

**OFFICIAL NOTICE OF SALE  
AND  
BIDDING INSTRUCTIONS**

**ON**

**\$15,055,000\***

**CITY OF JOSEPHINE, TEXAS  
(Collin and Hunt Counties)**

**COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2025**

**Sealed Bids Due Monday, September 8, 2025 at 9:30 AM CENTRAL TIME**

THE CERTIFICATES WILL NOT BE DESIGNATED AS "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS.

**THE SALE**

**CERTIFICATES OFFERED FOR SALE AT COMPETITIVE BIDDING . . .** The City Council (the "Council") of the City of Josephine, Texas (the "City") is offering for sale its \$15,055,000\* Combination Tax and Revenue Certificates of Obligation, Series 2025 (the "Certificates"). Bidders may submit bids for the Certificates by any of the following methods:

- (1) Deliver bids directly to the City as described below in "BIDS DELIVERED TO THE CITY"; or
- (2) Submit bids electronically as described below in "ELECTRONIC BIDDING PROCEDURES".

**BIDS DELIVERED TO THE CITY . . .** Sealed bids, plainly marked "Bid for Certificates", should be delivered to "Lisa Palomba, City of Josephine, 201 S. Main Street, Josephine, TX 75173" (the "City's Meeting Place"), prior to 9:30 AM, Central Time, on the date of the bid opening. All bids must be submitted on the Official Bid Form, without alteration or interlineation.

**ELECTRONIC BIDDING PROCEDURE . . .** Any prospective bidder that intends to submit an electronic bid must submit its electronic bid through the facilities of PARITY. Subscription to the i-Deal LLC's BIDCOMP Competitive Bidding System is required in order to submit an electronic bid. The City will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe. Bidders submitting an electronic bid shall not be required to submit the Official Bid Form prior to bidding.

An electronic bid made through the facilities of PARITY shall be deemed an irrevocable offer to purchase the Certificates on the terms provided in this Official Notice of Sale and Bidding Instructions, 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 Official Notice of Sale and Bidding Instructions shall conflict with information provided by PARITY as the approved provider of electronic bidding services, this Official Notice of Sale and Bidding Instructions shall control. Further information about PARITY, including any fee charged, may be obtained from Parity Customer Support, 40 West 23<sup>rd</sup> Street, 5th Floor, New York, New York 10010, (212) 404-8102.**

For purposes of the bidding process, regardless of the bidding method, the time as maintained by PARITY shall constitute the official time. **For information purposes only, bidders are requested to state in their electronic bids the true interest cost to the City, as described under "Basis of Award" below. All electronic bids shall be deemed to incorporate the provisions of this Official Notice of Sale and Bidding Instructions and the Official Bid Form. The winning bidder shall submit a signed bid form if not previously submitted.**

**Hilltop Securities Inc. will not be responsible for submitting any bids received after the above deadlines.**

**PLACE AND TIME OF BID OPENING . . .** The bids for the Certificates will be publicly opened and read at the City's Meeting Place, at 9:30 AM, Central Time, on Monday, September 8, 2025.

**AWARD OF THE CERTIFICATES . . .** The Council will take action to award the Certificates (or reject all bids) at a meeting scheduled to convene at 6:00 PM, Central Time, on the date of the bid opening, and adopt an ordinance authorizing the Certificates and approving the Official Statement (the "Ordinance").

**ADVANCE MODIFICATION OF PRINCIPAL AMOUNTS . . .** The City reserves the right to change the principal amounts provided below in the "MATURITY SCHEDULE" in each stated maturity by giving notice of such change, via PARITY at least 18 hours in advance of the time set for receipt of bids. Such notice shall be considered an amendment to this Official Notice of Sale and Bidding Instructions.

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\* Preliminary, subject to change. See "Advance Modification of Principal Amounts" and "Post Bid Modification of Principal Amounts" herein.

**POST BID MODIFICATION OF PRINCIPAL AMOUNTS . . .** After the receipt of bids, but prior to the award of the Certificates, the City reserves the right to amend the total par amount by up to 15% in order to generate the City's target amortization. Such modifications of principal amounts will be disclosed to the winning bidder within two hours after receipt of the bids. The purchase price of the Certificates will be adjusted proportionately to the adjustment in principal amount of the Certificates and in such manner as to maintain as comparable an underwriter spread as possible to the winning bid.

## **THE CERTIFICATES**

**DESCRIPTION . . .** The Certificates will be dated September 1, 2025 (the "Dated Date"). Interest will accrue from the date of the initial delivery (the "Delivery Date", anticipated to be September 24, 2025), and will be due on February 15, 2026, and each August 15 and February 15 thereafter until the earlier of stated maturity or prior redemption. The Certificates will be issued only in fully registered form in any integral multiple of \$5,000 for any one maturity. The Certificates will mature on February 15 in each year as follows:

### **MATURITY SCHEDULE\***

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2027	\$ 290,000	2035	\$ 515,000	2043	\$ 745,000
2028	310,000	2036	540,000	2044	780,000
2029	320,000	2037	570,000	2045	820,000
2030	340,000	2038	600,000	2046	860,000
2031	420,000	2039	625,000	2047	900,000
2032	440,000	2040	650,000	2048	945,000
2033	465,000	2041	685,000	2049	990,000
2034	490,000	2042	715,000	2050	1,040,000

**OPTIONAL REDEMPTION . . .** The City reserves the right, at its option, to redeem Certificates having stated maturities on and after February 15, 2036, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2035, or any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. Any Certificates designated as Term Certificates (defined herein) by the Initial Purchaser will also be subject to mandatory sinking fund redemption.

