

**NOTICE OF SALE
AND
BIDDING INSTRUCTIONS**

ON

\$29,935,000*

**CITY OF ARLINGTON, TEXAS
(Tarrant County)**

WATER AND WASTEWATER SYSTEM REVENUE IMPROVEMENT AND REFUNDING BONDS, SERIES 2024

Electronic Bids Due Wednesday, May 22, 2024, at 9:00 AM CDT

ELECTRONIC BIDS

Notice is hereby given that electronic proposals will be received via **PARITY**[®], in the manner described below, until 9:00 AM CDT time, on May 22, 2024. Bids must be submitted electronically via **PARITY**[®] pursuant to this Notice of Sale and Bidding Instructions (the "Notice") until 9:00 AM 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, the terms of this Notice shall control. For further information about **PARITY**[®], including any fee charged, potential bidders may contact Dave Gordon at Estrada Hinojosa & Company, Inc. at (214) 658-1670 or **PARITY**[®] at (212) 849-5021.

THE SALE

BONDS OFFERED FOR SALE AT COMPETITIVE BIDDING . . . The City of Arlington, Texas (the "City") is offering for sale its \$29,935,000* Water and Wastewater System Revenue Improvement and Refunding Bonds, Series 2024 (the "Bonds"). Capitalized terms in this Notice have the same meanings assigned to such terms in the Preliminary Official Statement except as otherwise indicated.

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 9:00 AM CDT on the date of the sale, May 22, 2024. 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 Bonds on the terms provided in this Notice, 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 shall conflict with information provided by PARITY as the approved provider of electronic bidding services, this Notice 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 the Official Notice of Sale, 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, 2nd 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 Bonds will be opened at the City Office Tower, 101 S Mesquite St., 8th Floor, Ste. 800, Arlington, Texas 76004-3231, at 9:00 AM CDT, on the date of the sale.

AWARD AND SALE OF THE BONDS . . . At a regular meeting held at 6:30 PM CDT, on Tuesday, March 26, 2024, the City approved the ordinance authorizing the sale of the Bonds (the "Bond Ordinance") and delegated to certain City officials ("Authorized Officers") the authority to establish final terms of sale of the Bonds, which final sales terms will be evidenced in a "Pricing Certificate" relating to the Bonds to be approved on the date of the sale. The Bond Ordinance and the Pricing Certificate are herein referred to as the "Ordinance". An Authorized Officer of the City will take action to reject all bids or award the sale of the Bonds. 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 BONDS

DESCRIPTION . . . The Bonds will be dated May 15, 2024. Interest will accrue from the date of initial delivery to the initial purchaser and will be due on December 1, 2024, and each June 1 and December 1 thereafter until maturity or prior redemption. The Bonds will be issued in fully registered form in any integral multiple of \$5,000 for any one maturity. The Bonds will be serial and/or Term Bonds (defined herein), as specified by each bidder, and principal amounts or mandatory sinking fund redemption amounts will be paid on June 1 in each year as follows:

MATURITY SCHEDULE*

(June 1) Maturity	Principal Amount at Maturity	(June 1) Maturity	Principal Amount at Maturity
2025	\$ 1,435,000	2035	\$ 1,440,000
2026	1,440,000	2036	1,440,000
2027	1,440,000	2037	1,440,000
2028	1,440,000	2038	1,435,000
2029	1,440,000	2039	1,435,000
2030	1,440,000	2040	1,435,000
2031	1,440,000	2041	1,435,000
2032	1,440,000	2042	1,435,000
2033	2,025,000	2043	1,435,000
2034	2,030,000	2044	1,435,000

