



June 26, 2023

Mr. Scott Moore, City Manager
City of Manor
105 E. Eggleston Street
Manor, Texas 78653

Re: Letter of Intent for Underwriting Services for Special Assessment Bonds & G-17

Dear Mr. Moore:

FMSbonds, Inc. ("FMS") is being engaged as the underwriter by the City of Manor (the "City") for its forthcoming issuance of Public Improvement District Special Assessment Bonds (the "Bonds"). We ask that you, as representative of the Issuer and Obligated Party within the meaning of SEC rules ("Issuer"), agrees, and acknowledge by signing below:

- FMS has been engaged as the underwriter for each issuance of the Bonds (the "Underwriter") and not as financial advisor or municipal advisor;
- As an Underwriter, FMS may provide advice to the City on the structure, timing, terms and other similar matters concerning the Bonds;
- The Issuer has reviewed Attachment I which contains Municipal Securities Rulemaking Board (MSRB) Rule G-17 disclosures;
- It is the present intention of the City that FMS will underwrite each issuance of Bonds for the City, upon formal approval by the City, finalizing the structure of the Bonds, and the execution of a mutually agreed upon Bond Purchase Agreements for each issue.
- Any advice, suggestions, or recommendations we may provide to the Issuer in connection with the structuring and issuance of the Bonds shall be part of our scope of services as Underwriter.
- The services we shall provide as Underwriter are limited in scope to the Bonds and can be terminated at the discretion of the City at any time.

Sincerely yours,

Acknowledged and Agreed to by:

FMSbonds, Inc.

By: _____
Print Name: R.R. "Tripp" Davenport, III
Print Title: Director

By: _____
Print Name: Scott Moore
Print Title: City Manager

Attachment I

MSRB G-17 Disclosure

The City has engaged FMSbonds, Inc. (“FMS”) to serve as underwriter, and not as a financial advisor or municipal advisor, in connection with the issuance of Special Assessment Bonds (the "Bonds"). As part of our services as underwriter, FMS may provide advice concerning the structure, timing, terms, and other similar matters concerning each issuance of Bonds. Any such advice was provided by FMS as an underwriter and not as your financial advisor.

Pursuant to the Notice, we are required by the MSRB to advise you that:

- MSRB Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers, delegated persons such as the Issuer and investors.
- The underwriter’s primary role is to purchase the Bonds with a view to distribution in an arm’s-length commercial transaction with the Issuer. As such, the underwriter has financial and other interests that differ from those of the Issuer.
- Unlike a municipal advisor, the underwriter does not have a fiduciary duty to the Issuer under the federal securities laws and are, therefore, not required by federal law to act in the best interests of the Issuer without regard to their own financial or other interests.
- The underwriter has a duty to purchase the Bonds from the Issuer at a fair and reasonable price, but must balance that duty with its duty to sell the Bonds to investors at prices that are fair and reasonable.
- As underwriter, we will review the disclosure document for each issuance of Bonds in accordance with, and as part of, our responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction.¹

FMS will be compensated by a fee and/or an fee that will be set forth in each bond purchase agreement to be negotiated and entered into in connection with each issuance of Bonds. Payment or receipt of the underwriting fee or discount will be contingent on the closing of the transaction and the amount of the fee or discount may be based, in whole or in part, on a percentage of the principal amount of the Bonds. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since an underwriter may have an incentive to recommend a transaction that is unnecessary or to recommend that the size of a transaction be larger than is necessary. The Issuer acknowledges no such recommendation has been made by FMS.

Please note nothing in this letter is an expressed nor an implied commitment by us to provide financing or to purchase or place each issuance of Bonds or any other securities. Any such commitment shall only be set forth in a bond purchase agreement or other appropriate form of agreement for the type of transaction undertaken by you.

¹ Under federal securities law, an issuer of securities has the primary responsibility for disclosure to investors. The review of the disclosure document by the underwriters is solely for purposes of satisfying the underwriters’ obligations under the federal securities laws and such review should not be construed by an issuer as a guarantee of the accuracy or completeness of the information in the disclosure document.

Further, our participation in each transaction contemplated herein remains subject to, among other things, the execution of a bond purchase agreement (or other appropriate form of agreement), further internal review and approvals, satisfactory completion of our due diligence investigation and market conditions.

FMS is acting independently in seeking to act as an underwriter in the transactions contemplated herein and shall not be deemed for any purpose to be acting as an agent, joint venturer or partner of any other principal involved in the proposed financing. FMS assumes no responsibility, express or implied, for any actions or omissions of, or the performance of services by, the other underwriters in connection with the transactions contemplated herein or otherwise.

If you or any other Issuer representatives have any questions or concerns about these disclosures, please make those questions or concerns known immediately to FMS. In addition, Issuer should consult with its own financial, municipal, legal, accounting, tax and other advisors, as applicable, to the extent it deems appropriate. Depending on the final structure of the transaction that the City and FMS decide to pursue or if additional actual or perceived material conflicts are identified, we may be required to send you additional disclosures.

It is our understanding that you have the authority to bind the City with us, and that you are not a party to any conflict of interest relating to the subject transaction. If our understanding is incorrect, please notify FMS immediately.

The MSRB requires that we seek your acknowledgement that you have received this letter. Accordingly, please send me an email to that effect, or sign and return the enclosed copy of this letter to me at the address set forth above within five (5) business days of the date of this letter. Depending on the structure of the transaction that the Issuer decides to pursue, or if additional actual or perceived material conflicts are identified, we may be required to send you additional disclosures. At that time, we also will seek your acknowledgement of receipt of any such additional disclosures.