**SERIAL CERTIFICATES AND/OR TERM CERTIFICATES . . .** Bidders may provide that all of the Certificates be issued as serial Certificates or may provide that any two or more consecutive serial maturities be combined into one or more term maturities (the "Term Certificates").

**MANDATORY SINKING FUND REDEMPTION . . .** If the successful bidder elects to alter the MATURITY SCHEDULE reflected above and convert the principal amounts of the serial maturities into one or more Term Certificates, such Term Certificates shall be subject to mandatory sinking fund redemption the first February 15 next following the last serial maturity, and annually thereafter on each February 15 until the stated maturity for the Term Certificates at the redemption price of par plus accrued interest to the date of redemption. The principal amounts of the Term Certificates to be redeemed on each mandatory sinking fund redemption date shall be the principal amounts that would have been due and payable in the "MATURITY SCHEDULE" shown above had no designation of such maturities as Term Certificates occurred. At least forty-five (45) days prior to each mandatory sinking fund redemption date, the Paying Agent/Registrar shall select by lot the Term Certificates to be redeemed and cause a notice of redemption to be given in the manner provided in the Official Statement.

The principal amount of the Term Certificates required to be redeemed pursuant to the operation of such mandatory redemption provisions may be reduced, at the option of the City, by the principal amount of the Term Certificates of the same maturity which at least fifty (50) days prior to a mandatory redemption date (i) shall have been acquired by the City and delivered to the Paying Agent/Registrar for cancellation or (ii) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory sinking fund redemption requirement.

A final Official Statement will incorporate the mandatory sinking fund redemption provisions for the Certificates in the event the successful bidder elects to convert consecutive serial maturities into one or more Term Certificates.

**BOOK-ENTRY-ONLY SYSTEM . . .** The City intends to utilize the Book-Entry-Only System of The Depository Trust Company, New York, New York ("DTC"). See "THE CERTIFICATES - Book-Entry-Only System" in the Official Statement.

\* Preliminary, subject to change. See "Advance Modification of Principal Amounts" and "Post Bid Modification of Principal Amounts" herein.

**PAYING AGENT/REGISTRAR . . .** The initial Paying Agent/Registrar shall be Wilmington Trust, NA, Dallas, Texas (see "THE CERTIFICATES - Paying Agent/Registrar" in the Official Statement).

**SOURCE OF PAYMENT . . .** The Certificates constitute direct obligations of the City, payable from a combination of (i) the levy and collection of an annual ad valorem tax, within the limits prescribed by law, on all taxable property located within the City, and (ii) a pledge of the Surplus Revenues of the City's waterworks and sewer system, as provided in the Ordinance.

Further details regarding the Certificates are set forth in the Official Statement.

## **CONDITIONS OF THE SALE**

**TYPE OF BIDS AND INTEREST RATES . . .** The Certificates will be sold in one block, on an "All or None" basis, and at a price of not less than 98.00% - 105.00% of their par value. Bidders are invited to name the rate(s) of interest to be borne by the Certificates, provided that each rate bid must be in a multiple of 1/100 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 3.00% in rate. The high bidder will be required to submit reoffering yields and dollar prices prior to award.** No limitation is imposed upon bidders as to the number of rates or changes which may be used. All Certificates 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 True Interest Cost as defined below.

**BASIS FOR AWARD . . .** Subject to the City's right to reject any or all bids and to waive any irregularities except time of filing, the sale of the Certificates will be awarded to the bidder or syndicate account manager whose name first appears on the Official Bid Form (the "Initial Purchaser") making a bid that conforms to the specifications herein and which produces the lowest True Interest Cost (defined herein) rate to the City based on the maturity schedule in the Official Bid Form. The "True Interest Cost" rate is that rate which, when used to compute the total present value as of the Delivery Date of all debt service payments on the Certificates on the basis of semi-annual compounding, produces an amount equal to the sum of the par value of the Certificates plus any premium bid, if any. 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.

**PROVISION OF TEXAS ETHICS COMMISSION FORM 1295 ("TEC FORM 1295") AND CERTIFICATION OF FILING BY BIDDERS . . .** Pursuant to Texas Government Code §2252.908 (the "Interested Party Disclosure Act"), unless the bidder represents and verifies in the Official Bid Form that the bidder is a publicly traded business entity, or a wholly owned subsidiary of a publicly traded business entity, the City may not award the Certificates to a bidder unless the bidder has provided to the City a TEC Form 1295 and a Certification of Filing as generated by the Texas Ethics Commission (the "TEC"). Pursuant to the rules prescribed by the TEC, the TEC Form 1295 must be completed online through the TEC's website at <https://www.ethics.state.tx.us/tec/1295-Info.htm>. The TEC Form 1295 must then be printed and signed and provided to the City (c/o the City's Municipal Advisor, Hilltop Securities, Inc. Attn: Jim Sabonis, [jim.sabonis@hilltopsecurities.com](mailto:jim.sabonis@hilltopsecurities.com)) along with Certification of Filing generated by TEC. In the event that the bidder's bid for the Certificates is the best bid received, the City, acting through its Municipal Advisor, will promptly notify the bidder. That notification will serve as the conditional verbal acceptance of the bid, and will obligate the bidder to file promptly a completed TEC Form 1295, in order to complete the award. **TEC Form 1295 must be received by the City prior to the formal acceptance of the winning bid.** The TEC Form 1295 and Certificate of Filing may be provided to the City via facsimile or electronically. Following the award of the Certificates, the City will notify the TEC of the receipt of each completed TEC Form 1295 and Certification of Filing. The City reserves the right to reject any bid that does not comply with the requirements prescribed herein. For purposes of completing the TEC Form 1295, box two is the City's formal name and box 3 is (Josephine CO Series 2025). Neither the City nor its consultants have the ability to verify the information included in a TEC Form 1295, and neither have an obligation nor undertake responsibility for advising any bidder with respect to the proper completion of the TEC Form 1295. Consequently, an entity intending to bid on the Certificates should consult its own advisors to the extent it deems necessary and be prepared to submit the completed form promptly upon notification from the City that its bid is the apparent winning bid.

