

**BOOK-ENTRY-ONLY SYSTEM**

**NOTICE OF SALE  
AND  
BIDDING INSTRUCTIONS**

**ON**

**\$6,990,000\***

**CITY OF ROSENBERG, TEXAS  
(Fort Bend County, Texas)**

**GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020**

**Sealed Bids Due Wednesday, January 22, 2020, AT 10:15 A.M., CST**

**THE SALE**

**BONDS OFFERED FOR SALE AT COMPETITIVE BIDDING** . . The City of Rosenberg, Texas (the "City") is offering for sale its \$6,990,000\* General Obligation Refunding Bonds, Series 2020 (the "Bonds"). Bidders may submit bids for the Bonds by any of the following methods:

- (1) Deliver bids directly to the City as described below in "Bids Delivered to City;" or
- (2) Submit bids electronically as described below in "Electronic Bidding Procedures;"

**BIDS DELIVERED TO THE CITY** . . . Sealed bids, plainly marked "Bid for Bonds", should be addressed to "Mayor and City Council, City of Rosenberg, Texas", and delivered to the Director of Finance at City Hall, 2110 4th Street, Rosenberg, Texas 77471, prior to 10:15 A.M., CST, 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. **Bidders submitting an electronic bid shall not be required to submit official bid forms.** 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.

An electronic bid made through the facilities of PARITY shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in this Notice of Sale and Bidding Instructions (this "Notice of Sale") and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the City. The City shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, PARITY, the use of such facilities being the sole risk of the prospective bidder.

**If any provisions of this Notice of Sale shall conflict with information provided by PARITY as the approved provider of electronic bidding services, this Notice of Sale 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 both the written sealed bid process and the electronic bidding process, 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 "CONDITIONS OF THE SALE - Basis for Award" below. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale and the Official Bid Form.**

**PLACE AND TIME OF BID OPENING** . . The bids for the Bonds will be publicly opened and read in the office of HilltopSecurities, 700 Milam, Suite 500, Houston, Texas 77002, at 10:15 A.M. CST, Wednesday, January 22, 2020.

**ADVANCE MODIFICATION OF PRINCIPAL AMOUNTS** . . The City reserves the right to change the principal amounts in each maturity by giving notice of such change, via bond buyer wire service and PARITY, at least 12 hours in advance of the time set for receipt set for bids. Such notice shall be considered an amendment to this Notice of Sale.

**POST BID MODIFICATION OF PRINCIPAL AMOUNTS** . . If, after final computation of the Bids, in awarding the sale to the best bidder, the City may determine that the funds necessary to carry out the purposes for which the Bonds are to be issued is either more or less than the proceeds of the proposed sale of all of the Bonds or that the principal amounts may need to be adjusted to accommodate the desired debt structure. The City reserves the right to adjust, by no more than ten percent (10.0%) the principal amount of the Bonds (including sinking fund installments in the case of Term Bonds, if any) shown on the Maturity Schedule. All calculations will be rounded to the nearest \$5,000. The amount of Bonds maturing in each year may be increased or decreased by more than ten percent (10.0%) so long as the City adheres to the overall ten percent (10.0%) limitation on the amount of change to the total principal amount.

If the City exercises its right to adjust the principal amount of the Bonds, the City agrees that any such adjustment(s) of the affected bid shall be contingent upon the preservation of the bidder's underwriting spread, as contemplated by the original bid. The City will use its best efforts to communicate to the winning bidder any such adjustment within four hours after the opening of the bids. The winning bidder's acceptance of any adjustment(s) of the principal amount of the Bonds shall be verbally confirmed by (and subject to the verbal confirmation of) the City's financial advisor prior to the approval of the winning bid by the designated pricing officer.

\* Preliminary, subject to change.

There is no guarantee that adjustments and/or revisions will not be necessary in order to properly size the Bonds. Accordingly, the City reserves the right in its sole discretion to make adjustments as previously described above, even if the issue size of the Bonds does not change from the original par amount of the Bonds. In the event of any such adjustment and or revision, no rebidding will be permitted, and the purchase price as may have been bid on the Bonds shall be adjusted accordingly.

