

**OFFICIAL NOTICE OF SALE
AND
BIDDING INSTRUCTIONS**

ON

\$12,005,000*

**TOWN OF PANTEGO, TEXAS
(Tarrant County)**

COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2023

Scaled Bids Due Monday, May 22, 2023 at 10:00 AM CENTRAL TIME

THE SALE

CERTIFICATES OFFERED FOR SALE AT COMPETITIVE BIDDING . . . The Town Council (the "Council") of the Town of Pantego, Texas (the "Town") is offering for sale its \$12,005,000* Combination Tax and Revenue Certificates of Obligation, Series 2023 (the "Certificates"). Bidders may submit bids for the Certificates by any of the following methods:

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

BIDS DELIVERED TO THE TOWN . . . Sealed bids, plainly marked "Bid for Certificates", should be delivered to "Joe Ashton Town of Pantego, 1614 S. Bowen Road, Pantego, TX 76013" (the "Town's Meeting Place"), prior to 10:00 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 Town 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 Town. The Town 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 23rd 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 Town, 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 Town's Meeting Place, at 10:00 AM, Central Time, on Monday, May 22, 2023.

AWARD OF THE CERTIFICATES . . . The Council will take action to award the Certificates (or reject all bids) at a meeting scheduled to convene at 6:30 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 Town 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 bond buyer wire service, and 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.

* 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 Town reserves the right to amend the total par amount by up to 15% in order to generate the Town'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 June 1, 2023 (the "Dated Date"). Interest will accrue from the date of the initial delivery (the "Delivery Date", anticipated to be June 21, 2023), and will be due on February 15, 2024, 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 August 15 in each year as follows:

MATURITY SCHEDULE*

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
8/15/2024	\$ 265,000		8/15/2034	570,000	
8/15/2025	365,000		8/15/2035	595,000	
8/15/2026	385,000		8/15/2036	630,000	
8/15/2027	400,000		8/15/2037	660,000	
8/15/2028	425,000		8/15/2038	690,000	
8/15/2029	450,000		8/15/2039	730,000	
8/15/2030	470,000		8/15/2040	765,000	
8/15/2031	490,000		8/15/2041	980,000	
8/15/2032	520,000		8/15/2042	1,015,000	
8/15/2033	545,000		8/15/2043	1,055,000	

OPTIONAL REDEMPTION . . . The Town reserves the right, at its option, to redeem Certificates having stated maturities on and after August 15, 2034, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof, on August 15, 2033, 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 August 15 next following the last serial maturity, and annually thereafter on each August 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 Town, by the principal amount of the Term Certificates of the same maturity which at least forty-five (45) days prior to a mandatory redemption date (i) shall have been acquired by the Town 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 Town 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 UMB Bank, N.A., Dallas, Texas (see "THE CERTIFICATES - Paying Agent/Registrar" in the Official Statement).

SOURCE OF PAYMENT . . . The Certificates constitute direct obligations of the Town, payable from a combination of (i) the levy and collection of a direct and continuing annual ad valorem tax, within the limits prescribed by law, upon all taxable property located within the Town, and (ii) a pledge of the surplus revenues of the Town's Waterworks and Sewer System (the "System"), as provided in the Ordinance (see "THE CERTIFICATES – Security and Source of Payment of the Certificates" in the Official Statement).

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 105.80% and no more than 113.80% 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 Town'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 Town 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.

ESTABLISHING THE ISSUE PRICE FOR THE CERTIFICATES . . . The Town 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 Town 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 Town 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 Town 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 Town or to HilltopSecurities (defined herein), the Town'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 Official Notice of Sale and Bidding Instructions, 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 Town. 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 Official Notice of Sale and Bidding Instructions:

- (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 Town (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 Town to the winning bidder.

All actions to be taken by the Town under this Official Notice of Sale and Bidding Instructions to establish the issue price of the Certificates may be taken on behalf of the Town by the Town's Municipal Advisor, and any notice or report to be provided to the Town may be provided to the Town's Municipal Advisor.

The Town will consider any bid submitted pursuant to this Official Notice of Sale and Bidding Instructions 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. 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 Official Notice of Sale and Bidding Instructions.

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 Town 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.