**VERIFICATIONS OF STATUTORY REPRESENTATIONS AND COVENANTS . . .** The City will not award the Certificates to a bidder unless the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as amended (the "Covered Verifications"), are included in the bid. As used in such verifications, "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. Liability for breach of any such verification during the term of this agreement shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of the Official Bid Form or Official Notice of Sale and Bidding Instructions, notwithstanding anything in the Official Bid Form or Official Notice of Sale and Bidding Instructions to the contrary.

- (i) No Boycott of Israel (Texas Government Code Chapter 2271): A bidder must verify that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.
- (ii) Not a Sanctioned Company (Texas Government Code Chapter 2252): A bidder must represent 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 or Section

2270.0201, Government Code. The foregoing representation excludes a 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.

- (iii) No Discrimination Against Firearm Entities or Firearm Trade Associations (Texas Government Code Chapter 2274): A bidder must verify 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. 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.
- (iv) No Boycott of Energy Companies (Texas Government Code Chapter 2276): A bidder must verify that it 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. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

**FURTHER STATE LAW COMPLIANCE AND STANDING LETTER REQUIREMENT . . .** Each prospective bidder must have a standing letter on file with the Texas Attorney General’s Office in the form required by the All Bond Counsel Letter of the Texas Attorney General dated November 1, 2023 and any supplements thereto (collectively, the “All Bond Counsel Letter”). In submitting a bid, a bidder represents to the City that it has filed a standing letter in the form included in the All Bond Counsel Letter without qualification and including current statutory citations and it has no reason to believe that the City may not be entitled to rely on the standing letter on file with the Texas Attorney General’s Office. Bidder agrees that it will not rescind its standing letter at any time before the delivery of the Certificates unless same is immediately replaced with a standing letter meeting the requirements of the All Bond Counsel Letter.

The City will not accept a bid from a bidder that does not have such standing letter on file as of the deadline for bids for the Certificates. If requested by the City, the bidder agrees to provide such further representations, certifications or assurances in connection with the Covered Verifications, as of the Delivery Date or such other date requested by the City including, but not limited to, a bring down certification as provided by the All Bond Counsel Letter.

THE CITY RESERVES THE RIGHT, IN ITS SOLE DISCRETION, TO REJECT THE BID OF ANY BIDDER FOR ANY REASON. BY SUBMITTING A BID, EACH BIDDER AGREES, SHOULD IT BE THE WINNING BIDDER, TO COOPERATE WITH THE CITY AND TAKE ANY ACTION NECESSARY TO FURTHER VERIFY AND CONFIRM COMPLIANCE WITH STATE LAW. Unless otherwise publicly available on the Municipal Advisory Council of Texas’ website, the bidder shall submit a courtesy copy of its standing letter in connection with the submission of its bid.

To the extent the bidder and each syndicate member listed on the Official Bid Form is unable to provide a Standing Letter in a form satisfactory to the Texas Office of the Attorney General, the City reserves the right to cash and accept the Good Faith Deposit (see “CONDITIONS OF THE SALE - Good Faith Deposit”). THE LIABILITY OF THE BIDDER FOR BREACH OF ANY OF THE VERIFICATIONS MADE IN CONNECTION WITH THE COVERED VERIFICATIONS SHALL SURVIVE UNTIL BARRED BY THE STATUTE OF LIMITATIONS, AND SHALL NOT BE LIQUIDATED OR OTHERWISE LIMITED BY ANY PROVISION OF THIS OFFICIAL NOTICE OF SALE AND BIDDING INSTRUCTIONS OR THE OFFICIAL BID FORM. ADDITIONALLY, THE CITY RESERVES AND RETAINS ALL RIGHTS AND REMEDIES AT LAW AND IN EQUITY FOR PURSUIT AND RECOVERY OF DAMAGES, IF ANY, RELATING TO THE COVERED VERIFICATIONS.

**IMPACT OF BIDDING SYNDICATE ON AWARD . . .** For purposes of contracting for the sale of the Certificates, the entity signing the bid form as Initial Purchaser shall be solely responsible for the payment of the purchase price of the Certificates. The Initial Purchaser 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 members would be for informational purposes only.

**GOOD FAITH DEPOSIT . . .** A Good Faith Deposit, payable to the "City of Josephine, Texas", in the amount of \$301,100.00, 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 Initial Purchaser’s compliance with the terms of the bid and the Official Notice of Sale and Bidding Instructions. The Good Faith Deposit may accompany the Official Bid Form or it may be submitted separately. 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 Initial Purchaser who shall be named in such instructions. **The Good Faith Deposit of the Initial Purchaser will be returned to the Initial Purchaser upon payment for the Certificates.** No interest will be allowed on the Good Faith Deposit. In the event the Initial Purchaser should fail or refuse to take up and pay for the Certificates in accordance with the bid, then said check shall be cashed and accepted by the City as full and complete liquidated damages, except as provided under the caption “CONDITIONS OF THE SALE – Verifications of Statutory Representations and Covenants” for which damages shall survive until barred by the applicable statute of limitations and shall not be liquidated or otherwise limited. The checks accompanying bids other than the winning bid will be returned immediately after the bids are opened, and an award of the Certificates has been made.

