other similar information, terms and provisions to be specified in the competitive bidding process. The Underwriter shall be responsible for promptly informing the District of the initial offering yields of the Bonds. Thereafter, the District will complete and authorize distribution of the Official Statement identifying the Underwriter and containing such omitted information. The District does not intend to amend or supplement the Official Statement otherwise, except to take into account certain subsequent events, if any, as described below. By delivering the final Official Statement or any amendment or supplement thereto in the requested quantity to the Underwriter on or after the sale date, the District intends the same to be final as of such date, within the meaning of SEC Rule 15c2-12(f)(3). Notwithstanding the foregoing, the only representations concerning the absence of material misstatements or omissions from the Official Statement which are being or which will be made by the District are those described and contained in the Official Statement under the caption "GENERAL CONSIDERATIONS - Certification of Official Statement."

**CHANGES TO OFFICIAL STATEMENT:** If, subsequent to the date of the Official Statement, to and including the date the Underwriter is no longer required to provide an Official Statement to customers who request same pursuant to SEC Rule 15c2-12, the District learns, or is notified by the Underwriter, of any adverse event which causes the Official Statement to be materially misleading, and unless the Underwriter elects to terminate its obligation to purchase the Bonds, the District will promptly prepare and supply to the Underwriter an appropriate amendment or supplement to the Official Statement satisfactory to the Underwriter; provided, however, that the obligation of the District to so amend or supplement the Official Statement will terminate upon the earlier of (i) 90 days after the “end of the underwriting period” as defined in SEC Rule 15c2-12 or (ii) the date the Official Statement is filed with the MSRB, but in no case less than 25 days after the “end of the underwriting period.”

**DELIVERY OF OFFICIAL STATEMENTS:** The District shall furnish to the Underwriter (and to each participating underwriter of the Bonds, within the meaning of SEC Rule 15c2-12(a), designated by the Underwriter), within seven (7) business days after the sale date, the aggregate number of Official Statements specified in the winning bid. The District also shall furnish to the Underwriter a like number of any supplements or amendments approved and authorized for distribution by the District for dissemination to potential purchasers of the Bonds, as well as such additional copies of the Official Statement or any such supplements or amendments as the Underwriter may reasonably request prior to the 90th day after the end of the underwriting period described in SEC Rule 15c2-12(f)(2). The District shall pay the expense of preparing the number of copies of the Official Statement specified in the winning bid and an equal number of any supplements or amendments issued on or before the delivery date, but the Underwriter shall pay for all other copies of the Official Statement or any supplement or amendment thereto.

#### DELIVERY OF THE BONDS AND ACCOMPANYING DOCUMENTS

**DELIVERY OF INITIAL BONDS:** Delivery will be accomplished by the issuance of one initial bond for each maturity (collectively called the “Initial Bonds”), either in typed or printed form, in the aggregate principal amount of \$15,000,000 payable to Cede & Co. and manually signed by the President or Vice President and Secretary or Assistant Secretary of the Board, approved by the Attorney General of Texas, and registered and manually signed by an authorized representative of the Comptroller of Public Accounts of the State of Texas. Unless otherwise agreed with the Underwriter, delivery of the Initial Bonds will be made at the principal corporate trust office of the Registrar in Dallas, Texas. Payment for the Initial Bonds must be made in immediately available funds for unconditional credit to the District, or as otherwise directed by the District. The Underwriter will be given five (5) business days’ notice of the time fixed for delivery of the Initial Bonds. It is anticipated that initial delivery can be made on or about September 4, 2025 (the “Date of Delivery”), and subject to the aforesaid notice, it is understood and agreed that the Underwriter will accept delivery of and make payment for the Initial Bonds by 9:30 A.M., Houston Time, on September 4, 2025, or thereafter on the date the Initial Bonds are tendered for delivery, up to October 6, 2025. If for any reason the District is unable to make delivery on or before October 6, 2025, then the District immediately shall contact the Underwriter and offer to allow the Underwriter to extend its offer for an additional thirty (30) calendar days. If the Underwriter does not elect to extend its offer within six (6) calendar days thereafter, then the Good Faith Deposit will be returned, and both the District and the Underwriter shall be relieved of any further obligation.