ADDITIONAL CONDITION OF AWARD – DISCLOSURE OF INTERESTED PARTIES . . . Described hereinafter is the obligation of the Town to receive information from the winning bidder if the bidder is not a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity (a "Privately Held Bidder"). Pursuant to Texas Government Code Section 2252.908 (the "Interested Party Disclosure Act"), the Town may not award the Certificates to a winning bidder which is a Privately Held Bidder unless such party submits a Certificate of Interested Parties Form 1295 (the "Disclosure Form") to the Town as prescribed by the Texas Ethics Commission ("TEC"). See "Official Bid Form". In the event that a Privately Held Bidder's bid for the Certificates conforms to the specifications herein and is the best bid received, the Town, acting through its financial advisor, will promptly notify the bidder. The apparent winning bidder listed on the Official Bid Form must have submitted a completed Disclosure Form, as described below, not later than 1 hour after the deadline for the submission of bids in order for Town to complete the formal award. If the apparent winning bidder is a Privately Held Bidder and fails to file the Disclosure Form within the time period described in the previous sentence, the Town reserves the right to notify the apparent winning bidder on the Official Bid Form that their bid has been rejected and award the sale to the next lowest bidder.

For purposes of completing the Disclosure Form, reference is made to the following information needed to complete it: (a) item 2 – name of governmental entity – "Town of Pantego, Texas", (b) item 3 – the identification number assigned to this contract by the Town ("2023 Certificates") and (c) description of the goods or services assigned to this contract by the Town – "purchase of 2023 Certificates". The Interested Party Disclosure Act and the rules adopted by the TEC with respect thereto (the "Disclosure Rules") require a business entity contracting with the Town to (i) complete the Disclosure Form electronically at www.ethics.state.tx.us and (ii) print, sign and deliver, a PDF copy of their completed Disclosure Form and certification of filing to the Town at: jashton@townofpantego.com, to the Town's financial advisor at andre.ayala@hilltopsecurities.com and to Bond Counsel at canderson@mphlegal.com. Following the award of the Certificates, the Town will, if required, acknowledge the receipt of the completed Disclosure Form through the TEC website, as required by law.

Preparations for completion, and the significance of, the reported information. In accordance with the Interested Party Disclosure Act, the information reported by the winning Privately Held Bidder must be declared by an authorized agent of the Privately Held Bidder. No exceptions may be made to that requirement. The Interested Party Disclosure Act and the Disclosure Form provides that such acknowledgment is made "under penalty of perjury." Consequently, a Privately Held Bidder should take appropriate steps prior to completion of the Disclosure Form to familiarize itself with the Interested Party Disclosure Act, the Disclosure Rules and the Disclosure Form. Time will be of the essence in submitting the form to the Town, and no final award will be made by the Town regarding the sale of the Certificates until a completed Disclosure Form from winning Privately Held Bidder is received. If applicable, the Town reserves the right to reject any bid that does not satisfy the requirement of a completed Disclosure Form, as described herein. Neither the Town nor its consultants have the ability to verify the information included in a Disclosure Form, and neither party has an obligation nor undertakes responsibility for advising any bidder with respect to the proper completion of the Disclosure Form. 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, if required, promptly upon notification from the Town that its bid is the conditional winning bid.

COMPLIANCE WITH LAW PROHIBITING CONTRACTS WITH COMPANIES THAT BOYCOTT ISRAEL AND CERTAIN COMPANIES ENGAGED IN BUSINESS WITH IRAN, SUDAN OR FOREIGN TERRORIST ORGANIZATIONS . . . To the extent the winning bid for the Certificates represents a contract for goods or services within the meaning of Section 2271.002 of the Texas Government Code, as amended, the winning bidder will be required to verify in the Official Bid Form, for purposes of Chapter 2271 of the Texas Government Code, as amended, that, at the time of execution and delivery of its bid, neither the winning bidder nor any syndicate member listed on the Official Bid Form, nor any parent company, wholly- or majority- owned subsidiaries, and other affiliates of the same, if any, boycotts Israel or will boycott Israel through the date of delivery of the Certificates. 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, "boycotts Israel" and "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. As used in the foregoing verification, "affiliate" means any entity that controls, is controlled by, or is under common control with the bidder or any syndicate member listed on the Official Bid Form within the meaning of SEC Rule 405, 17. C.F.R. § 230.405, and exists to make a profit.