**AWARD OF THE BONDS.** . . . The City Council adopted an ordinance authorizing the issuance of the Bonds subject to certain conditions on November 5, 2019. If all conditions are met, it is expected that an authorized representative of the City will execute a pricing certificate which will determine the final terms of the Bonds and will award the sale of the Bonds on the day of the bid opening, but no more than 24 hours after bid opening. The ordinance authorizing the issuance of the Bonds and the pricing certificate are collectively referred to herein as the "Ordinance".

**THE BONDS**

**DESCRIPTION.** . . . The Bonds will be dated January 15, 2020 (the "Dated Date"). Interest will accrue from the date of delivery and will be due on September 1, 2020, and each March 1 and September 1 thereafter until the earlier of maturity or prior redemption. The Bonds will be issued only in fully registered form in any integral multiple of \$5,000 of principal for any one maturity. The Bonds will mature on March 1 in each year as follows:

**MATURITY SCHEDULE\***

<u>Year</u>	<u>Principal Amount*</u>	<u>Year</u>	<u>Principal Amount*</u>
2021	\$ 560,000	2026	\$ 705,000
2022	595,000	2027	750,000
2023	620,000	2028	775,000
2024	645,000	2029	810,000
2025	675,000	2030	855,000

**OPTIONAL REDEMPTION.** . . . The City reserves the right, at its option, to redeem Bonds having stated maturities on and after March 1, 2029, in whole or from time to time in part in principal amounts of \$5,000 or any integral multiple thereof, on March 1, 2028, or any date thereafter, at the par value thereof plus accrued interest from the most recent interest payment date to the date fixed for redemption.

**SERIAL BONDS AND/OR TERM BONDS.** . . . Bidders may provide that all of the Bonds be issued as serial bonds or may provide that any two or more consecutive annual principal amounts be combined into one or more term bonds.

**MANDATORY SINKING FUND REDEMPTION.** . . . If the successful bidder elects to alter the Maturity Schedule reflected above and convert the principal amounts of any Serial Bonds into "Term Bonds", such "Term Bonds" shall be subject to mandatory redemption commencing on March 1 of the first year which has been combined to form such Term Bond, and annually thereafter on each March 1 until the stated maturity for the Term Bonds at the redemption price of par plus accrued interest to the date of redemption. The principal amounts of the Term Bonds to be redeemed on each mandatory 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 Bonds occurred. At least 30 days prior to each mandatory date, the Paying Agent/Registrar shall select by lot the Term Bonds to be redeemed and cause a notice of redemption to be given in the manner provided in the Official Statement.

Term Bonds to be redeemed in any year by mandatory sinking fund redemption shall be redeemed at par and shall be selected by lot or other random method from and among the Term Bonds then subject to redemption. The City, at its option, may credit against any mandatory sinking fund redemption requirement Term Bonds of the maturity then subject to redemption which have been purchased and canceled by the City or have been redeemed and not theretofore applied as a credit against any mandatory sinking fund redemption requirement.

**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 BONDS - BOOK-ENTRY-ONLY SYSTEM" in the Official Statement.

**PAYING AGENT/REGISTRAR.** . . . The initial Paying Agent/Registrar shall be The Bank of New York Mellon Trust Company, N.A., Dallas, Texas. See "THE BONDS - PAYING AGENT/REGISTRAR" in the Official Statement.

**SOURCE OF PAYMENT.** . . . The Bonds constitute direct obligations of the City, payable from the receipts of an ad valorem tax levied, within the limits prescribed by law, on all taxable property within the City.

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

\* Preliminary, subject to change.

