

**OFFICIAL BID FORM**

September 28, 2023

President and Board of Directors  
 Horizon Regional Municipal Utility District  
 c/o Blitch Associates, Inc.  
 11111 Katy Freeway, Suite 820  
 Houston, Texas 77079-2118

Gentlefolk:

We have read in detail the Official Notice of Sale and Preliminary Official Statement, which are hereby made a part hereof, of Horizon Regional Municipal Utility District (the "District") relating to its \$1,645,000 Rancho Desierto Bello Defined Area Unlimited Tax Bonds, Series 2023 (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 risk factors set forth in the Preliminary Official Statement dated July 27, 2023. 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 \$ 1,595,650 (which represents 97.00 % of the par value), plus accrued interest to the date of delivery of the Bonds to us, provided such Bonds bear interest at the following rates:

<u>Due Feb. 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Due Feb. 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2025	\$30,000	<u>6.000%</u>	2040(a)	\$55,000	<u>5.375%</u>
2026	30,000	<u>6.000%</u>	2041(a)	55,000	<u>5.375%</u>
2027	35,000	<u>6.000%</u>	2042(a)	60,000	<u>5.500%</u>
2028	35,000	<u>6.000%</u>	2043(a)	60,000	<u>5.500%</u>
2029	35,000	<u>6.000%</u>	2044(a)	65,000	<u>5.500%</u>
2030(a)	35,000	<u>4.750%</u>	2045(a)	70,000	<u>5.500%</u>
2031(a)	40,000	<u>4.750%</u>	2046(a)	70,000	<u>5.500%</u>
2032(a)	40,000	<u>5.000%</u>	2047(a)	75,000	<u>5.500%</u>
2033(a)	40,000	<u>5.000%</u>	2048(a)	80,000	<u>5.500%</u>
2034(a)	40,000	<u>5.000%</u>	2049(a)	85,000	<u>5.500%</u>
2035(a)	45,000	<u>5.250%</u>	2050(a)	85,000	<u>5.500%</u>
2036(a)	45,000	<u>5.250%</u>	2051(a)	90,000	<u>5.500%</u>
2037(a)	50,000	<u>5.250%</u>	2052(a)	95,000	<u>5.500%</u>
2038(a)	50,000	<u>5.250%</u>	2053(a)	100,000	<u>5.500%</u>
2039(a)	50,000	<u>5.375%</u>			

(a) The Bonds maturing on or after February 1, 2030 are subject to optional redemption on August 1, 2029, and on any date thereafter at par plus accrued interest.

At the option of the Underwriter, such serial 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. We hereby designate the following as term bonds ("Term Bonds") with mandatory sinking fund redemptions:

<u>Term Bonds Maturity Date (February 1)</u>	<u>Year of First Mandatory Redemption</u>	<u>Principal Amount of Term Bonds</u>	<u>Interest Rate</u>
20 <u>31</u>	20 <u>30</u>	\$ <u>75,000</u>	<u>4.750</u> %
20 <u>34</u>	20 <u>32</u>	\$ <u>120,000</u>	<u>5.000</u> %
20 <u>38</u>	20 <u>35</u>	\$ <u>190,000</u>	<u>5.250</u> %
20 <u>41</u>	20 <u>39</u>	\$ <u>160,000</u>	<u>5.375</u> %
20 <u>44</u>	20 <u>42</u>	\$ <u>185,000</u>	<u>5.500</u> %
20 <u>53</u>	20 <u>45</u>	\$ <u>750,000</u>	<u>5.500</u> %
20 _____	20 _____	\$ _____	_____ %
20 _____	20 _____	\$ _____	_____ %

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

Total Interest Cost from November 1, 2023	\$ <u>1,630,821.88</u>
Plus: Dollar Amount of Discount (Or Less: Dollar Amount of Premium)	\$ <u>49,350.00</u>
NET INTEREST COST	\$ <u>1,680,171.88</u>
NET EFFECTIVE INTEREST RATE	<u>5.61562</u> %

The Initial Bond shall be registered in the name of Cede & Co., the nominee of The Depository Trust Company, New York, New York. We will advise the corporate trust office of UMB Bank N.A., Houston, Texas, the Paying Agent/Registrar, on forms to be provided by the Paying Agent/Registrar, of our registration instructions at least five (5) business days prior to the date set for Initial Delivery.

We will require \_\_\_\_\_ copies of the final Official Statement for dissemination to potential purchasers of the Bonds. By our submission of this bid, we agree to provide such copies of the final Official Statement and of any amendments or supplements thereto in accordance with the Official Notice of Sale, and to undertake the obligations of the Underwriter described therein, as contemplated by Rule 15c2-12 of the United States Securities and Exchange Commission.

Cashiers Check No. 073229 issued by Frost Bank, Austin, Texas, and payable to your order in the amount of \$32,900 (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 such terms and conditions, or if it is determined after the acceptance its bid by the District were found not to satisfy the "Standing Letter Requirement" in accordance with the terms and conditions stated in the Official Notice of Sale, this check shall be cashed and the proceeds retained as complete liquidated damages against us. The Good Faith Deposit will be returned to the Underwriter uncashed on the date of delivery of the Bonds and payment of the purchase price thereof by the Underwriter.