Pursuant to Chapter 2252 of the Texas Government Code, the winning bidder will be required to verify that neither the winning bidder nor any syndicate member listed on the Official Bid Form, nor any parent company, wholly- or majority-owned subsidiaries, or other affiliates of the same are companies 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/docs/sudan-list.pdf>, <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>. 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 winning bidder or any syndicate member listed on the Official Bid Form and each parent company, wholly- or majority-owned subsidiaries, and other affiliates, of the same, 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. As used in the foregoing verification, "affiliate" means any entity that controls, is controlled by, or is under common control with the bidder or any syndicate member listed on the Official Bid Form within the meaning of SEC Rule 405, 17. C.F.R. § 230.405, and exists to make a profit.

VERIFICATION REGARDING ENERGY COMPANY BOYCOTTS . . . To the extent the winning bid for the Certificates constitutes a contract for goods or services for which a written verification is required under Section 2274.002, Texas Government Code, (as added by Senate Bill 13, 87th Texas Legislature, Regular Session) as amended, the winning bidder will be required to verify that neither the winning bidder nor any syndicate member listed on the Official Bid Form, nor any parent company, wholly- or majority- owned subsidiaries, and other affiliates of the same, if any, boycott energy companies or will boycott energy companies through the delivery date of the Certificates. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code 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. As used in the foregoing verification, "affiliate" means any entity that controls, is controlled by, or is under common control with the bidder or any syndicate member listed on the Official Bid Form within the meaning of SEC Rule 405, 17. C.F.R. § 230.405, and exists to make a profit.

VERIFICATION REGARDING DISCRIMINATION AGAINST FIREARM ENTITY OR TRADE ASSOCIATION . . . To the extent the winning bid for the Certificates constitutes a contract for the purchase of goods or services for which a written verification is required under Section 2274.002, Texas Government Code, (as added by Senate Bill 19, 87th Texas Legislature, Regular Session), as amended, the winning bidder will be required to verify in the Official Bid Form, for purposes of Chapter 2274 of the Texas Government Code, as amended, that the winning bidder and any syndicate member listed on the Official Bid Form, and any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the same, if any,

- (1) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association; and
- (2) will not discriminate against a firearm entity or firearm trade association through the delivery date of the Certificates.

The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, (a) "discriminate against a firearm entity or firearm trade association" (A) means, with respect to the entity or association, to (i) refuse to engage in the trade of any goods or services with the entity or association based solely on its status as a firearm entity or firearm trade association; (ii) refrain from continuing an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association; or (iii) terminate an existing business relationship with the entity or 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; (b) "firearm entity" means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (defined as weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (defined as 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 (defined as a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (defined as a business establishment, private club, or association that operates an area for the discharge or other use of firearms for silhouette, skeet, trap, black powder, target, self-defense, or similar recreational shooting); and (c) "firearm trade association" means any 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. As used in the foregoing verification, "affiliate" means any entity that controls, is controlled by, or is under common control with the bidder or any syndicate member listed on the Official Bid Form within the meaning of SEC Rule 405, 17. C.F.R. § 230.405, and exists to make a profit.

STANDING LETTER REQUIREMENT . . . Each prospective bidder must have a standing letter on file with the Municipal Advisory Council of Texas and the Texas Attorney General's Office as required by the All Bond Counsel Letter of the Texas Attorney General dated September 22, 2021 (the "All Bond Counsel Letter"). In submitting a bid, a bidder represents to the Town that it has filed a standing letter that conforms to the requirements set forth in the All Bond Counsel Letter and it has no reason to believe that the Town 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. Each bidder agrees that it will not rescind its standing letter at any time before the delivery of the Certificates unless the same is immediately replaced with a standing letter meeting the requirements of the All Bond Counsel Letter.

FURTHER STATE LAW COMPLIANCE: THE TOWN WILL NOT ACCEPT THE BID OF ANY BIDDER WHO IS, OR WHOSE PARENT COMPANY, SUBSIDIARIES OR AFFILIATES IS, ON A LIST MAINTAINED BY THE TEXAS COMPTROLLER OR HAS A PENDING OR UNRESOLVED INQUIRY FROM A POLITICAL SUBDIVISION OR THE TEXAS COMPTROLLER OR THE TEXAS ATTORNEY GENERAL RELATED TO COMPLIANCE WITH CHAPTER 2274 OF THE TEXAS GOVERNMENT CODE. 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.

GOOD FAITH DEPOSIT . . . A Good Faith Deposit, payable to the "Town of Pantego, Texas", in the amount of \$240,100.00, is required. Such Good Faith Deposit shall be a bank cashier's check or certified check, which is to be retained uncashed by the Town 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 Town 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 **or if it is determined after the acceptance of its bid by the Town that the Initial Purchaser was found not to satisfy the requirements described above under STANDING LETTER REQUIREMENT and as a result the Texas Attorney General will not deliver its approving opinion of the Certificates,** then said check shall be cashed and accepted by the Town 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 Certificates has been made.