**ESTABLISHING THE ISSUE PRICE FOR THE CERTIFICATES . . .** The City intends to rely on Treasury Regulation section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of municipal bonds), which require, among other

things, that the City receives bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (the “Competitive Sale Requirement”).

In the event that the bidding process does not satisfy the Competitive Sale Requirement, Bids will not be subject to cancellation and the winning bidder (i) agrees to promptly report to the City the first prices at which at least 10% of each maturity of the Certificates (the “First Price Maturity”) have been sold to the Public on the Sale Date (the “10% Test”) (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% Test) and (ii) agrees to hold-the-offering-price of each maturity of the Certificates that does not satisfy the 10% Test (“Hold-the-Price Maturity”), as described below.

In order to provide the City with information that enables it to comply with the establishment of the issue price of the Certificates under the Internal Revenue Code of 1986, as amended, the winning bidder agrees to complete, execute, and timely deliver to the City or to HilltopSecurities (defined herein), the City’s municipal advisor, a certification as to the Certificates’ “issue price” (the “Issue Price Certificate”) substantially in the form and to the effect attached hereto or accompanying this Notice of Sale, within 5 business days prior to the Closing Date if the Competitive Sale Requirement is satisfied or within 5 business days of the date on which the 10% Test is satisfied with respect to all of the First Price Maturities. In the event the winning bidder will not reoffer any maturity of the Certificates for sale to the Public (as defined herein) by the Closing Date, the Issue Price Certificate may be modified in a manner approved 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 necessary to enable it to make such certification with reasonable certainty. Any questions concerning such certification should be directed to Bond Counsel (identified in the Preliminary Official Statement).

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 the 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 Certificates 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 Certificates 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 Certificates to the Public),
- (iii) “Related Party” means any two or more persons (including an individual, trust, estate, partnership, association, company, or corporation) that are subject, directly or indirectly, to (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 interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) “Sale Date” means the date that the Certificates 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 Certificates may be taken on behalf of the City by the City’s Municipal Advisor, and any notice or report to be provided to the City may be provided to the City’s Municipal Advisor.

The City will consider any bid submitted pursuant to this Notice of Sale to be a firm offer for the purchase of the Certificates, as specified in the bid and, if so stated, in the Official Bid Form.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Certificates 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 third-party distribution agreement, as applicable, (A) to report the prices at which it sells to the Public the unsold Certificates of each maturity allocated to it until either all such Certificates have been sold or it is notified by the winning bidder that either the 10% Test has been satisfied as to the Certificates of that maturity, (B) to promptly notify the winning bidder of any sales of Certificates that, to its knowledge, are made to a purchaser who is a Related Party to an Underwriter, and (C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder will assume that based on such agreement each order submitted by the underwriter, dealer or broker-dealer is a sale to the Public; and (ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Certificates to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Certificates to the Public to require each underwriter or dealer that is a party to such third-party distribution agreement to report the prices at which it sells to the Public the unsold Certificates of each maturity allocated to it until either all such Certificates have been sold or it is notified by the winning bidder or such Underwriter that either the 10% Test has been satisfied as to the Certificates of that maturity or all Certificates of

that maturity have been sold to the public. Sales of any Certificates to any person that is a Related Party to an Underwriter shall not constitute sales to the public for purposes of this Notice of Sale.

By submitting a bid, the winning bidder agrees, on behalf of each Underwriter participating in the purchase of the Certificates, that each Underwriter will neither offer nor sell any Hold-the-Price 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 (1) the close of the fifth (5th) business day after the Sale Date; or (2) the date on which the Underwriters have sold at least 10% of that Hold-the-Price Maturity to the Public at a price that is no higher than the initial offering price to the Public. The winning bidder shall promptly advise the City when the Underwriters have sold 10% of a Hold-the-Price Maturity to the Public at a price that is no higher than the initial offering price to the Public, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

## **DELIVERY OF THE CERTIFICATES AND ACCOMPANYING DOCUMENTS**

**CUSIP NUMBERS . . .** It is anticipated that CUSIP identification numbers will appear on the Certificates, but neither the failure to print or type such number on any Certificate nor any error with respect thereto shall constitute cause for a failure or refusal by the Initial Purchaser to accept delivery of and pay for the Certificates in accordance with the terms of this Official Notice of Sale and Bidding Instructions and the terms of the Official Bid Form. **All expenses in relation to the printing or typing of CUSIP numbers on the Certificates 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 Initial Purchaser.**

**DELIVERY OF CERTIFICATES . . .** Delivery will be accomplished by the issuance of one Initial Certificate (also called the "Certificate" or "Certificates"), either in typed or printed form, in the aggregate principal amount of \$15,055,000\*, payable in stated installments to the Initial Purchaser, signed by the Mayor and City Secretary, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts. Upon delivery of the Initial Certificate, it shall be immediately cancelled and one definitive Certificate 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 principal office of the Paying Agent/Registrar. Payment for the Certificates must be made in immediately available funds for unconditional credit to the City, or as otherwise directed by the City.

The Initial Purchaser will be given six business days' notice of the time fixed for delivery of the Certificates. It is anticipated that delivery of the Certificate(s) can be made on or about September 24, 2025, and it is understood and agreed that the Initial Purchaser will accept delivery and make payment for the Certificates by 10:00 AM, Central Time, on September 24, 2025. If for any reason the City is unable to make delivery on or before September 24, 2025, the City shall immediately contact the Initial Purchaser and offer to allow the Initial Purchaser to extend its offer for an additional thirty days. If the Initial 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 Initial 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 Certificates, provided such failure is due to circumstances beyond the City's reasonable control.