## CONDITIONS OF THE SALE

**TYPE OF BIDS AND INTEREST RATES . . .** The Bonds will be sold in one block on an "All or None" basis, and at a **price of not less than 108% or more than 113% of the total par value**, provided however, that any bid is subject to adjustment as described under the caption "POST BID MODIFICATION OF PRINCIPAL AMOUNTS." The principal amounts listed herein were calculated with a total bid premium of 112.78%. Bidders are invited to name the rate(s) of interest to be borne by the Bonds, provided that each rate bid must be in a multiple of 1/8<sup>th</sup> of 1%, 1/20<sup>th</sup> of 1% or 1/100<sup>th</sup> 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 2% in rate. **For Bonds having stated maturities on and after March 1, 2028, no reoffering yield producing a dollar price less than 98.00% for any individual maturity will be accepted. 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 Bonds of one maturity must bear one and the same rate. No bids involving supplemental interest rates will be considered.

**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 Bonds 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" rate to the City. The "True Interest Cost" rate is that rate which, when used to compute the total present value as of the Dated Date of all debt service payments on the Bonds on the basis of semi-annual compounding, produces an amount equal to the sum of the par value of the Bonds plus any premium bid, if any (but not interest accrued from the Dated Date to the date of their delivery). 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.

**GOOD FAITH DEPOSIT . . .** A Good Faith Deposit, payable to the "City of Rosenberg, Texas", in the amount of \$139,800, 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 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 Bonds.** 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 Bonds in accordance with the bid, then said check shall be cashed and accepted by the City as full and complete liquidated damages. The checks accompanying bids other than the winning bid will be returned immediately after the bids are opened, and an award of the Bonds has been made.

## ADDITIONAL CONDITION OF AWARD

### DISCLOSURE OF INTERESTED PARTY FORM

**OBLIGATION OF THE CITY TO RECEIVE INFORMATION FROM WINNING BIDDER. . .** Pursuant to Texas Government Code, Section 2252.908 (the "Interested Party Disclosure Act"), the City may not award the Bonds to a bidder that is not a publicly traded business entity, or a wholly owned subsidiary of a publicly traded business entity unless the bidder, and each such syndicate member listed on the Official Bid Form, submits a Certificate of Interested Parties Form 1295 (the "Disclosure Form") to the City as prescribed by the Texas Ethics Commission ("TEC") at the time the bidder submits its Official Bid Form. In the event that the bidder's bid for the Bonds is the best bid received, the City, acting through its financial advisor, will promptly notify the bidder. That notification will serve as the conditional verbal acceptance of the bid and the winning bidder must promptly file the materials described below. The apparent privately held winning bidder and each privately held syndicate member listed on the Official Bid Form must have submitted a completed Disclosure Form, as described below, not later than four hours after the deadline for the submission of bids in order for City to complete the formal award. If the apparent the winning bidder and each syndicate member listed on the Official Bid Form fail to file the Disclosure Form within the time period described in the previous sentence, the City reserves the right to notify the apparent winning bidder that their bid has been rejected and award the sale to the next highest rated bidder.

**PROCESS FOR COMPLETING THE DISCLOSURE FORM . . .** The Disclosure Form can be found at <https://www.ethics.state.tx.us/forms/1295.pdf>, and reference should be made to the following information in order to complete it: (a) item 2 – Name of City ("City of Rosenberg, Texas"), (b) item 3 – the identification number (the City will provide the identification number on or prior to the day of the sale), and (c) item 3 – description of the goods or services assigned to this contract by the City ("City of Rosenberg, Texas General Obligation Refunding Bonds, Series 2020"). The completed Disclosure Form should be emailed to [jvasut@rosenbergtx.gov](mailto:jvasut@rosenbergtx.gov) no later than 3:00 PM CST on the Sale Date.

Time will be of the essence in submitting the form to the City, and no bid will be accepted by the City unless a completed Disclosure Form is received on time.

Neither the City nor its consultants have the ability to verify the information included in a Disclosure Form, and neither have an obligation nor undertake responsibility for advising any bidder with respect to the proper completion of the Disclosure Form. Consequently, an entity intending to bid on the Bonds should consult its own advisors to the extent it deems necessary and be prepared to submit the completed form promptly upon notification from the City that its bid is the conditional winning bid.