ADJUSTMENT OF PRINCIPAL AMOUNTS AND/OR BIDS INCLUDING CASH PREMIUM . . . Prior to the Sale: Prior to 9:00 AM CDT on the business day before the bids are due, the City may, in its sole discretion, adjust the principal amount set forth above in the Maturity Schedule and/or the type of bid required on the Bonds including the cash premium. Estrada Hinojosa & Company, Inc., 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 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 Bonds are to be issued may be either more or less than the proceeds of the proposed sale of all of the Bonds. Upon making such determination, the City reserves the right to adjust the principal amount of the Bonds shown on the Maturity Schedule in \$5,000 increments. Unless agreed to by the winning bidder, such adjustment(s) will not change the aggregate principal amount of the Bonds by more than 15% from the amount set forth herein or change the principal amount due on the Bonds in any year by more than 15%. Such adjustment(s), if any, shall be made within 4 hours of the award of the Bonds.

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 PRINCIPAL 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 Bonds. 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 Bonds 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 Bonds 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 Bonds and/or the Maturity Schedule for the Bonds made by the City or its Financial Advisor shall be subsequent to the award of the Bonds to the winning bidder as determined pursuant to “CONDITIONS OF THE SALE” herein and shall not affect such determination.

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

Alternative 1 - Serial Bonds:

Serial bonds maturing on June 1, 2025 through June 1, 2044.

Alternative 2 - Serial Bonds and/or Term Bonds:

Serial bonds maturing on June 1, 2025 through June 1, 2044, and/or term bond 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 bonds.

*Preliminary, subject to change.

MANDATORY SINKING FUND REDEMPTION . . . If the successful bidder designates principal amounts to be combined into one or more term bonds (the “Term Bonds”), each such Term Bond shall be subject to mandatory sinking fund redemption commencing on June 1 of the first year which has been combined to form such term bond and continuing on June 1 in each year thereafter until the stated maturity date of that term bond 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 under the “MATURITY SCHEDULE” in the Official Bid Form, had no conversion to Term Bonds occurred. Bonds 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 Bonds then subject to redemption. The City, at its option, may credit against any mandatory sinking fund redemption requirement Term Bonds 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 Bonds, the Paying Agent/Registrar shall select by lot the numbers of the Term Bonds within the applicable stated maturity to be redeemed on the next following June 1 from moneys set aside for that purpose in the Interest and Sinking Fund (as defined in the Ordinance). Any Term Bond not selected for prior redemption shall be paid on the date of their stated maturity.

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

The final Official Statement will incorporate the mandatory redemption provisions for the Bonds in the event the successful bidder elects to convert serial maturities into one or more Term Bonds.

OPTIONAL REDEMPTION . . . The City reserves the right, at its option, to redeem Bonds having stated maturities on and after June 1, 2035 in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on June 1, 2034, or any date thereafter, at the par value thereof plus accrued interest to the date of redemption (see “THE BONDS – OPTIONAL REDEMPTION” in the Preliminary Official Statement).

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

PAYING AGENT/REGISTRAR . . . The initial Paying Agent/Registrar for the Bonds is The Bank of New York Mellon Trust Company, N.A., Dallas, Texas (see “THE BONDS - PAYING AGENT/REGISTRAR” in the Preliminary Official Statement).

SECURITY . . . The Bonds, together with certain outstanding previously issued bonds (the “Outstanding Bonds”) and any additional parity bonds which may be issued in the future (the “Additional Bonds”), constitute special obligations of the City payable as to principal and interest solely from and secured by a pledge of and a lien on the Net Revenues of the City’s Water and Wastewater System (the “System”). **The Bonds are not general obligations of the City, Tarrant County or the State of Texas. Neither the full faith and credit nor the taxing power of the City, Tarrant County or the State of Texas is pledged to the payment of the Bonds.**

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

CONDITIONS OF THE 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 106.5% of par and not more than 110.5% of par.** Bidders are invited to name the rate(s) of interest to be borne by the Bonds, provided that each rate bid must be in a multiple of 1/8 of 1% or 1/20 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 shall not 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 Bonds 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 BONDS – 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 9:00 AM 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 Bonds and the cash premium for the Bonds. It is anticipated that the final principal amount of each maturity of the Bonds and the final cash premium amount will be communicated to the successful bidder by 9:00 AM CDT, on the date of the sale.