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 Town; 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 \$12,005,000*, 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 Town, or as otherwise directed by the Town.

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 June 21, 2023, 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 June 21, 2023. If for any reason the Town is unable to make delivery on or before June 21, 2023, the Town 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 Town and the Initial Purchaser shall be relieved of any further obligation. In no event shall the Town be liable for any damages by reason of its failure to deliver the Certificates, provided such failure is due to circumstances beyond the Town'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 Town.

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

GENERAL

FINANCIAL ADVISOR . . . Hilltop Securities Inc., ("HilltopSecurities") is employed as Financial Advisor to the Town in connection with the issuance of the Certificates. The Financial 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 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 Certificates, 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 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 Town 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 Town 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 Standard & Poor's ("S&P"), without regard to credit enhancement.

THE PRELIMINARY OFFICIAL STATEMENT AND COMPLIANCE WITH SEC RULE 15c2-12 . . . The Town 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 Town, 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 Town 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.

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

The Town 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 Town 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 Town 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 Financial Advisor by the close of the next business day after the award. Except as noted above, the Town 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.

CHANGE IN TAX EXEMPT STATUS . . . At any time before the Certificates 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 Official Notice of Sale and Bidding Instructions.

CONTINUING DISCLOSURE AGREEMENT . . . The Town 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 . . . During the last five years, the Town believes that it has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

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, Financial Advisor to the Town.

On the date of the sale, the Town 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.

Mayor
Town of Pantego, Texas

ATTEST:

Town Secretary
Town of Pantego, Texas

May 12, 2023

OFFICIAL BID FORM

Honorable Mayor and Town Council
Town of Pantego, Texas

May 22, 2023

Honorable Mayor and Members of the Town Council:

Reference is made to your Preliminary Official Statement and Official Notice of Sale and Bidding Instructions, dated May 12, 2023 of \$12,005,000* TOWN OF PANTEGO, TEXAS, COMBINATION TAX REVENUE CERTIFICATES OF OBLIGATION, SERIES 2023 (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
8/15/2024	\$ 265,000		8/15/2034	570,000	
8/15/2025	365,000		8/15/2035	595,000	
8/15/2026	385,000		8/15/2036	630,000	
8/15/2027	400,000		8/15/2037	660,000	
8/15/2028	425,000		8/15/2038	690,000	
8/15/2029	450,000		8/15/2039	730,000	
8/15/2030	470,000		8/15/2040	765,000	
8/15/2031	490,000		8/15/2041	980,000	
8/15/2032	520,000		8/15/2042	1,015,000	
8/15/2033	545,000		8/15/2043	1,055,000	

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:

Term Maturity Date (August 15)	Year of First Mandatory Redemption	Principal Amount of Term Bond	Interest Rate
		\$	%
		\$	%
		\$	%
		\$	%
		\$	%
		\$	%

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.

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

A bank cashier's check or certified check of the _____ Bank, _____, in the amount of \$240,100.00, 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 May 22, 2023, or thereafter on the date 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 entity signing this bid form 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 Town is not a party to that agreement and any information provided regarding syndicate managers would be for informational purposes only.

The bidder hereby verifies that, at the time of execution and delivery of this bid, neither the bidder nor any syndicate member listed on the Official Bid Form, nor any parent company, wholly- or majority- owned subsidiaries, and other affiliates of the same, if any, boycotts Israel or, to the extent this Official Bid Form is a contract for goods or services, will boycott Israel through the date of delivery of the Certificates. 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, "boycotts Israel" and "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 and any syndicate member listed on the Official Bid Form understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the bidder and any syndicate member listed on the Official Bid Form within the meaning of SEC Rule 405, 17. C.F.R. § 230.405, and exists to make a profit.

By submission of a bid, and as a condition of the award and delivery of the Certificates, the bidder represents that, neither the bidder nor any syndicate member listed on the Official Bid Form, nor any parent company, wholly- or majority-owned subsidiaries, and other affiliates of the same, if any, are companies 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/docs/sudan-list.pdf>, <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>. 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 or any syndicate member listed on the Official Bid Form and each parent company, wholly- or majority-owned subsidiaries, and other affiliates of the same, 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 and any syndicate member listed on the Official Bid Form understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the bidder and any syndicate member listed on the Official Bid Form within the meaning of SEC Rule 405, 17. C.F.R. § 230.405, and exists to make a profit.