## COMPLIANCE WITH LAWS PROHIBITING CONTRACTS WITH CERTAIN ENTITIES

The City will not award the Bonds to a bidder unless the bidder 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 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 its bid and through the delivery date of the Bonds, neither the bidder nor a syndicate member listed on the Official Bid Form is a Company that boycotts or will boycott Israel. The term "Company" means a for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations that exists to make a profit. The term "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. In *Amawi v. Pflugerville Independent School District* (1:18-cv-01091), the United States District Court for the Western District of Texas issued a preliminary injunction preventing the defendant school district from enforcement of Texas House Bill 89, codified at Texas Government Code § 2270.001 et. seq, or any "No Boycott of Israel" clause (collectively, "Anti-Israel Boycotts") in any state contract while litigation proceeds. On May 7, 2019, the Governor signed into law House Bill 793 ("HB 793"), effective immediately. HB 793 amends Texas Government Code § 2270.001 to remedy issues raised in *Amawi v. Pflugerville Independent School District*. The City makes no representations on the effects of HB 793 or the final outcome of *Amawi v. Pflugerville Independent School District*. The foregoing verification is being voluntarily made for the purpose of compliance with current state statute pending a final decision on the merits determining the validity of Anti-Israel Boycotts.

Additionally, the City will not award the Bonds to a bidder unless the bidder certifies that, to the extent the Official Bid Form 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 its bid, neither the bidder nor a syndicate member listed on the Official Bid Form is a Company (i) that 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) listed by the Texas Comptroller of Public Accounts under Section 2270.0201 or 2252.153 of the Texas Government Code. The term "Company" means a sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company, or other entity or business association whose securities are publicly traded, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations, that exists to make a profit. The term "foreign terrorist organization" as used in this paragraph has the meaning assigned to such term in Section 2252.151 of the Texas Government Code.

## DELIVERY OF THE BONDS AND ACCOMPANYING DOCUMENTS

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

**DELIVERY OF BONDS. . .** Delivery will be accomplished by the issuance of one initial Bond, either in typed or printed form, in the aggregate principal amount of \$6,990,000\*, 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 Bond, it shall be immediately cancelled and one definitive Bond for each maturity will be registered and delivered only to Cede & Co., and deposited with DTC in connection with DTC's Book-Entry-Only System. Delivery will be at the principal office of the Paying Agent/Registrar. Payment for the Bonds must be made in immediately available funds for unconditional credit to the City, or as otherwise directed by the City. The Initial Purchaser will be given six business days' notice of the time fixed for delivery of the Bonds. It is anticipated that delivery of the Bonds can be made on or about February 20, 2020 and it is understood and agreed that the Initial Purchaser will accept delivery and make payment for the Bonds by 10:00 AM, CST, on February 20, 2020, or thereafter on the date the Bond is tendered for delivery, up to and including March 5, 2020. If for any reason the City is unable to make delivery on or before March 5, 2020, 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 Bonds, 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 Bonds is subject to the Initial Purchaser's receipt of (a) the legal opinion of Orrick, Herrington & Sutcliffe LLP, Houston, Texas, Bond Counsel for the City ("Bond Counsel"), (b) the no-litigation certificate, and (c) the certification as to the Official Statement, all as further described in the Official Statement.

\*Preliminary, subject to change. See "ADVANCE MODIFICATION OF PRINCIPAL AMOUNTS" and "POST BID MODIFICATION OF PRINCIPAL AMOUNT" herein.

To provide the City with information to enable it to comply with certain conditions of the Internal Revenue Code of 1986 relating to the exemption of interest on the Bonds from gross income for federal income tax purposes, the Initial Purchaser will be required to complete, execute, and deliver to the City (on or before the 6th business day prior to the delivery of the Bonds) a certification regarding "issue price" substantially in the form and to the effect attached hereto or accompanying this Notice of Sale. In the event the successful bidder is unable to sell a substantial amount of Bonds of any maturity to the public, such issue price certificate may be modified in a manner approved by the City. **In no event will the City fail to deliver the Bonds as a result of the Initial Purchaser's inability to certify actual sales of Bonds at a particular price prior to delivery.** Each bidder, by submitting its bid, agrees to complete, execute, and deliver such a certificate by the date of delivery of the Bonds, if its bid is accepted by the City. It will be the responsibility of the Initial Purchaser to institute such syndicate reporting requirements to make such investigation, or otherwise to ascertain the facts necessary to enable it to make such certification with reasonable certainty. Any questions concerning such certification should be directed to Bond Counsel.

