

**\$10,000,000 City of Manor, Texas
Tax Notes, Series 2022
Limited Offering Term Sheet and Bid Form**

The following is intended to provide limited introductory information concerning the transaction and does not purport to be comprehensive. This information is qualified in its entirety by reference to the complete legal documents and should be read together therewith.

BORROWER: City of Manor, Texas (the “City”)

PRINCIPAL: \$10,000,000 City of Manor, Texas, Tax Notes, Series 2022 (the “Notes”)

PURPOSE: Proceeds from the sale of the Notes will be used to pay for contractual obligations of the City to be incurred for the following purposes, to wit: (1) design and construction of, and the acquisition of equipment and other property for, the improvement and expansion of the City’s water and sewer systems, including the oversizing and expansion of water and sewer lines, the construction of new water and sewer lines, the addition of new ground storage tanks and pumps, and the expansion of one or more lift stations; (2) improvements to certain roadways, including safety feature improvements, throughout the City; and (3) the payment of professional services and costs of issuance related thereto.

SECURITY: The Notes are payable from the proceeds of a continuing direct annual ad valorem tax levied, within the limits prescribed by law, upon all taxable property within the City.

AUTHORIZATION: The Notes are issued pursuant to the general laws of the State of Texas (the “State”), particularly Chapter 1431, Texas Government Code, as amended, and an ordinance passed by the City Council authorizing the issuance of the Notes (the “Ordinance”).

BOND RATINGS: The Notes will **NOT** be rated.

TAX-EXEMPT: INTEREST ON THE NOTES WILL BE EXCLUDED FROM THE GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES OF THE HOLDERS THEREOF.

QUALIFIED TAX-EXEMPT OBLIGATIONS: The Notes will be designated as “qualified tax-exempt obligations” for financial institutions by the City.

AMORTIZATION ON THE NOTES: Annual payments of principal on August 15, 2023 through August 15, 2029, inclusive, with semiannual interest payments beginning February 15, 2023 and each August 15 and February 15 thereafter until maturity or prior redemption.

Approximate amounts have been listed on the Bid Form for principal amortization for the Notes. The City reserves the right to modify the principal amounts to ensure level debt service upon the receipt of the proposed interest rates.

Bidders have the option of specifying that the principal amount of the Note payable may be combined into a single term Note (the “Term Note”) or

mature in the principal amounts and years listed on the Bid Form (the “Serial Notes”).

INTEREST RATE: Bidders are requested to submit a fixed rate or rates that, upon the verbal commitment from the City’s City Manager and/or Financial Advisor, will be honored by the Bidder through the execution of a Purchase and Investment Letter. Interest will begin to accrue upon initial delivery of the Notes.

CALL OPTION: **Callable in whole or in part on or after August 15, 2025 at the option of the City. Bidders may bid alternative call provisions. The City would like to see alternative call provisions if it reduces interest expense.**

CONTINUING DISCLOSURE: The City will provide to the Initial Purchaser, within 360 days after the end of the fiscal year, a copy of the City’s annual audit prepared pursuant to Chapter 103, “Audit of Municipal Finances” “TEXAS LOCAL GOVERNMENT CODE”.

SUBMISSION OF BID: Bidders must submit a signed copy of the Bid Form no later than 11:00 a.m. Central Time **on August 24, 2022**. The Bid Form may be delivered to the City of Manor, Attn: Scott Moore by email at smoore@cityofmanor.org and a copy to Chris Lane at [SAMCO clane@samcocapital.com](mailto:clane@samcocapital.com). **The City will not be responsible for submitting any bids received after the above deadline.**

AWARD DATE: The City Council will review the bids at a meeting to be held on August 24, 2022, at 7:00 p.m. Subject to the City Council’s right to reject any or all bids and to waive any irregularities (except irregularities associated with the timeliness of any bid submission), the sale of the Notes will be awarded to the bidder (the “Purchaser”) which provides the lowest bid based on the lowest true interest cost and cost for paying agent/registrars services and any other costs to be incurred by the City as designated on the Bid Form. The winning bidder will execute a Purchase and Investment Letter prepared by Bond Counsel.