**DTC DEFINITIVE BONDS:** After delivery, the Bonds will be issued in book-entry-only form. Cede & Co. is the nominee for DTC. All references herein to the Registered Owners (as defined in the Preliminary Official Statement) of the Bonds shall mean Cede & Co. and not the Beneficial Owners (as defined in the Preliminary Official Statement) of the Bonds. Purchase of beneficial interests in the Bonds will be made in book-entry-only form (without registered Bonds) in the denomination of \$5,000 principal amount or any integral multiple thereof. Under certain limited circumstances described herein, the District may determine to forego immobilization of the Bonds at DTC, or another securities depository, in which case, such beneficial interests would become exchangeable for one or more fully registered Bonds of like principal amount for the Bonds. See “BOOK-ENTRY-ONLY SYSTEM” in the Preliminary Official Statement.

**REGISTRATION AND TRANSFER:** Section 149(a) of the Internal Revenue Code of 1986, as amended (the “Code”), requires that all tax exempt obligations (with certain exceptions that do not include the Bonds) be in registered form in order for the interest payable on such obligations to be excludable from a Registered Owner’s income for federal income tax purposes. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. pursuant to the Book-Entry-Only System described herein. One fully-registered bond will be issued for each maturity of the Bonds and will be deposited with DTC. See “BOOK-ENTRY-ONLY SYSTEM” in the Preliminary Official Statement. So long as any Bonds remain outstanding, the District will maintain at least one Paying Agent/Registrar in the State of Texas for the purpose of maintaining the Register (as defined in the Preliminary Official Statement) on behalf of the District.

**CUSIP NUMBERS:** In the event the book-entry-only system is discontinued, it is anticipated that CUSIP identification numbers will be printed or otherwise reproduced on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Underwriter to accept delivery of and pay for the Bonds in accordance with the terms of this Official Notice of Sale. All expenses relating to the printing of CUSIP numbers on the Bonds



shall be paid for by the District; provided, however, that payment of the CUSIP Service Bureau charge for the assignment of the numbers shall be the responsibility of the Underwriter.

**CONDITIONS TO DELIVERY:** The Underwriter's obligation to take up and pay for the Bonds is subject to the following conditions: issuance of an approving opinion of the Attorney General of Texas; the Underwriter's receipt of the Initial Bonds, the Underwriter's receipt of the legal opinion of Bond Counsel, as described below; and the Underwriter's receipt of the no-litigation certificate and the non-occurrence of the events described below under the caption "NO MATERIAL ADVERSE CHANGE." In addition, if the District fails to comply with its obligations described under "OFFICIAL STATEMENT" above, the Underwriter may terminate its contract to purchase the Bonds by delivering written notice to the District within five (5) business days after the Underwriter's determination of such failure.

**LEGAL OPINIONS:** The District will furnish to the Underwriter a transcript of certain certified proceedings incident to the issuance and authorization of the Bonds, including a certified copy of the approving legal opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State of Texas, to the effect that the Attorney General has examined a transcript of proceedings authorizing the issuance of the Bonds, and that based upon such examination, the Bonds are valid and binding obligations of the District payable from the proceeds of an annual ad valorem tax, levied without legal limitation as to rate or amount upon all taxable property in the District. The District will also furnish the approving legal opinion of Schwartz, Page & Harding, L.L.P., Bond Counsel, Houston, Texas, to the effect that, based upon an examination of such transcript, the Bonds are valid and binding obligations of the District under the Constitution and laws of the State of Texas, except to the extent that enforcement of the rights and remedies of the Registered Owners of the Bonds may be limited by laws relating to bankruptcy, reorganization, or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. The legal opinion of Bond Counsel will further state that the Bonds are payable, both as to principal and interest, from the levy of ad valorem taxes without legal limitation as to rate or amount, upon all taxable property within the District, and that the interest on the Bonds is excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date of such opinion assuming compliance by the District with certain covenants relating to the use and investment of the proceeds of the Bonds. See "LEGAL MATTERS" in the Preliminary Official Statement. Such opinions express no opinion with respect to the sufficiency of the security for or marketability of the Bonds.