**COMPETITIVE BIDDING AND CERTIFICATE REGARDING ISSUE PRICE . . .** In the event that the City does not receive sufficient qualified bids to satisfy the competitive sale requirements of Treasury Regulation § 1.148-1(f)(3)(i), allowing the City to treat the reasonably expected initial offering price to the public as of the sale date as the issue price of the Bonds, the City will treat (i) the first price at which 10 percent of a maturity of the Bonds is sold to the public as the issue price of that maturity (the "10 percent rule") or (b) if the Initial Purchaser has agreed in writing not to sell or offer maturities of the Bonds at a price higher than the initial offering price for such maturities for a period of five business days after the sale date, the initial offering price to the public as of the sale date of such maturities of the Bonds is the issue price of that maturity (the "hold the price rule"). If the 10 percent rule has not been satisfied as to any maturity of the Bonds, the Initial Purchaser agrees to promptly report to HilltopSecurities, the prices at which it sells Bonds of that maturity to the public. This reporting obligation shall continue, whether or not the Bonds have been delivered, until the 10 percent rule has been satisfied. The attached Certificate Regarding Issue Price includes language for (I) when the competitive sale requirements of Treasury Regulation § 1.148-1(f)(3)(i) are met and (II) when such requirements are not met.

**LEGAL OPINIONS . . .** The Bonds 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 Bonds is subject to the receipt by the Initial Purchaser of the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, substantially in the form reproduced in Appendix C to the Official Statement, to the effect that, in the opinion of Bond Counsel, based on existing law and subject to conditions described in the section in the Official Statement entitled "TAX MATTERS" interest on the Bonds (including any accrued "original issue discount" properly allocable to the owners of such Bonds) is excludable from the gross income of the owners of the Bonds for federal income tax purposes and interest on the Bonds is not treated as a preference item for purposes of the federal alternative minimum tax imposed on individuals and corporations; provided, however, that for purposes of the alternative minimum tax on corporations, interest on the Bonds is included in computing adjusted current earnings.

**QUALIFIED TAX EXEMPT OBLIGATIONS . . .** The City will designate the Bonds as "qualified tax-exempt obligations" for financial institutions. See "QUALIFIED TAX-EXEMPT OBLIGATIONS" in the Official Statement.

**CERTIFICATION OF OFFICIAL STATEMENT . . .** At the time of payment for and initial delivery of the Bonds, the City will execute and deliver to the Initial Purchaser a certificate in the form set forth in the Official Statement under the heading "OTHER INFORMATION—CERTIFICATION OF THE OFFICIAL STATEMENT."

**CHANGE IN TAX EXEMPT STATUS . . .** At any time before the Bonds are tendered for delivery, the Initial Purchaser may withdraw its bid if the interest received by private holders on obligations of the same type and character shall be declared to be includable in gross income under present federal income tax laws, either by ruling of the Internal Revenue Service or by a decision of any Federal court, or shall be declared taxable or be required to be taken into account in computing any federal income taxes, by the terms of any federal income tax law enacted subsequent to the date of this Notice of Sale.

## GENERAL

**FINANCIAL ADVISOR . . .** HilltopSecurities, is employed as financial advisor (the "Financial Advisor") to the City in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. HilltopSecurities, has agreed, in its Financial Advisory contract, not to bid for the Bonds, either independently or as a member of a syndicate organized to submit a bid for the Bonds. HilltopSecurities, in its capacity as Financial 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 Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

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

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

**ISSUANCE OF ADDITIONAL DEBT . . .** The City no plans to issue additional general obligation debt in fiscal year 2020.

**RATINGS . . .** The Bonds and presently outstanding tax supported debt of the City are rated "AA-" by S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("S&P"), without regard to credit enhancement.

