

PRICING CERTIFICATE

Dated: May [20], 2025

We, the undersigned, City Manager of the City of New Braunfels, Texas (the "City") and the Chief Executive Officer of New Braunfels Utilities, jointly acting as the Pricing Officer pursuant to the authority granted to us by an ordinance adopted by the City Council of the City on May 12, 2025 (the "Ordinance"), relating to the issuance of the "CITY OF NEW BRAUNFELS, TEXAS, UTILITY SYSTEM REVENUE REFUNDING BONDS, SERIES 2025" (the "Bonds"), do hereby make the following determinations, findings, approvals and designations relating to the Bonds:

1. Capitalized terms not otherwise defined herein have the meanings assigned in the Ordinance.

2. The Bonds are hereby designated as the "City of New Braunfels, Texas, Utility System Revenue Refunding Bonds, Series 2025."

3. The aggregate principal amount of Commercial Paper Notes to be refunded by the Bonds is as follows: \$_____ principal amount of the "City of New Braunfels, Texas, Utility System Commercial Paper Notes, Series 2019A" (the "Refunded CP Notes").

4. The Series 2015 Bonds to be refunded are hereby identified as follows: "City of New Braunfels, Texas, Utility System Revenue Bonds, Series 2015" dated January 15, 2015, being all of such bonds scheduled to mature on July 1 in each of the years 20____, 20____ and 20____ and a portion of such bonds maturing on July 1, 20____, and aggregating in the principal amount of \$_____ (the "Series 2015 Refunded Bonds") and called for redemption on _____, 2025 at the price of par plus accrued interest to the date of redemption.

5. The Series 2016 Bonds to be refunded are hereby identified as follows: "City of New Braunfels, Texas, Utility System Revenue and Refunding Bonds, Series 2016" dated March 1, 2016, being all of such bonds scheduled to mature on July 1 in each of the years 20____, 20____ and 20____ and a portion of such bonds maturing on July 1, 20____, and aggregating in the principal amount of \$_____ (the "Series 2016 Refunded Bonds") and called for redemption on _____, 2025 at the price of par plus accrued interest to the date of redemption.

6. The Bond Date of the Bonds shall be May 15, 2025.

7. The principal amount of the Bonds shall be \$_____.

8. The net present value debt service savings of the refunding of the Refunded Bonds is _____% [, net of the City's contribution].. [There will not be a City contribution to accomplish the refunding of the Refunded Bonds.] [Pursuant to Section ____ of the Ordinance, on or immediately prior to the date of the delivery of the Bonds, \$_____, consisting of moneys on deposit in the interest and sinking fund maintained for the payment of the Refunded Bonds, shall be transferred in immediately available funds to the [Escrow Agent][paying agent for the Refunded Bonds] to accomplish the refunding.]

9. The maximum interest rate for the Bonds does not exceed _____%.

10. The maximum maturity date of the Bonds does not exceed July 1, 20_____.

11. The Bonds shall become due and payable on July 1 in each of the years and bear interest at the per annum rates as follows:

<u>Year of Stated Maturity</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>
2025		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		
2040		
2041		
2042		
2043		
2044		
2045		
2046		
2047		
2048		
2049		
2050		
2051		
2052		
2053		
2054		
2055		
2056		

12. Interest on the Bonds shall accrue from the Bond Date and shall be payable semiannually on January 1 and July 1 in each year commencing July 1, 2025, until maturity or prior redemption.

13. (a) Optional Redemption. The Bonds having Stated Maturities on and after July 1, 20___ shall be subject to redemption prior to maturity, at the option of the City, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity by lot by the Paying Agent/Registrar), on July 1, 20___ or on any date thereafter at the redemption price of par plus accrued interest to the date of redemption.

At least forty-five (45) days prior to an optional redemption date for the Bonds (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the City shall notify the Paying Agent/Registrar of the decision to redeem Bonds, the principal amount of each Stated Maturity to be redeemed, and the date of redemption therefor. The decision of the City to exercise the right to redeem Bonds shall be entered in the minutes of the governing body of the City.