**NOT QUALIFIED TAX-EXEMPT OBLIGATIONS:** Section 265 of the Internal Revenue Code of 1986, as amended (the "Code"), provides, in general, that interest expense incurred to acquire or carry tax-exempt obligations is not deductible from the gross income of the owner of the Bonds. For certain owners that are "financial institutions" within the meaning of such section, complete disallowance of such expense would apply to taxable years beginning after December 31, 1986, with respect to tax-exempt obligations acquired after August 7, 1986. Section 265(b) of the Code provides an exception to this rule for interest expense incurred by financial institutions to carry tax-exempt obligations (other than specified private activity bonds) which are designated by an issuer as "qualified tax-exempt obligations." An issuer may only designate an issue as an issue of "qualified tax-exempt obligations" where less than \$10 million of tax-exempt obligations are issued by the issuer during the calendar year in which the issue so designated is issued.

The District has **not** designated the Bonds as "qualified tax-exempt obligations" as it will issue more than \$10,000,000 in tax-exempt obligations in 2025.

**ESTABLISHING THE ISSUE PRICE OF THE BONDS:** In order to provide the District with information that enables it to comply with certain conditions of the Code, relating to the exclusion of interest on the Bonds from the gross income of their owners, the winning bidder will be required to complete, execute, and deliver to the District or to the District's municipal advisor, Rathmann & Associates, L.P. (the "Financial Advisor"), at least five (5) business days prior to the Date of Delivery of the Bonds, a certification as to the "issue price" of the Bonds (the "Issue Price Certificate"), substantially in the form attached hereto or accompanying this Notice of Sale. In the event the winning bidder will not reoffer any maturity of the Bonds for sale to the Public (as defined herein) by the delivery date of the Bonds, the Issue Price Certificate may be modified in a manner approved by the District and Bond Counsel. Each bidder, by submitting its bid, agrees to complete, execute, and timely deliver the Issue Price Certificate, if its bid is accepted 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.

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;

- (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 retail distribution agreement participating in the initial sale of the Bonds to the Public);
- (iii) “Related Party” means any two or more persons (including an individual, trust, estate, partnership, association, company, or corporation) that are subject, directly or indirectly, to (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 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 Financial Advisor, and any notice or report to be provided to the District may be provided to the Financial 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.

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 require, 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 Competitive Sale Requirement is satisfied, the sale of the Bonds will be awarded to the bidder making a bid that conforms to the specifications herein. In the event that the Competitive Sale Requirement is not satisfied, bids **will not be subject to cancellation and the winning bidder will be required to hold the initial offering price to the Public of each maturity of the Bonds, other than a maturity 10% of which has been sold to the Public on the Sale Date (“Hold-the-Price Bonds”), as described in the next paragraph.**

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 maturity of the Hold-the-Price Bonds 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:

- (i) the close of the fifth (5th) business day after the Sale Date; or
- (ii) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds 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 Underwriter has sold 10% of a maturity of the Hold-the- Price Bonds 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.

**NO-LITIGATION CERTIFICATE:** The District will furnish to the Underwriter a certificate, dated as of the Date of Delivery of the Bonds, executed by both the President or Vice President and Secretary or Assistant Secretary of the Board, to the effect that no litigation of any nature has been filed or is then pending or to the knowledge of the District’s certifying officers, threatened, either in state or federal courts, contesting or attacking the Bonds; restraining or enjoining the issuance, execution or delivery of the Bonds; affecting the provisions made for the payment of or security for the Bonds; in any manner questioning the authority or proceedings for the issuance, execution, or delivery of the Bonds; or affecting the validity of the Bonds, the corporate existence or boundaries of the District or the title to the then present officers and directors of the Board.

NO MATERIAL ADVERSE CHANGE: The obligations of the Underwriter to take up and pay for the Bonds, and of the District to deliver the Bonds, are subject to the condition that, up to the time of delivery of and receipt of payment for the Bonds, there shall have been no material adverse change in the financial condition of the District subsequent to the date of the sale from that set forth in the Preliminary Official Statement, as it may have been supplemented or amended through the date of the sale. The rating of the insurer's creditworthiness by any rating agency does not and will not in any manner affect the District's financial condition, and thus any change to such rating, including a downgrade thereof, at any time, does not and will not constitute a change, material or otherwise, in the District's financial condition, and therefore cannot be a basis for termination by the Underwriter of its obligations to take up and pay for the Bonds

CONTINUING DISCLOSURE AGREEMENT: The District will agree in the Bond Order to provide certain periodic information and notices of certain events in accordance with SEC Rule 15c2-12, as described in the Preliminary Official Statement under "CONTINUING DISCLOSURE OF INFORMATION." The Underwriter's obligation to accept and pay for the Bonds is conditioned upon delivery to the Underwriter or its agent of a certified copy of the Bond Order containing the agreement described under such heading.