We agree to accept delivery of and make payment for the Initial Bond in immediately available funds at the corporate trust office of UMB Bank, N.A., Houston, Texas, not later than 10:00 A.M., Central Time, on November 2, 2023, 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 the District. 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 and comply with the "hold-the-offering-price rule" as described in the Official Notice of Sale. In addition, in the event the undersigned is the winning bidder for the Bonds, the undersigned agrees to provide the TEC Form 1295 or provide the District notification the TEC Form 1295 is not required as described in the NOTICE OF SALE under the heading "CONDITIONS OF SALE-Required Disclosure of Interested Parties."

By executing this Official Bid Form, the bidder hereby represents and certifies that the bidder (circle one:) [is] [is not] a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity for purposes of Texas Government Code §2252.908. 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 in such circumstances, 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.

By executing this Official Bid Form, the bidder represents and verifies that, to the extent this bid for the Bonds represents a contract for goods or services within the meaning of Section 2270.002 of the Texas Government Code, as amended, solely for purposes of Chapter 2270 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, at the time of execution and delivery of this bid and through the end of the underwriting period as defined by United States Securities and Exchange Commission Rule 15c2-12, 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 those entities or business associations that exist to make a profit, boycotts or will boycott Israel. The terms "boycotts Israel" and "boycott Israel" as used in this paragraph have the meanings assigned to the term "boycott Israel" in Section 808.001 of the Texas Government Code, as amended.

Additionally, by executing this Official Bid Form, the bidder also represents and certifies that to the extent this bid for the Bonds represents a governmental contract within the meaning of Section 2252.151 of the Texas Government Code, as amended, solely for purposes of Chapter 2252 of the Texas Government Code, and except to the extent otherwise required by applicable federal law, 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 those entities or business associations that exist to make a profit (i) engages in business with Iran, Sudan, or any foreign terrorist organization as described in Chapter 2270 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, or (ii) is a company listed by the Texas Comptroller of Public Accounts under Sections 2270.0201 or 2252.153 of the Texas Government Code. The term "foreign terrorist organization" in this paragraph has the meaning assigned to such term in Section 2252.157 of the Texas Government Code.

The undersigned further verifies, to the extent this bid constitutes a contract for goods or services for which a written verification is required under Section 2276.002, Texas Government Code, as amended, that it and each syndicate member listed on the Official Bid Form and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies through the end of the underwriting period as defined by United States Securities and Exchange Commission Rule 15c2-12. The foregoing verification is made solely to enable the District to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification, "boycott energy companies" shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above.\*

Additionally, to the extent this bid constitutes a contract for goods or services for which a written verification is required under Section 2274.002, Texas Government Code, as amended, the bidder and each syndicate member listed on the Official Bid Form hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association through the end of the underwriting period as defined by United States Securities and Exchange Commission Rule 15c2-12. The

foregoing verification is made solely to enable the District to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification, 'discriminate against a firearm entity or firearm trade association' (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association. As used in the foregoing verification, (b) 'firearm entity' means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (i.e., weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (i.e., devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (i.e., a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (as defined by Section 250.001, Texas Local Government Code), and (c) 'firearm trade association' means a person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

The undersigned verifies on behalf of itself and each syndicate member listed on the Official Bid Form that, to the extent the Official Bid Form represents a contract for goods or services within the meaning of Section 552.371 of the Texas Government Code, as amended, the bidder and each syndicate member listed on the Official Bid Form will (i) preserve all contracting information related to the bid as provided by the records retention requirements applicable to the District through the delivery date of the Bonds, (ii) promptly provide to the District any contracting information related to the bid that is in the custody or possession of the bidder or any syndicate member on request of the District, and (iii) upon delivery of the Bonds to the bidder, either (a) provide at no cost to the District all contracting information related to the bid that is in the custody or possession of the bidder or any syndicate member or (b) preserve the contracting information related to the bid as provided by the records retention requirements applicable to the District. The term "contracting information" as used in this paragraph has the meaning assigned to such term in Section 552.003 of the Texas Government Code.

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.

Respectfully submitted,

RBC Capital Markets, LLC\*  
(214) 989-1890

By: Chad Rennels


Authorized Representative

ACCEPTANCE CLAUSE

The above and foregoing bid is hereby in all things accepted by the Horizon Regional Municipal Utility District, El Paso County, this 28<sup>th</sup> day of September, 2023.

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

ATTEST:

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

\*RBC Capital Markets, LLC ("RBCCM") confirms that we have a standing letter related to compliance with SB 13 and 19 on file with the Texas Attorney General. On August 24, 2022, the Texas Comptroller published a list of financial companies it determined "boycott energy companies" within the meaning of SB 13, which included, on Annex II, three mutual funds sponsored by RBC Global Asset Management (U.S.) Inc. ("RBC GAM"), an affiliate of RBCCM. As the Comptroller has stated, a state agency or political subdivision is not prohibited from contracting with an entity that is affiliated with a fund that is listed on Annex II. In any event, RBC GAM believes its funds were included on the Comptroller's list in error and has requested that they be removed.

In June 2023, RBC GAM received a second request from the Comptroller seeking verification that RBC GAM and its affiliates do not "boycott energy companies." The Comptroller has indicated that RBC GAM received the notice in connection with the Comptroller's responsibility to maintain and annually update its list of financial companies that boycott energy companies as set out under applicable Texas law. RBC GAM will timely respond and provide the requested verification, and RBCCM currently has no intention of withdrawing its standing letter.