BASIS FOR AWARD . . . Subject to the City's right to reject any or all bids and to waive irregularities except for time of filing, the sale of the Bonds 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 Bonds on the basis of semi-annual compounding, produces an amount equal to the par value of the Bonds 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.

In order to provide the City with information required to be submitted to the Texas Bond Review Board pursuant to Section 1202.008, Texas Government Code, as amended, the Purchaser will be required to provide the City with a breakdown of its "underwriting spread" among the following categories: Takedown, Management Fee (if any), Legal Counsel Fee (if any) and Spread Expenses (if any).

GOOD FAITH DEPOSIT . . . A good faith deposit, payable to the "CITY OF ARLINGTON, TEXAS", in the amount of \$598,700 (the "Good Faith Deposit") is required. Such Good Faith Deposit shall be a bank cashier's check or certified check, which is to be retained uncashed by the City pending the Purchaser's compliance with the terms of the bid and the Notice. The Good Faith Deposit may accompany the Official Bid Form or it may be submitted separately to Dave Gordon, Estrada Hinojosa & Company, Inc., 600 N. Pearl St., Suite 2100, South Tower, Dallas, Texas 75201. If submitted separately, it shall be made available to the City prior to the opening of the bids, and shall be accompanied by instructions from the bank on which drawn which authorize its use as a Good Faith Deposit by the Purchaser who shall be named in such instructions. **The Good Faith Deposit of the Purchaser will be returned to the Purchaser upon payment for the Bonds. No interest will be allowed on the Good Faith Deposit. In the event the Purchaser should fail or refuse to take up and pay for the Bonds in accordance with the bid or does not provide the Standing Letter (as defined below) in a form acceptable to the Texas Office of the Attorney General, then the Good Faith Deposit check shall be cashed and accepted by the City as full and complete liquidated damages. The checks accompanying bids other than the winning bid will be returned immediately after the bids are opened, and an award of the Bonds has been made.**

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 Bonds 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. Publicly traded business entities (including wholly owned subsidiaries of a publicly traded business entity) will no longer be required to file the Disclosure Form as provided in Section 2252.908(c)(4).

In the event that the bidder's bid for the Bonds 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 Disclosure Form 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 the City to complete the formal award. If the apparent winning bidder and each syndicate member listed on the Official Bid Form fails 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 exemption to the filing requirement under Section 2252.908(c)(4), the written representation that the bidder is not required to file a Disclosure Form 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 exemption.

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 Arlington, Texas"), (b) item 3 – the identification number ("W&WW Series 2024 Bid"), and (c) item 3 – description of the goods or services assigned to this contract by the City ("Bond Purchasing Services").

If completing the 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 Disclosure Form filing requirements must be delivered electronically to Ethan Klos at ethan.klos@arlingtontx.gov and the City's Financial Advisor, Dave Gordon, at 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 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 Bonds should consult its own advisors to the extent it deems necessary and be prepared to submit the completed Disclosure 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 Bonds, 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 Bonds 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 Bonds, 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 June 18, 2024) (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.

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

ESTABLISHING THE ISSUE PRICE FOR THE BONDS

GENERAL . . . In order to provide the City with information that enables it to comply with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”), relating to the excludability of interest on the Bonds from gross income for federal income tax purposes, the winning bidder will be required to complete, execute, and deliver to the City or to the City’s municipal advisor, Estrada Hinojosa & Company, Inc. (the “Financial Advisor”), at least six business days before the delivery date of the Bonds, a certification as to the Bonds’ “issue price” (the “Issue Price Certificate”) substantially in the form and to the effect attached hereto or accompanying this Notice of Sale. 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 City and Bond Counsel (as defined herein). Each bidder, by submitting its bid, agrees to complete, execute, and timely deliver the appropriate Issue Price Certificate, if its bid is accepted by the City. 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 as are necessary to enable it to make such certification with reasonable certainty. Any questions concerning such certification should be directed to Bond Counsel (as defined herein).