**CONDITIONS TO DELIVERY . . .** The obligation of the Initial Purchaser to take up and pay for the Certificates is subject to the Initial Purchaser's receipt of (a) the legal opinion of Bond Counsel, (b) the no-litigation certificate, and (c) the certification as to the Official Statement, all as further described in the Official Statement. Bond Counsel may not deliver its approving opinion of the Certificates without the prior receipt of the approving opinion of the Texas Attorney General, as described on the cover of the Preliminary Official Statement under "LEGALITY".

**LEGAL OPINION . . .** The Certificates are offered when, as and if issued, subject to the approval of the Attorney General of the State of Texas. Delivery of and payment for the Certificates is subject to the receipt by the Initial Purchaser of the opinion of Bond Counsel, to the effect that the Certificates are valid and binding obligations of the City.

**CERTIFICATION OF OFFICIAL STATEMENT . . .** At the time of payment for, and initial delivery of the Certificates, the City will execute and deliver to the Initial Purchaser a certificate in the form described in the Official Statement.

## **GENERAL**

**MUNICIPAL ADVISOR . . .** Hilltop Securities Inc., ("HilltopSecurities") is employed as Municipal Advisor to the City in connection with the issuance of the Certificates. The Municipal Advisor's fee for services rendered with respect to the sale of the Certificates is contingent upon the issuance and delivery of the Certificates. HilltopSecurities, in its capacity as Municipal Advisor, 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 Certificates, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

\* Preliminary, subject to change. See "Advance Modification of Principal Amounts" and "Post Bid Modification of Principal Amounts" herein.

**BLUE SKY LAWS . . .** By submission of its bid, the Initial Purchaser represents that the sale of the Certificates in states other than Texas will be made only pursuant to exemptions from registration or, where necessary, the Initial Purchaser will register the Certificates in accordance with the securities law of the states in which the Certificates are offered or sold. The City agrees to cooperate with the Initial Purchaser, at the Initial Purchaser's written request and expense, in registering the Certificates or obtaining an exemption from registration in any state where such action is necessary, provided, however, that the City shall not be obligated to execute a general or special consent to service of process in any such jurisdiction.

**NOT AN OFFER TO SELL . . .** This Official Notice of Sale and Bidding Instructions does not alone constitute an offer to sell the Certificates, but is merely notice of the sale of the Certificates. The offer to sell the Certificates is being made by means of the Official Notice of Sale and Bidding Instructions, the Official Bid Form and the Official Statement. Prospective purchasers are urged to carefully examine the Official Statement to determine the investment quality of the Certificates.

**RATING . . .** The Certificates have been rated "AA-" by S&P Global Ratings ("S&P"), a division of S&P Global Inc., without regard to credit enhancement.

**MUNICIPAL BOND INSURANCE . . .** In the event the Certificates are qualified for municipal bond insurance, and the Initial Purchaser desires to purchase such insurance, the cost therefor will be paid by the Initial Purchaser. Any fees to be paid to the rating agencies as a result of said insurance will be paid by the Initial Purchaser. It will be the responsibility of the Initial Purchaser to disclose the existence of such insurance, its terms and the effect thereof with respect to the reoffering of the Certificates. Any rating downgrade of the bond insurance provider after the Bid Opening shall not relieve the Initial Purchaser of its obligation to purchase the Certificates from the City as described under the heading "DELIVERY OF THE CERTIFICATES AND ACCOMPANYING DOCUMENTS".

**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 United States Securities and Exchange Commission Rule 15c2-12 (the "Rule"), deems such Preliminary Official Statement to be final as of its date within the meaning of such Rule for the purpose of review prior to bidding. To the best knowledge and belief of the City, the Preliminary Official Statement contains information, including financial information or operating data, concerning every entity, enterprise, fund, account, or person that is material to an evaluation of the offering of the Certificates. 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 Official Notice of Sale and Bidding Instructions and in the Preliminary Official Statement.

The City will furnish to the Initial Purchaser, acting through a designated senior representative, in accordance with instructions received from the Initial Purchaser, within seven (7) business days from the sale date an aggregate of 10 copies of the Official Statement reflecting interest rates and other terms relating to the initial reoffering of the Certificates. In addition, the City agrees to provide, or cause to be provided, to the Initial Purchaser, the Preliminary Official Statement and the Official Statement and any amendments or supplements thereto in a "designated electronic format" (or printed format with respect to the final Official Statement) as may be required for the Initial Purchaser to comply with the Rule or the rules of the Municipal Securities Rulemaking Board ("MSRB"). The City consents to the distribution of such documents in a "designated electronic format." Upon receipt, the Initial Purchaser shall promptly file the Official Statement with the MSRB in accordance with the applicable MSRB rules. The cost of any Official Statement in excess of the number specified shall be prepared and distributed at the cost of the Initial Purchaser. The Initial Purchaser shall be responsible for providing in writing the initial reoffering prices and other terms, if any, to the Municipal 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 subject securities.

**CONTINUING DISCLOSURE AGREEMENT . . .** The City will agree in the Ordinance to provide certain periodic information and notices of certain events in accordance with the Rule, as described in the Preliminary Official Statement under "CONTINUING DISCLOSURE OF INFORMATION". The Initial Purchaser's obligation to accept and pay for the Certificates is conditioned upon delivery to the Initial Purchaser or its agent of a certified copy of the Ordinance containing the agreement described under such heading.

**COMPLIANCE WITH PRIOR UNDERTAKINGS . . .** The City became obligated to file annual reports with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (EMMA) system in an offering that took place in 2022. Due to an administrative oversight, certain annual financial information and material events were not timely filed with EMMA for fiscal years ending 2022 and 2023. All information has since been filed including a notice of late filing. The Issuer has implemented procedures to ensure timely filing of all future financial information.