**MUNICIPAL BOND INSURANCE . . .** In the event the Bonds are qualified for municipal bond insurance, and the Initial Purchaser desires to purchase such insurance, the cost therefore **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 City.** It will be the responsibility of the Initial Purchaser to disclose the existence of insurance, its terms and the effect thereof with respect to the reoffering of the Bonds.

**THE OFFICIAL STATEMENT AND COMPLIANCE WITH SEC RULE 15c2-12 . . .** The City has prepared the accompanying Official Statement and, for the limited purpose of complying with SEC Rule 15c2-12, deems such 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 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 Bonds. Representations made and to be made by the City concerning the absence of material misstatements and omissions in the Official Statement are addressed elsewhere in this Notice of Sale and in the Official Statement.

The City will furnish upon request to the Initial Purchaser acting through a designated senior representative, in accordance with instructions received from the Initial Purchaser, within seven business days from the sale date no more than 150 copies of the Official Statement reflecting interest rates and other terms relating to the initial reoffering of the Bonds. 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 Financial Advisor by the close of the next business day after the award. Except as noted above, the City assumes no responsibility or obligation for the distribution or delivery of any copies of the Official Statement in connection with the offering or reoffering of the subject securities.

**CONTINUING DISCLOSURE AGREEMENT . . .** The City will agree in the Ordinance to provide certain periodic information and notices of material events in accordance with Securities and Exchange Commission Rule 15c2-12, as described in the Official Statement under "CONTINUING DISCLOSURE OF INFORMATION". The Initial Purchaser's obligation to accept and pay for the Bonds 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 . . .** Due to an administrative oversight, ratings downgrades of several insurance providers who insure various outstanding bond issues of the City were not were not timely filed. In addition, several upgrades of the City's underlying ratings were also not timely filed. Material event notices and notices of late filing have since been filed and posted on EMMA. In addition, the City has implemented procedures that provide that the City will timely file such notices in the future. Otherwise, for the past five years, the City has complied in all material respects with all continuing disclosure agreements it has entered in accordance with the Rule.

**ADDITIONAL COPIES OF NOTICE, BID FORM AND STATEMENT . . .** A limited number of additional copies of this Notice of Sale, the Official Bid Form and the Official Statement, as available over and above the normal mailing, may be obtained at the offices of HilltopSecurities, 700 Milam, Suite 500, Houston, Texas 77002, Financial Advisor to the City.

The City Council have approved the form and content of the Notice of Sale, the Official Bid Form and Official Statement, and authorized the use thereof in its initial offering of the Bonds. On the Sale Date, the City Council will, in the Ordinance authorizing the issuance of the Bonds, 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.

*/s/ William T. Benton*  
\_\_\_\_\_  
Mayor  
City of Rosenberg, Texas

ATTEST:

*/s/ Danyel Swint*  
\_\_\_\_\_  
City Secretary

**OFFICIAL BID FORM**

Honorable Mayor and City Council  
City of Rosenberg, Texas

January 22, 2020

Members of the City Council:

Reference is made to your Official Statement and Notice of Sale and Bidding Instructions, dated January 13, 2020 of \$6,990,000\* CITY OF ROSENBERG, TEXAS GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020 (the "Bonds"), both of which constitute a part hereof.

**We understand that the City reserves the right to adjust the principal amount of the Bond maturities as described in "ADVANCE MODIFICATION OF PRINCIPAL AMOUNTS" and "POST BID MODIFICATION OF PRINCIPAL AMOUNTS" in the Notice of Sale and Bidding Instructions.** For your legally issued Bonds, as described in said Notice of Sale and Bidding Instructions and Official Statement, we will pay a **price of not less than 108% or more than 113% of the total par value** for Bonds maturing and bearing interest as follows:

<u>Due March 1</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Due March 1</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>
2021	\$ 560,000	_____ %	2026	\$ 705,000	_____ %
2022	595,000	_____ %	2027	750,000	_____ %
2023	620,000	_____ %	2028	775,000	_____ %
2024	645,000	_____ %	2029 <sup>(1)</sup>	810,000	_____ %
2025	675,000	_____ %	2030 <sup>(1)</sup>	855,000	_____ %

(1) Bonds maturing on or after March 1, 2029, are subject to redemption prior to maturity on March 1, 2028, or from time to time on any date thereafter.