DEFINED TERMS . . . For purposes of this section of this Notice of Sale:

- (i) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.
- (ii) “Underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the 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 who 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).
- (iv) “Sale Date” means the date that the Bonds are awarded by the City to the winning bidder.

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

The City 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 as so stated in the Official Bid Form.

THREE BID REQUIREMENT . . . The City intends to rely on Treasury Regulation section 1.148-1(f)(3)(i) for purposes of establishing the issue price of municipal bonds, which requires, among other things, that the City receives bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (the “Three Bid Requirement”). In the event that the Three Bid Requirement is not satisfied, Treasury Regulations permit the issue price for any maturity of the Bonds to be determined based upon either (i) the first price at which 10% of such maturity is sold to the Public (the “10% Test”) or (ii) if the requirements of the “Hold-the-Offering-Price Rule” described below are met, the initial offering price to the Public as of the Sale Date. For purposes hereof, if different interest rates apply within a maturity, each separate CUSIP number will be treated separately.

In the event that the Three Bid 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 Three Bid Requirement is not satisfied, the City will notify the prospective winning bidder to that effect, and the prospective winning bidder will advise the City of any maturity of the Bonds that satisfies the 10% Test. For any maturity of the Bonds that does not meet the 10% Test, it is the City’s intention to apply the “Hold-the-Offering-Price Rule” to such maturity of the Bonds, as described below.

HOLD-THE-OFFERING-PRICE RULE . . . If the “Hold-the-Offering-Price Rule” is applied to any maturity of the Bonds (each, a “Held Maturity”), 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 Held Maturity to any person at a price that is higher than the initial offering price to the Public during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth business day after the Sale Date; or
- (2) the date on which the Underwriters have satisfied the 10% Test with respect to that Held Maturity at a price that is no higher than the initial offering price to the Public.

The winning bidder shall promptly advise the City when the Underwriters have satisfied the 10% Test with respect to each Held Maturity 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 business day after the Sale Date. On or after the sixth business day after the Sale Date, if requested by the City, the winning bidder will confirm that the Underwriters have complied with the Hold-the-Offering-Price-Rule. If at any time the winning bidder becomes aware of any noncompliance by an Underwriter with respect to the Hold-the-Offering Price Rule, the winning bidder will promptly report such noncompliance to the City.

ADDITIONAL REQUIREMENTS . . . By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language

obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires.

DELIVERY OF THE BONDS AND ACCOMPANYING DOCUMENTS

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

INITIAL DELIVERY OF THE BONDS . . . Initial delivery will be accomplished by the issuance of one Initial Bond with installment payments for the years of stated maturity, either in typed or printed form, in the aggregate principal amount of \$29,935,000*, payable to the Purchaser, approved by the Attorney General of the State of Texas (the "Attorney General"), and registered and manually signed by the Texas Comptroller of Public Accounts. Upon delivery of the Initial Bond, it shall be immediately canceled and one definitive Bond for each maturity will be registered and delivered only to Cede & Co., and deposited with DTC in connection with DTC's Book-Entry-Only System. Delivery will be at the designated office of the Paying Agent/Registrar. Payment for the Bonds 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 Bonds. It is anticipated that delivery of the Bonds can be made on or about Thursday, June 20, 2024, and it is understood and agreed that the Purchaser will accept delivery and make payment for the Bonds by 10:00 AM CDT, on Thursday, June 20, 2024, or thereafter on the date the Bonds are tendered for delivery, up to and including Friday, July 5, 2024. If for any reason the City is unable to make delivery on or before Friday, July 5, 2024, 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 Bonds.