#### GENERAL CONSIDERATIONS

INVESTMENT CONSIDERATIONS: The Bonds involve certain investment considerations as set forth in the Preliminary Official Statement. Prospective bidders should carefully review the entire Preliminary Official Statement before making their investment decision. Particular attention should be given to the information set forth therein under the caption "INVESTMENT CONSIDERATIONS."

SECURITIES REGISTRATION AND QUALIFICATION: No registration statement relating to the Bonds has been filed with the SEC under the Securities Act of 1933, as amended, in reliance upon exemptions provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been registered or qualified under the securities laws or regulations of any other jurisdiction. The District assumes no responsibility for registration or qualification of the Bonds under the securities laws or regulations of any other jurisdiction in which the Bonds may be offered, sold or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions in such other jurisdictions.

By submission of a bid, the Underwriter represents that the sale of the Bonds in states other than Texas will be made only pursuant to exemptions from registration or qualification or, where necessary, the Underwriter will register or qualify the Bonds in accordance with the securities laws or regulations of any jurisdiction which so requires. The District agrees to cooperate, at the Underwriter's written request and expense, in registering or qualifying the Bonds, or in obtaining an exemption from registration or qualification, in any jurisdiction where such action is necessary.

ADDITIONAL COPIES: Additional copies of the Official Notice of Sale, the Official Bid Form and the Preliminary Official Statement may be obtained from Rathmann & Associates, L.P., 8584 Katy Freeway, Suite 250, Houston, Texas 77024.

/s/ Kristin McDade  
President, Board of Directors  
Audubon Municipal Utility District No. 1

ATTEST:

/s/ Nelson Gaez  
Secretary, Board of Directors  
Audubon Municipal Utility District No. 1

June 25, 2025

## ISSUE PRICE CERTIFICATE

The undersigned, being a duly authorized representative of the underwriter or the manager of the syndicate of Underwriter ("Purchaser") with respect to the purchase of \$15,000,000 Unlimited Tax Bonds, Series 2025, by Audubon Municipal Utility District No. 1 (the "District"), hereby certifies and represents, based on its records and information, as follows:

### **[If at least 3 qualified bids are received from Underwriter]**

1. On the first day on which there was a binding contract in writing for the purchase of the Bonds by the Purchaser, the Purchaser's reasonably expected initial offering prices of each maturity of the Bonds with the same credit and payment terms (the "Expected Offering Prices") to a person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter are as set forth in the pricing wire or equivalent communication for the Bonds, as attached to this Issue Price Certificate as **Schedule A**. The Expected Offering Prices are the prices for the Bonds used by the Purchaser in formulating its bid to purchase the Bonds.
2. 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).
3. The bid submitted by the Purchaser constituted a firm bid to purchase the Bonds.

### **[If less than 3 qualified bids are received from Underwriter]**

1. [Other than the Bonds maturing in ("Hold-the-Price Maturities"), the][The first price 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 to a person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter ("Public") are the initial offering prices (the "Initial Offering Prices"), as listed in the pricing wire or equivalent communication for the Bonds that is attached to this Issue Price Certificate as **Schedule A**.]

### **[Include the following paragraphs 2 and 3 if there are Hold-the-Price Maturities]**

2. 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 [maturity of the Bonds having the same credit and payment terms ("Maturity")][Maturity of the Hold-the-Price Maturities] at the [Initial Offering Prices for such Maturity][initial offering prices for such Maturity ("Initial Offering Prices")], as set forth in Schedule A hereto. [A copy of the pricing wire or equivalent communication for the Bonds is attached to this Issue Price Certificate as **Schedule A**.]
3. 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 [at least ten percent ("Substantial Amount")][a Substantial Amount] of a Maturity of the Bonds to the Public at no higher price than the Initial Offering Price for such Maturity.]