**ADDITIONAL COPIES OF NOTICE, BID FORM AND STATEMENT . . .** A limited number of additional copies of this Official Notice of Sale and Bidding Instructions, the Official Bid Form and the Preliminary Official Statement, as available over and above the normal mailing, may be obtained upon request at the offices of Hilltop Securities Inc., 717 N. Harwood Street, Suite 3400, Dallas, Texas 75201, Municipal Advisor to the City.

On the date of the sale, the City Council will, in the Ordinance authorizing the issuance of the Certificates, confirm its approval of the form and content of the Official Statement, and any addenda, supplement or amendment thereto, and authorize its use in the reoffering of the Certificates by the Initial Purchaser.

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Mayor  
City of Josephine, Texas

ATTEST:

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City Secretary  
City of Josephine, Texas

August 28, 2025

## OFFICIAL BID FORM

Honorable Mayor and City Council  
City of Josephine, Texas

September 8, 2025

Honorable Mayor and Members of the City Council:

Reference is made to your Preliminary Official Statement and Official Notice of Sale and Bidding Instructions, dated August 28, 2025 of \$15,055,000\* CITY OF JOSEPHINE, TEXAS, COMBINATION TAX REVENUE CERTIFICATES OF OBLIGATION, SERIES 2025 (the "Certificates"), both of which constitute a part hereof.

For your legally issued Certificates, as described in said Official Notice of Sale and Bidding Instructions and Preliminary Official Statement, we will pay you par, plus a cash premium of \$\_\_\_\_\_ for Certificates maturing and bearing interest as follows:

Maturity	Principal Amount*	Interest Rate	Maturity	Principal Amount*	Interest Rate	Maturity	Principal Amount*	Interest Rate
2/15/2027	\$ 290,000	_____	2/15/2035	\$ 515,000	_____	2/15/2043	\$ 745,000	_____
2/15/2028	310,000	_____	2/15/2036	540,000	_____	2/15/2044	780,000	_____
2/15/2029	320,000	_____	2/15/2037	570,000	_____	2/15/2045	820,000	_____
2/15/2030	340,000	_____	2/15/2038	600,000	_____	2/15/2046	860,000	_____
2/15/2031	420,000	_____	2/15/2039	625,000	_____	2/15/2047	900,000	_____
2/15/2032	440,000	_____	2/15/2040	650,000	_____	2/15/2048	945,000	_____
2/15/2033	465,000	_____	2/15/2041	685,000	_____	2/15/2049	990,000	_____
2/15/2034	490,000	_____	2/15/2042	715,000	_____	2/15/2050	1,040,000	_____

Of the principal maturities set forth in the table above, term Certificates have been created as indicated in the following table (which may include multiple term Certificates, one term certificate or no term certificate if none is indicated). For those years which have been combined into a "Term Certificate", 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 certificate maturity date shall mature in such year. The Term Certificates created are as follows:

Maturity Date	Year of First Mandatory Redemption	Principal Amount	Interest Rate
February 15	_____	\$ _____	%
_____	_____	\$ _____	%
_____	_____	\$ _____	%
_____	_____	\$ _____	%
_____	_____	\$ _____	%
_____	_____	\$ _____	%
_____	_____	\$ _____	%

PREMIUM (DISCOUNT) \$ \_\_\_\_\_

TRUE INTEREST COST \_\_\_\_\_%

We are having the Certificates of the following maturities \_\_\_\_\_ insured by \_\_\_\_\_ at a premium of \$ \_\_\_\_\_, said premium to be paid by the Purchaser. Any fees to be paid to rating agencies other than S&P as a result of said insurance will be paid by the Purchaser.

The Initial Certificates shall be registered in the name of \_\_\_\_\_, which will, upon payment for the Certificates, be cancelled by the Paying Agent/Registrar. The definitive Certificates 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 \$301,100.00, 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 Official Statement and Official Notice of Sale and Bidding Instructions.

We agree to accept delivery of the Certificates utilizing the Book-Entry-Only System through DTC and make payment for the Initial Certificate in immediately available funds, not later than 10:00 AM, Central Time, on September 24, 2025, or thereafter on the date

\* Preliminary, subject to change. See "Advance Modification of Principal Amounts" and "Post Bid Modification of Principal Amounts" herein.

the Certificates are tendered for delivery, pursuant to the terms set forth in the Official Notice of Sale and Bidding Instructions. It will be the obligation of the Initial Purchaser of the Certificates to complete the DTC Eligibility Questionnaire.

The Purchaser hereby represents and verifies that the Purchaser (is) or (is not) a publicly traded business entity, or a wholly owned subsidiary of a publicly traded business entity. If the Purchaser is not a publicly traded business entity, or a wholly owned subsidiary of a publicly traded business entity, the City may not accept this bid until it has received from the Purchaser a completed and signed TEC Form 1295 and Certification of Filing pursuant to Texas Government Code § 2252.908 and the rules promulgated thereunder by the Texas Ethics Commission. The undersigned understands that failure to provide said form and Certification of Filing will result in a non-conforming bid and will prohibit the City from considering this bid for acceptance.

As used in the following verifications, “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. Liability for breach of any such verification during the term of this 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 the Official Notice of Sale and Bidding Instructions, notwithstanding anything in the bid or Official Notice of Sale and Bidding Instructions to the contrary.

(i) No Boycott of Israel Verification (Texas Government Code Chapter 2271). The Purchaser hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code.

(ii) Not a Sanctioned Company (Texas Government Code Chapter 2252). The Purchaser 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 or Section 2270.0201, Government Code. The foregoing representation excludes a 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.

