



DATE: April 10, 2025
TO: City of Dripping Springs
FROM: SAMCO Capital Markets
RE: Certificates of Obligation and Market Conditions

On Wednesday, April 9, 2025, the stock and bond markets became extremely volatile due to the pending Tariffs. On Wednesday afternoon President Trump announced he would pause most higher tariffs for 90 days; however, the 10% baseline levy stays in place.

Prior to President Trump issuing a pause in the tariffs, FHN the Underwriter for the Certificates called to discuss the market and the volatility. They wanted us to know that given the conditions and the marketability of bonds we may want to consider postponing the sale for a month to let things settle down.

I discussed this with SAMCO's Underwriting Team, and they agreed.

Over the last 24 hours things have been changing, but the market is still very volatile. Therefore, we are waiting to see what happens over the next few trading days.

We have items on the agenda to approve the sale or delay the sale until next month. Based on the advice from the Underwriting Team on Tuesday, the day of the sale, we will make the decision to hold or sell.

We will keep the City Staff and Council informed as we move forward through this process. We are hoping things will settle down over the next few days.

Please let us know if you have any questions.

We are looking forward to a successful sale to help fund the needed projects for City.

Sincerely,

Christina M. Lane

Sr. Managing Director

SAMCO Capital Markets, Inc.