### **[Include the remaining paragraphs regardless of number of bids; revise numbering of paragraphs as appropriate]**

4. As used hereinabove, the term "Underwriter" means (i) (A) 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 (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i)(A) 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 (ii) any person who has more than 50% common ownership, directly or indirectly, with a person described in clause (i) of this paragraph.

5. Please choose the appropriate statement:

☐ Purchaser will not purchase bond insurance for the Bonds.

☐ Purchaser will purchase bond insurance from \_\_\_\_\_ (the "Insurer") for a fee/premium of \$\_\_\_\_\_ (the "Fee"). To the best of the undersigned's knowledge, information and belief, based upon the facts available at this time and current market conditions, the Fee is a reasonable amount payable solely for the transfer of credit risk for the payment of debt service on the Bonds and does not include any amount payable for a cost other than such guarantee, e.g., a credit rating or legal fees. Purchaser represents that the present value of the Fee for each obligation constituting the Bonds to which such Fee is properly allocated and which are insured thereby is less than the present value of the interest reasonably expected to be saved as a result of the insurance on each obligation constituting the Bonds. In determining present value for this purpose, the yield of the Bonds (determined with regard to the payment of the guarantee fee) has been used as the discount rate. The Fee 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. No portion of the Fee 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.

6. The undersigned has calculated the total underwriting spread on the Bonds to be \$\_\_\_\_\_. As used herein, the term "total underwriting spread" means the cost for marketing and selling the Bonds, and includes (a) a total takedown of \$\_\_\_\_\_, (b) a total management fee of \$\_\_\_\_\_, (c) fees and expenses of underwriter's counsel in the estimated total amount of \$\_\_\_\_\_, and (d) other expenses in the total estimated amount of \$\_\_\_\_\_.

The undersigned understands that the foregoing information will be relied upon by 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 Schwartz, Page & Harding, L.L.P. in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the District from time to time relating to the Bonds. The undersigned understands that the foregoing information will also be relied upon by District and by Schwartz, Page & Harding, L.L.P. with respect to compliance with the requirements of Section 1202.008 of Chapter 1202, Texas Government Code, as amended. 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 this \_\_\_\_\_ day of \_\_\_\_\_, 2025.

\_\_\_\_\_  
[Purchaser Name]

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

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

SCHEDULE A

PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)

## OFFICIAL BID FORM

July 23, 2025

President and Board of Directors  
Audubon Municipal Utility District No. 1  
c/o Rathmann & Associates, L.P.  
8584 Katy Freeway, Suite 250  
Houston, Texas 77024

Board Members:

We have read in detail the Official Notice of Sale and Preliminary Official Statement, which are hereby made a part hereof, of Audubon Municipal Utility District No. 1 (the "District"), relating to its \$15,000,000 Unlimited Tax Bonds, Series 2025 (the "Bonds"). We realize that the Bonds involve certain investment risks and that the ability of the District to service the Bonds depends, in part, on the investment considerations set forth in the Preliminary Official Statement. We have made such inspections and investigations as we deem necessary relating to the investment quality of the Bonds. Accordingly, we offer to purchase the Bonds for a cash price of \$\_\_\_\_\_ (which represents \_\_\_\_\_% of the principal amount thereof), provided such Bonds bear interest at the following rates:

<u>Maturity</u> <u>(September 1)</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Maturity</u> <u>(September 1)</u>	<u>Amount</u>	<u>Interest Rate</u>
2027(i)	\$230,000	_____ %	2041(i)(ii)	\$480,000	_____ %
2028(i)	245,000	_____	2042(i)(ii)	505,000	_____
2029(i)	260,000	_____	2043(i)(ii)	525,000	_____
2030(i)	275,000	_____	2044(i)(ii)	550,000	_____
2031(i)(ii)	295,000	_____	2045(i)(ii)	580,000	_____
2032(i)(ii)	315,000	_____	2046(i)(ii)	605,000	_____
2033(i)(ii)	330,000	_____	2047(i)(ii)	630,000	_____
2034(i)(ii)	350,000	_____	2048(i)(ii)	660,000	_____
2035(i)(ii)	370,000	_____	2049(i)(ii)	695,000	_____
2036(i)(ii)	385,000	_____	2050(i)(ii)	730,000	_____
2037(i)(ii)	400,000	_____	2051(i)(ii)	765,000	_____
2038(i)(ii)	420,000	_____	2052(i)(ii)	800,000	_____
2039(i)(ii)	435,000	_____	2053(i)(ii)	840,000	_____
2040(i)(ii)	460,000	_____	2054(i)(ii)	1,865,000	_____