CONDITIONS TO DELIVERY . . . The obligation of the Purchaser to take up and pay for the Bonds is subject to the Purchaser's receipt of (a) the legal opinions of Bracewell 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 Bonds 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 Bonds) a certification as to their "issue price" substantially in the form and to the effect attached hereto or accompanying this Notice. **In no event will the City fail to deliver the Bonds as a result of the Purchaser's inability to sell a substantial amount of the Bonds 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 Bonds, 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 Bonds are offered for delivery when, as and if issued, subject to the approval of the Attorney General. Delivery of and payment for the Bonds 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 Bonds are valid and binding obligations of the City, that the interest on the Bonds 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 Bonds, the City will execute and deliver to the Purchaser a certificate addressing certain matters as set forth in the Preliminary Official Statement under "OTHER INFORMATION – CERTIFICATION OF THE OFFICIAL STATEMENT."

GENERAL

FINANCIAL ADVISOR . . . Estrada Hinojosa & Company, Inc. (the "Financial Advisor") is employed by the City as financial advisor in connection with the issuance of the Bonds, and payment of fees for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. Estrada Hinojosa & Company, Inc. 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 Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

BLUE SKY LAWS . . . By submission of its bid, the Purchaser represents that the sale of the Bonds in states other than Texas will be made only pursuant to exemptions from registration or, where necessary, the Purchaser will register the Bonds in accordance with the securities law of the states in which the Bonds are offered or sold. The City agrees to cooperate with the Purchaser, at the Purchaser's written request and expense, in registering the Bonds or obtaining an exemption from registration in any state where such action is necessary, provided, however, that the 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 does not alone constitute an offer to sell the Bonds, but is merely notice of the sale of the Bonds. The offer to sell the Bonds is being made by means of this Notice, 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 Bonds.

RATINGS . . . The Bonds have been rated “Aa1” by Moody’s Investors Service (“Moody’s”), “AAA” by Fitch Ratings (“Fitch”), and “AAA” by S&P Global Ratings, a Standard and Poor’s Financial Services LLC business (“S&P”). The presently outstanding System revenue supported debt of the City is rated “Aa1” by Moody’s, “AAA” by Fitch, and “AAA” by S&P.

MUNICIPAL BOND INSURANCE . . . In the event the Bonds are qualified for municipal bond insurance, and the Purchaser desires to purchase such insurance, the cost thereof **will be paid by the Purchaser.** Any fees to be paid to the rating agencies as a result of said insurance **will be paid by the City.** It will be the responsibility of the Purchaser to disclose the existence of insurance, its terms and the effect thereof with respect to the reoffering of the Bonds.

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, as amended (“Rule 15c2-12”), deems such Preliminary Official Statement to be final as of its date within the meaning of such Rule 15c2-12 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 and in the Preliminary Official Statement.

The City will furnish to the Purchaser, or Purchasers, within seven (7) business days after the sale date, an aggregate maximum of one hundred (100) copies of the Official Statement (and 100 copies of any addenda, supplement or amendment thereto), together with information regarding interest rates and other terms relating to the reoffering of the Bonds, in accordance with Rule 15c2-12. The Purchaser may arrange at his own expense to have the Official Statement reproduced and printed if he requires more than 100 copies and may also arrange, at his own expense and responsibility, for completion and perfection of the first or cover page of the Official Statement so as to reflect interest rates and other terms and information related to the reoffering of the Bonds. The Purchaser will be responsible for providing information concerning the City and the Bonds to subsequent purchasers of the Bonds, 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 Bonds to the Purchaser, unless the Purchaser notifies, in writing, the City that less than all of the Bonds 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 Bonds 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 Bonds.

ADDITIONAL COPIES OF NOTICE, BID FORM, AND STATEMENT . . . A limited number of additional copies of this Notice, the Official Bid Form and the Preliminary Official Statement, as available over and above the normal mailing, may be obtained at the offices of Estrada Hinojosa & Company, Inc., 600 N. Pearl St. Suite 2100, South Tower, Dallas, Texas, 75201, Financial Advisor to the City.