(b) Mandatory Redemption. The Bonds having Stated Maturities of July 1 in each of the years of 20___ and 20___ (collectively, the "Term Bonds") shall be subject to mandatory

redemption in part prior to maturity at the redemption price of par and accrued interest to the date of redemption on the respective dates and in principal amounts as follows:

<u>Term Bonds due July 1, 20__</u>		<u>Term Bonds due July 1, 20__</u>	
<u>Redemption Date</u>	<u>Principal Amount (\$)</u>	<u>Redemption Date</u>	<u>Principal Amount (\$)</u>
July 1, 20__		July 1, 20__	
July 1, 20__		July 1, 20__	
July 1, 20__		July 1, 20__	
July 1, 20__		July 1, 20__	
July 1, 20__*		July 1, 20__	
		July 1, 20__*	

*stated maturity date

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 July 1 from moneys set aside for that purpose in the Bond 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 50 days prior to the mandatory redemption date, (1) shall have been acquired by the City at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation or (2) shall have been redeemed pursuant to the optional redemption provisions set forth in paragraph (a) of this Section and not theretofore credited against a mandatory redemption requirement.

(c) Selection of Bonds for Redemption. If less than all Outstanding Bonds of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall treat such Bonds as representing the number of Bonds Outstanding which is obtained by dividing the principal amount of such Bonds by \$5,000 and shall select the Bonds to be redeemed within such Stated Maturity by lot.

(d) Notice of Redemption. Not less than thirty (30) days prior to a redemption date for the Bonds, a notice of redemption shall be sent by United States mail, first class postage prepaid, in the name of the City and at the City's expense, to each Holder of a Bond to be redeemed in whole or in part at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder.

All notices of redemption shall (i) specify the date of redemption for the Bonds, (ii) identify the Bonds to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Bonds, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified, and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Bonds, or the principal amount thereof to be redeemed, shall be made at the Designated Payment/Transfer Office of the Paying Agent/Registrar only upon presentation and surrender thereof by the Holder. If a Bond is subject

by its terms to prior redemption and has been called for redemption and notice of redemption thereof has been duly given as herein provided or waived, such Bond (or the principal amount thereof to be redeemed) shall become due and payable, and interest thereon shall cease to accrue from and after the redemption date therefor, provided moneys sufficient for the payment of such Bonds (or of the principal amount thereof to be redeemed) at the then applicable redemption price are held for the purpose of such payment by the Paying Agent/Registrar.

(e) Conditional Notice of Redemption With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Ordinance and this Pricing Certificate have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption is conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon the satisfaction of any prerequisite set forth in such notice of redemption; and, if a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

14. The Bonds authorized and approved by the Ordinance are hereby sold by the City to Piper Sandler & Co., RBC Capital Markets, LLC and Texas Capital Securities (herein referred to collectively as the "Purchasers") in accordance with the Purchase Contract (the "Purchase Contract"), dated May ____, 2025, attached hereto as **Exhibit A** and incorporated herein by reference as a part of this Pricing Certificate for all purposes. The Pricing Officer, as authorized and directed in the Ordinance to determine the terms and provisions in accordance with the Ordinance, such terms being in the best interests of the City, and to execute said Purchase Contract for and on behalf of the City and as the act and deed of the City Council, has so executed such Purchase Contract as the City Council's act and deed. The representations, warranties and agreements of the City contained therein are true and correct in all material respects and shall be honored and performed by the City.

Furthermore, the use of the Preliminary Official Statement by the Purchasers in connection with the public offering and sale of the Bonds is hereby ratified, confirmed and approved in all respects. The final Official Statement, being a modification and amendment of the Preliminary Official Statement to reflect the terms of sale (together with such changes approved by the Mayor and City Secretary, either or both of said officials), shall be and is hereby in all respects approved, and the Purchasers may and shall use and distribute said final Official Statement, dated May ____, 2025, in the reoffering, sale and delivery of the Bonds to the public.

15. The form of the Bonds, including the Initial Bond(s), shall be as set forth in **Exhibit B** attached hereto and incorporated herein by reference as a part hereof for all purposes.