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

<u>Term Bond Maturity Date</u>	<u>Year of First Mandatory Redemption</u>	<u>Principal Amount of Term Bond</u>	<u>Interest Rate</u>
_____	_____	\$ _____	_____ %
_____	_____	\$ _____	_____ %
_____	_____	\$ _____	_____ %
_____	_____	\$ _____	_____ %

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

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

We are having the Bonds of the following maturities \_\_\_\_\_ insured by \_\_\_\_\_ at a premium of \$ \_\_\_\_\_, **said premium to 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 City.**

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

\* Preliminary, subject to change.

A bank cashier's check or certified check of the \_\_\_\_\_ Bank, \_\_\_\_\_, in the amount of \$139,800, 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 Notice of Sale and Bidding Instructions.

We agree to accept delivery of the Bonds utilizing the Book-Entry-Only System through DTC and make payment for the initial Bond in immediately available at The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, not later than 10:00 A.M., CST, on February 20, 2020, or thereafter on the date the Bonds are tendered for delivery, pursuant to the terms set forth in the Notice of Sale and Bidding Instructions. It will be the obligation of the purchaser of the Bonds to complete the DTC Eligibility Questionnaire.

Unless the bidder is exempt from such requirements pursuant to Texas Government Code §2252.908(c)(4), the City may not accept this bid until it has received from the bidder a completed and signed Disclosure Form (as defined in the Notice of Sale) 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, when required, will result in a non-conforming bid and will prohibit the City from considering this bid for acceptance.

By executing this Official Bid Form, the bidder represents and verifies that, to the extent this Official Bid Form 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 its bid and through the delivery date of the Bonds, neither the bidder nor a syndicate member listed on the Official Bid Form is a Company that boycotts or will boycott Israel. The term "Company" means a for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations that exists to make a profit. The term "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. In *Amawi v. Pflugerville Independent School District* (1:18-cv-01091), the United States District Court for the Western District of Texas issued a preliminary injunction preventing the defendant school district from enforcement of Texas House Bill 89, codified at Texas Government Code § 2270.001 et. seq, or any "No Boycott of Israel" clause (collectively, "Anti-Israel Boycotts") in any state contract while litigation proceeds. On May 7, 2019, the Governor signed into law House Bill 793 ("HB 793"), effective immediately. HB 793 amends Texas Government Code § 2270.001 to remedy issues raised in *Amawi v. Pflugerville Independent School District*. The City makes no representations on the effects of HB 793 or the final outcome of *Amawi v. Pflugerville Independent School District*. The foregoing verification is being voluntarily made for the purpose of compliance with current state statute pending a final decision on the merits determining the validity of Anti-Israel Boycotts.

Additionally, by executing this Official Bid Form, the bidder also represents and certifies that, to the extent the Official Bid Form 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 its bid, neither the bidder nor a syndicate member listed on the Official Bid Form is a Company (i) that 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) listed by the Texas Comptroller of Public Accounts under Section 2270.0201 or 2252.153 of the Texas Government Code. The term "Company" means a sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company, or other entity or business association whose securities are publicly traded, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations, that exists to make a profit. The term "foreign terrorist organization" as used in this paragraph has the meaning assigned to such term in Section 2252.151 of the Texas Government Code. The undersigned agrees to execute, at the request of the City, further written certifications as may be necessary or convenient for the City to establish compliance with these laws.