EXPECTED CLOSING DATE: It is anticipated that the Notes will be delivered on September 22, 2022.

PAYING AGENT/ REGISTRAR: Please indicate your interest in serving as paying agent (and any fees for this service) on the Bid Form; otherwise, the City will select the Paying Agent/Registrar for the Notes.

FINANCIAL COVENANTS: Subject to negotiation consistent with the City’s ability under Texas law.

CONDITIONS PRECEDENT TO FUNDING: Executed documentation satisfactory to the City’s Bond Counsel, Bickerstaff Heath Delgado Acosta LLP, and the Purchaser including, but not limited to, the following:

- (a) **Ordinance adopted by the City Council which contains all relevant provisions governing the financing (rate, term, amortization, security and all conditions, warranties and covenants as are usual and customary for transactions of the same general type);**
- (b) **Opinion of Bond Counsel to the City as to validity and legality of the Ordinance and the Notes, and with respect to the excludability**

of the interest on the Notes from gross income for federal income tax purposes;

- (c) No Litigation Certificate;
- (d) Purchase and Investment Letter executed by Purchaser and City;
- (e) Opinion of the Texas Attorney General as to validity of the Notes under Texas Law and registration by the Comptroller of Public Accounts of Texas;
- (f) No Arbitrage Certificate and IRS Form 8038-G; and
- (g) No Material Adverse Change Certification.
- (h) Evidence that the Purchaser has submitted a standing letter to the Office of the Attorney General confirming the Purchaser's ability to make the written verifications required by Sections 2271.002 and 2252.152 of the Texas Government Code.

Bidders Must COMPLETE THE DISCLOSURE FORM....Texas Government Code Section 2252.908 prohibits the City from entering into a contract that is voted by the City Council unless a disclosure form (the "Disclosure Form") disclosing interested parties is filed with the Texas Ethics Commission ("TEC"). 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 Manor, Texas"), (b) item 3 – the identification number ("City of Manor, Texas Tax Notes Series 2022"), and (c) item 3 – description of the goods or services assigned to this contract by the City ("City of Manor, Texas Tax Notes, Series 2022").

The City cannot accept your bid unless and until you: (i) complete the Disclosure Form electronically at the TEC's "electronic portal", and (ii) print, sign and deliver a copy of the Disclosure Form and Certification of Filing that is generated by the TEC's "electronic portal."

These materials must be delivered electronically to the City's Bond Counsel at gmler@bickerstaff.com and the City's Financial Advisor at clane@samcocapital.com no later than 1:00 p.m. (CDT) on the Bid Form Due 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 Notes 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.

IRAN, SUDAN AND FOREIGN TERRORIST ORGANIZATIONS: By submission of a bid, the bidder 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, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/publications/divestment.php>

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the 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. The bidder understands “affiliate” to mean any entity that controls, is controlled by, or is under common control with the bidder and exists to make a profit.

ANTI-BOYCOTT VERIFICATION: By submission of a bid, the bidder hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this bid is a contract for goods or services, will not boycott Israel during the term of this contract to purchase the Notes. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, “boycott Israel” means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The bidder understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the bidder and exists to make a profit.

NO DISCRIMINATION AGAINST FOSSIL-FUEL COMPANIES: To the extent this term sheet constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the bidder 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 through the delivery of the Notes. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification, “boycott energy companies” shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above. The bidder understands “affiliate” to mean any 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.

NO DISCRIMINATION AGAINST FIREARM ENTITIES AND FIREARM TRADE ASSOCIATIONS: To the extent this term sheet constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session), Texas Government Code, as amended, the bidder 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 through the delivery of the Notes. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company’s refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity’s or association’s status as a firearm entity or firearm trade association. As used in the foregoing verification, (A) “firearm entity” means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (i.e., weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (i.e., devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a

firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (i.e., a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (as defined by Section 250.001, Texas Local Government Code), and (B) “firearm trade association” means a person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code. The bidder understands “affiliate” to mean any 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.

Signature

Date

Title