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

Total Interest Cost from September 4, 2025 (the "Date of Delivery").....	\$ _____
Plus: Cash Discount	
(or Less: Dollar Amount of Premium).....	\$ _____
Net Interest Cost .....	\$ _____
Net Effective Interest Rate .....	_____ %

- (i) Of such principal maturities set forth above, we have created term bonds as indicated in the following table (which may include one term bond, or more term bonds as 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. The term bonds created are as follows:

<b><u>Term Bonds Maturity Date (September 1)</u></b>	<b><u>Year of First Maturity Redemption</u></b>	<b><u>Principal Amount of Term Bonds</u></b>	<b><u>Interest Rate</u></b>
_____	_____	\$ _____	_____ %
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

- (ii) Subject to optional redemption in whole or in part on September 1, 2030, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest.

The Bonds are being insured by \_\_\_\_\_ at a premium of \$ \_\_\_\_\_, said premium to be paid by the Underwriter as outlined in the Official Notice of Sale, the rating fees of Moody's Investors Service, Inc. will be paid by the District; any other rating fees associated with the insurance will be the responsibility of the Underwriter.

We request \_\_\_\_\_ copies of the final Official Statement. By submitting this bid, we agree to provide copies of the final Official Statement, and any amendments and supplements thereto, in accordance with the terms provided in the Official Notice of Sale and to undertake the obligations of the Underwriter described therein, as required by Rule 15c2-12 of the Securities and Exchange Commission and Rule G-32 of the Municipal Securities Rulemaking Board.

Cashier's Check No. \_\_\_\_\_, issued by \_\_\_\_\_ Bank, \_\_\_\_\_, Texas, and payable to your order in the amount of \$300,000 (is attached hereto) (has been made available to you prior to the opening of this bid) as a Good Faith Deposit for disposition in accordance with the terms and conditions set forth in the Official Notice of Sale. Should we fail or refuse to make payment for the Bonds in accordance with the terms and conditions stated in the Official Notice of Sale, this check may be cashed and the proceeds retained by the District as complete liquidated damages against the Underwriter. The Good Faith Deposit will be returned to the Underwriter uncashed on the Date of Delivery of and payment for the Bonds.

The Initial Bonds shall be registered in the name of Cede & Co. We agree to make payment for the Initial Bonds in immediately available funds at the offices of The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, not later than 9:30 A.M., Houston Time, on September 4, 2025, or thereafter on the date the Bonds are tendered for delivery pursuant to the terms set forth in the Official Notice of Sale.

The undersigned agrees to complete, execute and deliver to the District, by the Date of Delivery of the Bonds, a certificate relating to the "issue price" of the Bonds in the form accompanying the Official Notice of Sale, with such changes thereto as may be acceptable to Bond Counsel. In addition, in the event all of the Bonds are not sold to ultimate customers prior to the Date of Delivery of the Bonds, we will so notify the District on such date.

The District may not accept this bid until it has received from the bidder, if that bidder is a privately held entity, a completed and signed TEC Form 1295 complete with a certificate number assigned by the Texas Ethics Commission ("TEC"), pursuant to Texas Government Code § 2252.908 and the rules promulgated thereunder by the TEC. The undersigned understands that failure to provide said form complete with a certificate number assigned by the TEC as provided for in the Official Notice of Sale, will result in a non-conforming bid and will prohibit the District from considering this bid for acceptance.



We hereby represent that sale of the Bonds in jurisdictions other than Texas will be made only pursuant to exemptions from registration or qualification and that, where necessary, we will register or qualify the Bonds in accordance with the securities laws and regulations of the jurisdictions in which the Bonds are offered or sold.