CONTINUING DISCLOSURE AGREEMENT. . The City will agree in the 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 Bonds is conditioned upon delivery for the Purchaser or its agent of a certified copy of the Bond Ordinance and the Pricing Certificate containing the agreement described under such heading.

COMPLIANCE WITH PRIOR UNDERTAKINGS. . . The City issued its Water and Wastewater System Revenue Bonds, Series 2019D in a private placement sale with the Texas Water Development Board on September 20, 2019, but did not make an event filing with respect to the incurrence of a Financial Obligation pursuant to the Rule. An event filing was subsequently made with the MSRB on March 30, 2020. Certain annual filings were inadvertently not linked to certain CUSIPs for outstanding bonds. The City has updated its filings through EMMA and remedied the missing CUSIP linkages for the outstanding bonds for which it is aware.

In the Bond Ordinance, the City Council authorized the Authorized Officer to approve for and on behalf of the City, (i) the form and content of the Official Statement, and any addenda, supplement or amendment thereto, and (ii) the Purchaser’s use of the Preliminary Official Statement in connection with the public offering and sale of the Bonds, all of which an Authorized Officer will approve in the Pricing Certificate.

/s/

Mayor
City of Arlington, Texas

ATTEST:

/s/

City Secretary
City of Arlington, Texas

Form 1295 Identification Number: W&WW Series 2024 Bid- Bond Purchasing Services

OFFICIAL BID FORM

May 22, 2024

Mayor and City Council:

Reference is made to your Preliminary Official Statement and Notice of Sale and Bidding Instructions, dated May 3, 2024 of \$29,935,000* CITY OF ARLINGTON, TEXAS WATER AND WASTEWATER SYSTEM REVENUE IMPROVEMENT AND REFUNDING BONDS, SERIES 2024 both of which constitute a part hereof.

For your legally issued Bonds, as described in said Notice of Sale and Bidding Instructions and Preliminary Official Statement, we will pay you par plus a cash premium of \$_____ (not less than 106.5% of par and not more than 110.5% of par) for the Bonds maturing and bearing interest as follows:

MATURITY SCHEDULE*

(June 1) Maturity	Principal Amount at Maturity	Interest Rate	(June 1) Maturity	Principal Amount at Maturity	Interest Rate
2025	\$ 1,435,000		2035	\$ 1,440,000	
2026	1,440,000		2036	1,440,000	
2027	1,440,000		2037	1,440,000	
2028	1,440,000		2038	1,435,000	
2029	1,440,000		2039	1,435,000	
2030	1,440,000		2040	1,435,000	
2031	1,440,000		2041	1,435,000	
2032	1,440,000		2042	1,435,000	
2033	2,025,000		2043	1,435,000	
2034	2,030,000		2044	1,435,000	

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 Bonds

Alternative 2: ☐ The Term Bonds must consist of two or more consecutive annual principal amounts accumulated from 2025 through 2044 maturities from the maturity schedule shown above.

*Preliminary, subject to change.

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

Term Bond Maturing <u>June 1</u>	Year of First Mandatory <u>Redemption</u>	Principal <u>Amount</u>	Interest <u>Rate</u>
		\$	
		\$	
		\$	
		\$	
		\$	

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

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

A bank cashier's check or certified check of the _____ Bank, _____, in the amount of \$598,700, which represents our Good Faith Deposit (is attached hereto) or (has been made available to you prior to the opening of this bid), and is submitted in accordance with the terms as set forth in the Preliminary Official Statement and Notice of Sale and Bidding Instructions.

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

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 ethan.klos@arlingtontx.gov and City's Financial Advisor at dgordon@chmuni.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 and Bidding Instructions. We hereby acknowledge that we have received and read the Notice of Sale and Bidding Instructions and Preliminary Official Statement referred to above.