To the extent the winning bid for the Certificates constitutes a contract for the purchase of goods or services for which a written verification is required under Section 2274.002, Texas Government Code (as added by Senate Bill 19, 87th Texas Legislature, Regular Session) as amended, the bidder hereby verifies that, at the time of execution and delivery of this bid, the bidder and any syndicate member listed on the Official Bid Form, and any parent company, wholly- or majority- owned subsidiaries, and other affiliates of the same, if any,

- (1) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association, and
- (2) will not discriminate against a firearm entity or firearm trade association through the date of delivery of the Certificates.

The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or federal law. As used in the foregoing verification, (a) "discriminate against a firearm entity or firearm trade association" (A) means, with respect to the entity or association, to (i) refuse to engage in the trade of any goods or services with the entity or association based solely on its status as a firearm entity or firearm trade association; (ii) refrain from continuing an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association; or (iii) terminate an existing business relationship with the entity or 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; (b) "firearm entity" means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (defined as weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (defined as 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 (defined as a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (defined as a business establishment, private club, or association that operates an area for the discharge or other use of firearms for silhouette, skeet, trap, black powder,

target, self-defense, or similar recreational shooting); and (c) "firearm trade association" means any 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 and any syndicate member listed on the Official Bid Form understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the bidder and any syndicate member listed on the Official Bid Form within the meaning of SEC Rule 405, 17. C.F.R. § 230.405, and exists to make a profit.

To the extent the winning bid for the Certificates constitutes a contract for the purchase of goods or services for which a written verification is required under Section 2274.002, Texas Government Code, (as added by Senate Bill 13, 87th Texas Legislature, Regular Session) as amended, the bidder hereby verifies that, at the time of execution and delivery of this bid, neither the bidder nor any syndicate member listed on the Official Bid Form, nor any parent company, wholly- or majority- owned subsidiaries, and other affiliates of the same, if any, boycott energy companies or will boycott energy companies through the date of delivery of the Certificates. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code 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 and any syndicate member listed on the Official Bid Form understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the bidder and any syndicate member listed on the Official Bid Form within the meaning of SEC Rule 405, 17. C.F.R. § 230.405, and exists to make a profit.

By submitting this bid, the Initial Purchaser understands and agrees that if Initial 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 Town that the Initial Purchaser was found not to satisfy the requirements described in the Notice of Sale and Bidding Instructions under the heading "CONDITIONS OF 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 Initial Purchaser's Good Faith Deposit shall be cashed and accepted by the Town as full and complete liquidated damages.

FURTHER STATE LAW COMPLIANCE: IN ADDITION TO THE FOREGOING, THE BIDDER HEREBY REPRESENTS, BY SUBMISSION OF THIS BID, THAT NEITHER IT NOR ITS PARENT COMPANY, SUBSIDIARIES OR AFFILIATES IS ON A LIST MAINTAINED BY THE TEXAS COMPTROLLER OR HAS A PENDING OR UNRESOLVED INQUIRY FROM A POLITICAL SUBDIVISION OR THE TEXAS COMPTROLLER OR THE TEXAS ATTORNEY GENERAL RELATED TO COMPLIANCE WITH CHAPTER 2274 OF THE TEXAS GOVERNMENT CODE.

BY SUBMITTING A BID, BIDDER AGREES, THAT SHOULD IT BE THE WINNING BIDDER, BIDDER SHALL COOPERATE WITH THE TOWN AND TAKE ANY ACTION NECESSARY TO FURTHER VERIFY AND CONFIRM COMPLIANCE WITH STATE LAW.

The Initial Purchaser (mark one):

_____ Agrees to timely make a filing of a completed Disclosure Form with the Town.

or

_____ Hereby certifies that it is exempt from the Disclosure Form filing requirements by virtue of being a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity.

Respectfully submitted,

Name of Underwriter or Manager

Authorized Representative

Phone Number

Signature

ACCEPTANCE CLAUSE

The above and foregoing bid is hereby in all things accepted by the Town of Pantego, Texas, subject to and in accordance with the Official Notice of Sale and Bidding Instructions, this the 22nd day of May, 2023.

Mayor
Town of Pantego, Texas

ATTEST:

City Secretary
Town of Pantego, 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 2023 issued by the Town of Pantego, 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 2023 issued by the Town of Pantego, 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)