By executing this Bid Form, the bidder represents and verifies that, at the time of execution and delivery of this bid and through the term of this contract, being through the end of the underwriting period as defined by United States Securities and Exchange Commission Rule 15c2-12: (1) neither the bidder nor a syndicate member listed on the Official Bid Form, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, boycotts or will boycott Israel, (2) neither the bidder nor a syndicate member listed on the Official Bid Form, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, boycotts or will boycott energy companies, and (3) neither the bidder nor a syndicate member listed on the Official Bid Form, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, (a) has or will have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association, or (b) will discriminate against a firearm entity or firearm trade association.

Additionally, by executing this Bid Form, the bidder also represents and certifies that, at the time of execution and delivery of this bid, neither the bidder nor a syndicate member listed on the Official Bid Form, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, is a company listed by the Texas Comptroller of Public Accounts under Sections 2270.0201 or 2252.153 of the Texas Government Code.

The terms (1) "boycotts Israel" and "boycott Israel" as used herein have the meanings assigned to the term "boycott Israel" in Section 808.001 of the Texas Government Code, as amended, (2) "boycotts energy companies" and "boycott energy companies" as used herein have the meanings assigned to the term "boycott energy company" in Sections 809.001 and 2276.001 of the Texas Government Code, each as amended, and (3) "discriminates against a firearm entity or firearm trade association" as used herein has the meaning assigned to the term "discriminate against a firearm entity or firearm trade association" in Section 2274.001(3) of the Texas Government Code, as amended. As used herein, the term "affiliate" shall mean an entity that controls, is controlled by, or is under common control with the bidder or each syndicate member listed on the Official Bid Form, as applicable, within the meaning of SEC Rules 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any of the foregoing representations, verifications, and certifications during the term of this bid form shall survive termination of this bid form until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision hereof, notwithstanding anything herein to the contrary.

By executing this Bid Form, Bidder acknowledges the award of the Bonds is conditioned upon compliance by the Bidder, each syndicate member listed on the Official Bid Form, and the provider of municipal bond insurance for the Bonds, if any and if required, with any rules and requirements of the Office of the Attorney General of Texas (the "Attorney General") related to the filing of standing letters supporting the verifications and certifications herein, and that compliance with such rules and requirements has been confirmed by the District, either by its receipt of a copy of any required standing letters with this Bid Form prior to the time prescribed for award of the Bonds or such other means as is reasonably determined by the District.

By executing this Bid Form, bidder represents to the District that it and each syndicate member listed on the Bid Form, if any, (i) has filed a standing letter with the Attorney General and the Municipal Advisory Council of Texas that conforms to the requirements of the Attorney General, (ii) has no reason to believe that the District may not be entitled to rely on such standing letters, and (iii) neither bidder, any syndicate member listed in the Official Bid Form, nor any parent company, subsidiaries, or affiliates of the same, have received a letter from the Texas Comptroller of Public Accounts related to its inclusion on any list of financial companies boycotting energy companies. Bidder agrees that it will not rescind its standing letter at any time before the delivery of the Bonds unless same is immediately replaced with a standing letter that meets the requirements of the Attorney General. By executing this Bid Form, Bidder acknowledges that the District reserves the right, in its sole discretion, to reject any bid from a bidder that does not have such standing letter on file as of the deadline for bids for the Bonds. By submitting a bid, each bidder agrees, should it be the winning bidder, to cooperate with the District and take any action necessary to further verify and confirm compliance with state law by the bidder and each syndicate member listed in the Bid Form.

Further, by executing this Bid Form, the bidder also agrees that it will maintain all records in accordance with the requirements of the Texas Public Information Act, including Subchapter J thereof relating to contracting information as defined therein, and the District's rules, regulations, policies, and retention schedules adopted thereunder with respect to any records to which said Act applies.

Respectfully submitted,

\_\_\_\_\_  
Name of Underwriter

By:

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

\_\_\_\_\_  
Title

#### ACCEPTANCE CLAUSE

The above and foregoing bid is hereby in all things accepted by Audubon Municipal Utility District No. 1 this 23rd day of July, 2025.

\_\_\_\_\_  
Secretary, Board of Directors

\_\_\_\_\_  
President, Board of Directors