Respectfully submitted,

Syndicate Members:

\_\_\_\_\_  
Name of Initial Purchaser or Manager

\_\_\_\_\_  
Authorized Representative

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
Signature



ACCEPTANCE CLAUSE

The above and foregoing bid is hereby in all things accepted by the City of Rosenberg, Texas, subject to and in accordance with the Notice of Sale and Bidding Instructions, this the \_\_ day of January, 2020.

ATTEST:

\_\_\_\_\_  
Mayor  
City of Rosenberg, Texas

\_\_\_\_\_  
City Secretary

## EXHIBIT A

### CERTIFICATE REGARDING ISSUE PRICE

The undersigned, being a duly authorized representative of the underwriter or the manager of the syndicate of underwriters ("Initial Purchaser") which has purchased the General Obligation Refunding Bonds, Series 2020, being issued by the City of Rosenberg, Texas (the "City"), hereby certifies and represents, based on its records and information, as follows:

(1) On the Sale Date, the Initial Purchaser's reasonably expected initial offering price of each Maturity of the Bonds (the "Expected Offering Price") to as the Public is set forth in the pricing wire or equivalent communication for the Bonds, as attached to this Certificate Regarding Issue Price as Schedule A. The Expected Offering Prices are the prices for the Bonds used by the Initial Purchaser in formulating its bid to purchase the Bonds.

(2) The Initial Purchaser had an equal opportunity to bid to purchase the Bonds 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).

(3) The bid submitted by the Initial Purchaser constituted a firm bid to purchase the Bonds.

(4) The Initial Purchaser has made a bona fide offering of all the Bonds of each Maturity to the Public at its Expected Offering Price set forth in Schedule A.

***If less than 3 qualified bids are received from underwriters please attach Schedule B.***

(5) On the Sale Date, the first price at which at least 10% of each Maturity of the Bonds, except for Bonds listed on Schedule B (the "Hold-the-Offering-Price Maturities"), was sold to the Public is the respective price listed in Schedule A.

(6) As set forth in the Notice of Sale for the Bonds, the Initial Purchaser has agreed in writing that, (i) for each of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Expected Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Bonds of the Hold-the-Offering-Price Maturities to any person at a price that is higher than the respective Expected Offering Price for that Maturity of the Bonds during the Holding Period.

**(0) Defined Terms.**

(i) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule B hereto as the "Hold-the-Offering-Price Maturities."

(ii) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriter has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Expected Offering Price for such Hold-the-Offering-Price Maturity.

(iii) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(iv) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any entity if an Underwriter and such entity are subject, directly or indirectly, to (i) at least 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 profit 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).

(v) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the Bonds. The Sale Date of the Bonds is November 19, 2019.

(vi) *Underwriter* means (i) any 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 Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(8) Please choose the appropriate statement:

( ) Initial Purchaser will not purchase bond insurance for the Bonds.

( ) Initial Purchaser will purchase bond insurance from \_\_\_\_\_ (the "Insurer") for a fee/premium of \$ \_\_\_\_ (the "Fee"). To the best of the undersigned's knowledge, information and belief, based upon the facts available at this time and current market conditions, the Fee is a reasonable amount payable solely for the transfer of credit risk for the payment of debt service on the Bonds and does not include any amount payable for a cost other than such guarantee, e.g., a credit rating or legal fees. Purchaser represents that the present value of the Fee for each obligation constituting the Bonds to which such Fee is properly allocated and which are insured thereby is less than the present value of the interest reasonably expected to be saved as a result of the insurance on each obligation constituting the Bonds. In determining present value for this purpose, the yield of the Bonds (determined with regard to the payment of the guarantee fee) has been used as the discount rate. The Fee has been paid to a person who is not exempt from federal income taxation and who is not a user or related to the user of any proceeds of the Bonds. No portion of the Fee is refundable upon redemption of any of the Bonds in an amount which would exceed the portion of such Fee that has not been earned.

The undersigned understands that the foregoing information will be relied upon by City with respect to certain of the representations set forth in the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Orrick, Herrington & Sutcliffe LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the City from time to time relating to the Bonds. Notwithstanding anything set forth herein, the Initial 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.

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

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

Dated: \_\_\_\_\_