All syndicate members listed on the bid form must either submit a Disclosure Form or certify they are exempt from filing the Disclosure Form. Additionally, all syndicate members listed on the bid form (i) must have on file a Standing Letter acceptable to the Texas Attorney General addressing the representations and verifications described under the heading "VERIFICATIONS OF STATUTORY REPRESENTATIONS AND COVENANTS," (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, and (iii) will, upon request of the City or Bond Counsel on the City's behalf, provide a Bringdown Verification.

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” and “— REPRESENTATION REGARDING TEXAS ATTORNEY GENERAL STANDING LETTER AND BRINGDOWN VERIFICATION.”

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

We agree to accept delivery of the Bonds utilizing the Book-Entry-Only System through DTC and make payment for the Initial Bond in immediately available funds to the Bank of New York Mellon N.A., Dallas, Texas, not later than 10:00 AM CDT, on June 20, 2024, or thereafter on the date the Bonds are tendered for delivery, pursuant to the terms set forth in the Notice of Sale and Bidding Instructions. It will be the obligation of the Purchaser of the Bonds to complete the DTC Eligibility Questionnaire.

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 Arlington, Texas, subject to and in accordance with the Notice of Sale and Bidding Instructions, this ____ day of _____, 2024.

Authorized Officer
City of Arlington, Texas

ISSUE PRICE CERTIFICATE
[THREE BID REQUIREMENT SATISFIED]

I, the undersigned officer of _____ (the “Purchaser”), acting on behalf of itself and any underwriting syndicate, make this certification in connection with the \$ _____ City of Arlington, Texas Water and Wastewater System Revenue Improvement and Refunding Bonds, Series 2024 (the “Bonds”) issued by the City of Arlington, Texas (the “City”).

1. I hereby certify as follows in good faith as of the date hereof:

(a) I am the duly chosen, qualified and acting officer of the Purchaser for the office shown below my signature; as such, I am familiar with the facts herein certified and I am duly authorized to execute and deliver this certificate on behalf of the Purchaser and any underwriting syndicate. I am the officer of the Purchaser charged, along with other officers of the Purchaser and any underwriting syndicate, with responsibility for the Bonds.

(b) The reasonably expected initial offering prices of the Bonds to the Public by the Purchaser as of the Sale Date are the prices set forth on the inside cover of the Official Statement prepared in connection with the Bonds (the “Initial Offering Prices”). The Initial Offering Prices are the applicable prices for the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached hereto as Attachment I is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

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

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

(e) The aggregate of the Initial Offering Prices of all maturities of the Bonds is \$ _____. The Bonds were sold with pre-issuance accrued interest in the amount of \$ _____. The sum of these two amounts is \$ _____.

(f) Please choose the appropriate statement:

☐ The Purchaser will not purchase bond insurance for the Bonds.

☐ The Purchaser will purchase bond insurance from _____ (the “Insurer”) for a fee/premium of \$ _____ (the “Fee”). 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. The 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. 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. 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. 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. The Purchaser will also be responsible for payment of any rating fees on the Bonds, if and as required by the Insurer to be obtained in connection with the purchase of insurance.

2. For purposes of this Issue Price Certificate, the following definitions apply:

(a) “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.

(b) “Related Party” means any two or more persons who are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interest or profits interest 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).

(c) “Sale Date” means the first day on which there is a binding contract in writing for the sale or exchange of the Bonds. The Sale Date of the Bonds is _____, 2024.

(d) “Underwriter” means (i) 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 Bonds 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 definition 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).

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 City 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 Bracewell LLP 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 Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the City from time to time relating to the Bonds.

EXECUTED as of this _____ day of _____, 2024.