(iii) No Boycott of Energy Companies (Texas Government Code Chapter 2276). The Purchaser hereby verifies that it 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. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.

(iv) No Discrimination Against Firearm Entities or Firearm Trade Associations (Texas Government Code Chapter 2274). The Purchaser 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. 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.

By submitting this bid, the bidder understands and agrees that if Purchaser should fail or refuse to take up and pay for the Certificates in accordance with this bid, or it is determined that after the acceptance of this bid by the City that the Purchaser was found not to satisfy the requirements described in the Official Notice of Sale and Bidding Instructions under the heading “CONDITIONS OF THE SALE” and as a result the Texas Attorney General will not deliver its approving opinion of the Certificates, then the check submitted herewith as the Purchaser’s Good Faith Deposit shall be cashed and accepted by the City. IF THE CITY CASHES THE PURCHASER’S GOOD FAITH DEPOSIT AS DESCRIBED ABOVE, SUCH ACTION DOES NOT CONSTITUTE COMPLETE OR LIQUIDATED DAMAGES RELATED TO THE PURCHASER’S BREACH OF ANY OF THE COVERED VERIFICATIONS.

By submitting this bid, the Purchaser understands and agrees that the liability of the Purchaser for breach of any of the verifications made in connection with Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as amended and as described above (collectively, the “Covered Verifications”) shall survive until barred by the applicable statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Official Bid Form or the Official Notice of Sale and Bidding Instructions.

Additionally, the Purchaser acknowledges and agrees that the City reserves and retains all rights and remedies at law and in equity for pursuit and recovery of damages, if any, relating to the Covered Verifications.

Further State Law Compliance and Standing Letter Requirement: By submitting this bid, the Purchaser understands and agrees that it must have a standing letter on file with the Municipal Advisory Council of Texas and the Texas Attorney General’s Office in the form included as Exhibit A to the All Bond Counsel Letter of the Texas Attorney General dated November 1, 2023 and any supplements thereto (the “All Bond Counsel Letter”). In submitting this bid, the Purchaser represents to the City that it has filed a standing letter in the form included as Exhibit A to the All Bond Counsel Letter without qualification and including current statutory citations and it has no reason to believe that the City may not be entitled to rely on the standing letter on file with the Municipal Advisory Council of Texas and the Texas Attorney General’s Office. The Purchaser hereby further agrees that it will not rescind

its standing letter at any time before the delivery of the Certificates unless same is immediately replaced with a standing letter meeting the requirements of the All Bond Counsel Letter.

The Purchaser agrees to provide such further representations, certifications or assurances in connection with the Covered Verifications, as of the Delivery Date or such other date requested by the City including, but not limited to, a bring down certification as provided by the All Bond Counsel Letter.

The Purchaser acknowledges that the City, in its sole discretion, has reserved the right to reject the bid of any bidder who is, or whose parent company, subsidiaries or affiliates are, on a list maintained by the Texas Comptroller of financial companies boycotting energy companies or discriminating against firearm entities.

The Purchaser understands and agrees that to the extent the Purchaser and each syndicate member listed on the Official Bid Form is unable to provide a Standing Letter in a form satisfactory to the Texas Office of the Attorney General, the City reserves the right to cash and accept the Good Faith Deposit, which action shall not constitute complete or liquidated damages as described above. (see "CONDITIONS OF THE SALE - Good Faith Deposit" in the Official Notice of Sale and Bidding Instructions).

NOTWITHSTANDING ANYTHING CONTAINED HEREIN, THE REPRESENTATIONS AND COVENANTS CONTAINED IN THIS OFFICIAL BID FORM SHALL SURVIVE TERMINATION OF THE AGREEMENT OF THE PURCHASER TO PURCHASE THE CERTIFICATES UNTIL THE APPLICABLE STATUTE OF LIMITATIONS HAS RUN.

The undersigned agrees to complete, execute, and deliver to the City, at least six business days prior to delivery of the Certificates, a certificate relating to the "issue price" of the Certificates in the form and to the effect accompanying the Official Notice of Sale and Bidding Instructions, with such changes thereto as may be acceptable to the City and Bond Counsel.

The undersigned agrees to complete, execute, and deliver to the City, at least six business days prior to delivery of the Certificates, a certificate relating to the "issue price" of the Certificates in the form and to the effect accompanying the Official Notice of Sale and Bidding Instructions, with such changes thereto as may be acceptable to the City. The undersigned also agrees to provide the City and its consultants, at least ten business days prior to the delivery of the Certificates, 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 provide in writing the initial reoffering prices and other terms, if any, to the Municipal Advisor by the close of the next business day after the award.**

Respectfully submitted,

Syndicate Members:

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Name of Underwriter or Manager

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Authorized Representative

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Phone Number

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Signature

ACCEPTANCE CLAUSE

The above and foregoing bid is hereby in all things accepted by the City of Josephine, Texas, subject to and in accordance with the Official Notice of Sale and Bidding Instructions, this the 8<sup>th</sup> day of September, 2025.

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Mayor  
City of Josephine, Texas

ATTEST:

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City Secretary  
City of Josephine, Texas

(Sales where **at least 3 bids are received from underwriters**)

The undersigned, as the underwriter or the manager of the syndicate of Underwriters ("Purchaser"), with respect to the purchase at competitive sale of the Combination Tax and Revenue Certificates of Obligation, Series 2025 issued by the City of Josephine, Texas ("Issuer") in the principal amount of \$\_\_\_\_\_ ("Certificates"), hereby certifies and represents, based on its records and information, as follows:

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

(b) The Purchaser had an equal opportunity to bid to purchase the Certificates and it was not given the opportunity to review other bids that was not equally given to all other bidders (i.e., no last look).

