

\$7,800,000

HUNTSVILLE INDEPENDENT SCHOOL DISTRICT PUBLIC FACILITY CORPORATION

(a non-profit corporation acting on behalf of the Huntsville Independent School District, a political subdivision located in Walker County, Texas)

SCHOOL FACILITY LEASE REVENUE QUALIFIED SCHOOL CONSTRUCTION BONDS, TAXABLE SERIES 2010

BID FORM

Bids are due telephonically on or before Friday, January 29, 2010 by 11:00 a.m. CST to Lewis Wilks at (713) 435-4336 or Jim Dong at (713) 435-4412, with facsimile confirmation immediately thereafter to (713) 435-4448. The final award of the Bonds will take place at a regular meeting of the Huntsville Independent School District Public Facility Corporation meeting on February 4, 2010.

The Bonds will be sold in one block on a "All or None" basis. 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 District. The true interest cost rate (the "TIC") is that annual rate which, when used to compute the total present value as of the Dated Date of the Bonds of all debt service payments on the Bonds on the basis of semi-annual compounding, using a 360-day year composed of 12 consecutive 30-day months, produces an amount equal to the sum of the par value of the Bonds plus any premium bid (but not interest accrued from the Dated Date of the Bonds to the date of their delivery). The Bonds will be awarded to the best bidder or syndicate account whose name first appears on the Official Bid form (the "Initial Purchaser" or "Purchaser") whose bid based on the above computation produces the lowest TIC to the District. In case of error in the TIC calculations, interest rates named on the Official Bid Form will govern; however, the Board reserves the right to reject any and all bids and to waive any and all irregularities, except the time for filing of the bids. If two or more equal bids are received the Board will determine by lot which bid, if any, shall be accepted, and such determination shall be final. The successful bidder will be required to agree to deliver a certificate setting forth the "original issue price" of the Bonds, determined in accordance with the provisions of section 1273 of the Internal Revenue code of 1986, as amended. In the event of the bidder's error in interest cost calculations, the interest rates and premium, if any, set forth in the Official Bid Form will be considered as the intended bid.

Lease Revenue Qualified School Construction Bonds, Taxable Series 2010 (Tax Credit Bonds) maturing as shown below:

Table with 4 columns: Maturity Date, Principal, Maturity Date, Principal. Rows show bond terms from 2/15/2011 to 2/15/2018 and 2/15/2019 to 2/15/2026.

Purchase Price \$ \_\_\_\_\_
Supplemental Interest Rate Coupon (if any): \_\_\_\_\_%
True Interest Cost Rate: \_\_\_\_\_%
(Not part of the bid)

Initial Purchaser: \_\_\_\_\_ Contact: \_\_\_\_\_ Phone: \_\_\_\_\_

In the opinion of Bond Counsel, the Bonds are being issued as "Qualified School Construction Bonds" within the meaning of Section 54F of the Internal Revenue Code of 1986, as amended (the "Code"). As such, in addition to interest payments, if any, for federal income tax purposes, a taxpayer, who owns a Bond on a Credit Allowance Date will be entitled to a credit against its federal income tax liability equal to the "credit rate" established by the Bureau of Public Debt effective on the date of sale of the Bonds (February 4, 2010) multiplied by the principal amount outstanding and owned by such taxpayer on such Credit Allowance Date and divided by four for each respective Credit Allowance Date. The Credit Allowance Dates for the Bonds are March 15, June 15, September 15 and December 15 of each year beginning March 15, 2010, and each Credit Allowance Date thereafter through maturity

The District reserves the right to reject any and all bids, to waive irregularities and to change the time that bids are due. Bidders agree to hold the District, the Financial Advisor and its consultants and agents harmless in the submission of a bid. The bidders are also responsible for its legal counsel fees and expenses and for any and all costs associated with the submission of the bid. This bid, however, is subject to the following conditions:

\_\_\_\_\_
\_\_\_\_\_

(if left blank, it is assumed that there are no conditions to the bid):

Signed: \_\_\_\_\_ Title: \_\_\_\_\_ Dated: \_\_\_\_\_