[NAME OF PURCHASER OR MANAGER OF PURCHASING
SYNDICATE]

By: _____

Name: _____

Title: _____

ATTACHMENT I TO ISSUE PRICE CERTIFICATE

COPY OF WINNING BID FORM

[See Attached]

ISSUE PRICE CERTIFICATE
[THREE BID REQUIREMENT NOT SATISFIED – HOLD-THE-OFFERING-PRICE RULE]

I, the undersigned officer of _____ (the “Purchaser”), acting on behalf of itself and any underwriting syndicate, make this certification in connection with the \$ _____ City of Arlington, Texas Water and Wastewater System Revenue Improvement and Refunding Bonds, Series 2024 (the “Bonds”) issued by the City of Arlington, Texas (the “City”).

1. I hereby certify as follows in good faith as of the date hereof:

(a) I am the duly chosen, qualified and acting officer of the Purchaser for the office shown below my signature; as such, I am familiar with the facts herein certified and I am duly authorized to execute and deliver this certificate on behalf of the Purchaser and any underwriting syndicate. I am the officer of the Purchaser charged, along with other officers of the Purchaser and any underwriting syndicate, with responsibility for the Bonds.

(b) For the Bonds maturing in _____, the first price at which at least 10% of each maturity was sold to the Public is the price for each such maturity set forth on the inside cover of the Official Statement prepared in connection with the Bonds (each, an “Actual Sales Price”).

(c) For the Bonds maturing in _____ (each, a “Held Maturity”), the Purchaser on or before the Sale Date offered for purchase each such maturity to the Public at the applicable initial offering price set forth on the inside cover of the Official Statement prepared in connection with the Bonds (each, an “Initial Offering Price”). A copy of the pricing wire evidencing the Initial Offering Prices is attached hereto as Attachment I. In connection with the offering of the Bonds, the Purchaser and each member of any underwriting syndicate agreed in writing that (i) during the Hold Period, it would neither offer nor sell any Held Maturity to any person at a price higher than the applicable Initial Offering Price (the “Hold-the-Offering-Price Rule”) and (ii) any selling group agreement would contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement would contain the agreement of each broker-dealer who is a party to the retail distribution agreement, that, during the Hold Period, such party would comply with the Hold-the-Offering-Price Rule. In accordance with such agreements, no Underwriter offered or sold any of the Held Maturities at a price higher than the applicable Initial Offering Price for such Held Maturity during the Hold Period.

(d) The aggregate of the Actual Sales Prices and the Initial Offering Prices is \$ _____. The Bonds were sold with pre-issuance accrued interest in the amount of \$ _____. The sum of these two amounts is \$ _____.

(e) Please choose the appropriate statement:

☐ The Purchaser will not purchase bond insurance for the Bonds.

☐ The Purchaser will purchase bond insurance from _____ (the “Insurer”) for a fee/premium of \$ _____ (the “Fee”). 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. The 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. 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. 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. 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. The Purchaser will also be responsible for payment of any rating fees on the Bonds, if and as required by the Insurer to be obtained in connection with the purchase of insurance.

2. For purposes of this Issue Price Certificate, the following definitions apply:

(a) “Hold Period” means, with respect to a Held Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date or (ii) the date on which the Underwriters have sold at least 10% of such Held Maturity to the Public at a price no higher than the applicable Initial Offering Price.

(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.

(c) “Related Party” means any two or more persons who are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interest or profits interest 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).

(d) “Sale Date” means the first day on which there is a binding contract in writing for the sale or exchange of the Bonds. The Sale Date of the Bonds is _____, 2024.

(e) “Underwriter” means (i) 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 Bonds 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 definition 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).

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 City 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 Bracewell LLP 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 Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the City from time to time relating to the Bonds.

EXECUTED as of this _____ day of _____, 2024.

[NAME OF PURCHASER OR MANAGER OF PURCHASING
SYNDICATE]

By: _____

Name: _____

Title: _____

ATTACHMENT I TO ISSUE PRICE CERTIFICATE

FINAL PRICING WIRE

[See Attached]