(c) The bid submitted by the Purchaser constituted a firm bid to purchase the Certificates.

(d) The Purchaser has ☐/has not ☐ purchased bond insurance for the Certificates. The bond insurance has been purchased from \_\_\_\_\_ (the "Insurer") for a fee of \$\_\_\_\_\_ (net any nonguarantee cost, e.g., rating agency fees). The amount of such fee is set forth in the Insurer's commitment and does not include any payment for any direct or indirect services other than the transfer of credit risk, unless the compensation for those other services is separately stated, reasonable, and excluded from such fee. Such fee does not exceed a reasonable, arm's-length charge for the transfer of credit risk and it 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 Certificates. The present value of the debt service savings expected to be realized as a result of such insurance exceeds the amount of the fee set forth above. For this purpose, present value is computed using the yield on the Certificates, determined by taking into account the amount of the fee set forth above, as the discount rate. No portion of the fee payable to the Insurer is refundable upon redemption of any of the Certificates in an amount which would exceed the portion of such fee that has not been earned.

For purposes of this Issue Price Certificate, the term "Underwriter" means (1) (i) a person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Certificates to the Public, or (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1)(i) of this paragraph (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Certificates to the Public) to participate in the initial sale of the Certificates to the Public, and (2) any person who has more than 50% common ownership, directly or indirectly, with a person described in clause (1) of this paragraph.

The undersigned understands that the foregoing information will be relied upon by the Issuer 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 Certificates, and by McCall, Parkhurst & Horton L.L.P. in connection with rendering its opinion that the interest on the Certificates is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Certificates. Notwithstanding anything set forth herein, the Purchaser is not engaged in the practice of law and makes no representation as to the legal sufficiency of the factual matters set forth herein.

EXECUTED and DELIVERED as of this \_\_\_\_\_.

\_\_\_\_\_, as Purchaser

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

Name: \_\_\_\_\_

SCHEDULE A

PRICING WIRE OR EQUIVALENT COMMUNICATION

*(Attached)*

## ISSUE PRICE CERTIFICATE

(Sales where **less than 3 bids are received from underwriters**)

The undersigned, as the underwriter or the manager of the syndicate of Underwriters ("Purchaser"), with respect to the purchase at competitive sale of the Combination Tax and Revenue Certificates of Obligation, Series 2025 issued by the City of Josephine, Texas ("Issuer") in the principal amount of \$ \_\_\_\_\_ ("Certificates"), hereby certifies and represents, based on its records and information, as follows:

(a) Other than the Certificates maturing in \_\_\_\_\_ ("Hold-the-Price Maturities"), if any, the first prices at which at least ten percent ("Substantial Amount") of the principal amount of each maturity of the Certificates having the same credit and payment terms ("Maturity") was sold on the Sale Date to a person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter ("Public") are their respective initial offering prices (the "Initial Offering Prices"), as listed in the pricing wire or equivalent communication for the Certificates that is attached to this Issue Price Certificate as Schedule A.

(b) On or before the first day on which there is a binding contract in writing for the sale of the Certificates ("Sale Date"), the Purchaser offered to the Public each Hold-the-Price Maturity at their respective Initial Offering Prices, as set forth in Schedule A hereto.

(c) As set forth in the Notice of Sale, the Purchaser agreed in writing to neither offer nor sell any of the Hold-the-Price Maturities to any person at any higher price than the Initial Offering Price for such Maturity until the earlier of the close of the fifth business day after the Sale Date or the date on which the Purchaser sells a Substantial Amount of a Maturity of the Certificates to the Public at no higher price than the Initial Offering Price for such Maturity.

(d) The Purchaser has [ ]/has not [ ] purchased bond insurance for the Certificates. The bond insurance has been purchased from \_\_\_\_\_ (the "Insurer") for a fee of \$ \_\_\_\_\_ (net any nonguarantee cost, e.g., rating agency fees). The amount of such fee is set forth in the Insurer's commitment and does not include any payment for any direct or indirect services other than the transfer of credit risk, unless the compensation for those other services is separately stated, reasonable, and excluded from such fee. Such fee does not exceed a reasonable, arm's-length charge for the transfer of credit risk and it 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 Certificates. The present value of the debt service savings expected to be realized as a result of such insurance exceeds the amount of the fee set forth above. For this purpose, present value is computed using the yield on the Certificates, determined by taking into account the amount of the fee set forth above, as the discount rate. No portion of the fee payable to the Insurer is refundable upon redemption of any of the Certificates in an amount which would exceed the portion of such fee that has not been earned.

For purposes of this Issue Price Certificate, the term "Underwriter" means (1) (i) a person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Certificates to the Public, or (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1)(i) of this paragraph (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Certificates to the Public) to participate in the initial sale of the Certificates to the Public, and (2) any person who has more than 50% common ownership, directly or indirectly, with a person described in clause (1) of this paragraph.

The undersigned understands that the foregoing information will be relied upon by the Issuer 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 Certificates, and by McCall, Parkhurst & Horton L.L.P. in connection with rendering its opinion that the interest on the Certificates is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Certificates. Notwithstanding anything set forth herein, the Purchaser is not engaged in the practice of law and makes no representation as to the legal sufficiency of the factual matters set forth herein.

EXECUTED and DELIVERED as of this \_\_\_\_\_.

\_\_\_\_\_, as Purchaser

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

Name: \_\_\_\_\_

SCHEDULE A

PRICING WIRE OR EQUIVALENT COMMUNICATION

*(Attached)*