16. The financial information and operating data with respect to the City to be provided annually in accordance with Section 48 of the Ordinance is the financial and operating data of the general type included in the Official Statement and included in Appendix A of the Official Statement under the headings "UTILITY SYSTEM INDEBTEDNESS," "UTILITY SYSTEM REVENUE BONDS CONSOLIDATED DEBT REQUIREMENT SCHEDULE," "THE NEW BRAUNFELS UTILITIES – 'NBU's Electric System,' 'NBU's Water System,' 'NBU's Sewer System,'" and "HISTORICAL OPERATING RESULTS." The City will provide the updated information to the MSRB within 6 months after the end of each fiscal year ending in or after 2025. Additionally, the City will provide audited financial statements, as attached to the Official Statement in APPENDIX C (if NBU commissions an audit and it is completed by the required

time). If audited financial statements are not available by the required time, the City will provide unaudited financial statements by the required time, and audited financial statements when and if such audited financial statements become available. The accounting principles referred to in such Section with respect to the City are the accounting principles described in the notes to the financial statement appearing in Appendix C to the Official Statement.

17. The amount on deposit in the Reserve Fund as of the date hereof is \$_____ (the "Current Reserve"). By reason of the issuance of the Bonds, the Required Reserve in the Reserve Fund shall be \$_____, which is more than the Current Reserve. \$_____ of Bond proceeds and \$_____ of lawfully available funds of the City will be deposited to the Reserve Fund on the date of the initial delivery of the Bonds.

18. Of the proceeds of sale of the Bonds, \$_____ for the refunding of the Refunded CP Notes and \$_____ for the refunding of the Refunded Bonds shall be deposited with the escrow agent pursuant to the Escrow Agreement referred to in paragraph 19 below, \$_____ shall be deposited to the Reserve Fund pursuant to paragraph 17 above, accrued interest in the amount of \$_____ shall be deposited into the Bond Fund and the remaining proceeds of the Bonds are designated to pay costs of issuance.

19. The selection and appointment of Zions Bancorporation, National Association to serve as escrow agent is hereby approved and confirmed. An "Escrow Agreement" (the "Escrow Agreement") substantially in the form attached hereto as **Exhibit C** is hereby approved as to form and content. The Chief Executive Officer of New Braunfels Utilities is authorized and directed in the Ordinance to execute said Escrow Agreement for and on behalf of the City and as the act and deed of the City Council.

20. In order to provide for the refunding, discharge and retirement of the Series 2015 Refunded Bonds, the Series 2015 Refunded Bonds, in the amount set forth in paragraph 4 hereof, are hereby called for redemption on _____, 2025, at the price of par plus accrued interest to the redemption date. A notice of such redemption of the Series 2015 Refunded Bonds shall be given in accordance with the applicable provisions of the ordinance adopted by the City Council of the City authorizing the issuance thereof and related pricing certificate. A form of the notice of redemption to be sent to holders in accordance with the provisions of the Ordinance and the ordinance authorizing the issuance of the Series 2015 Refunded Bonds and related pricing certificate is attached hereto as **Exhibit D-1** and incorporated herein by reference as a part hereof for all purposes.

21. In order to provide for the refunding, discharge and retirement of the Series 2016 Refunded Bonds, the Series 2016 Refunded Bonds, in the amount set forth in paragraph 5 hereof, are hereby called for redemption on _____, 2025, at the price of par plus accrued interest to the redemption date. A notice of such redemption of the Series 2016 Refunded Bonds shall be given in accordance with the applicable provisions of the ordinance adopted by the City Council of the City authorizing the issuance thereof and related pricing certificate. A form of the notice of redemption to be sent to holders in accordance with the provisions of the Ordinance and the ordinance authorizing the issuance of the Series 2016 Refunded Bonds and related pricing certificate is attached hereto as **Exhibit D-2** and incorporated herein by reference as a part hereof for all purposes.

22. The Refunded CP Notes will be paid on their maturity date of _____, 20____.

23. Section 10(h) of the Ordinance is hereby modified to read:

The term "Government Obligations" shall mean (i) direct noncallable obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America and (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations unconditionally guaranteed or insured by the agency or instrumentality and on the date of their acquisition or purchase by the City are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent.

24. The findings and determinations of the City Council contained in the preamble recitals of the Ordinance are hereby incorporated by reference and made a part of the Ordinance for all purposes as if the same were restated in full in the Ordinance.

[Remainder of page left blank intentionally]

APPROVED, as of the date first above written.

CITY OF NEW BRAUNFELS, TEXAS

By: _____
City Manager and Pricing Officer

NEW BRAUNFELS UTILITIES

By: _____
Chief Executive Officer and Pricing Officer

[signature page to Pricing Certificate]