

Form of Purchase Letter

PURCHASE LETTER

October __, 2024

Mayor and City Council
City of Angleton
121 S Velasco St
Angleton, TX 77515

Re: \$_____ City of Angleton, Texas, Emergency Note, Series 2024 (the "Note")

Ladies and Gentlemen:

_____ (the "Purchaser") hereby offers to purchase the captioned Note, on the terms and subject to the conditions set forth in this letter (the "Agreement") from the City of Angleton, Texas (the "City"), and upon acceptance of this offer by the Mayor of the City such offer will become a binding agreement between the Purchaser and the City. This offer must be accepted by 10:00 p.m., Central time, _____, 2024, and if not so accepted will be subject to withdrawal.

1. Purchase Price. The purchase price for the Note will be \$_____.
2. Purchaser's Fees. The City shall pay MAC fees in the amount of \$_____. _____ will serve as Paying Agent/Registrar for the Note for a fee of \$___ per year.
3. Terms of Note. The Note shall be issued in the principal amount of \$_____ and shall bear interest at such rate, mature on such date, and be subject to mandatory sinking fund and optional redemption, have such other terms and conditions as are set forth in the in the ordinance adopted by the City Council of the City on _____, 2024 authorizing the issuance of the Note (the "Ordinance"). The Purchaser has received a copy of the Ordinance. Pursuant to and more fully described in the Ordinance, the Note shall be payable both as to principal and interest, secured by a pledge of ad valorem taxes levied, within the limits prescribed by law, on all taxable property within the City. Capitalized terms without definition herein have the meanings given in the Ordinance.
4. Closing. The City shall deliver the Note to, or for the account of, the Purchaser, and the Purchaser shall purchase the Note at 10:00 a.m. Central time, on _____, 2024 (the "Closing Date"), or at such other time as shall be mutually agreed upon (hereinafter referred to as the "Closing"). The Closing shall take place at the offices of Bracewell LLP, Houston, Texas, or such other location as may be mutually agreed upon.
5. Conditions to Closing. Neither the Purchaser nor the City shall have any obligation to consummate the purchase of the Note unless the following requirements have been satisfied prior to Closing:
 - (a) The Purchaser shall have received a certified copy of the Ordinance.

- (b) The City shall have delivered a certificate to the effect that the representations and warranties of the City in this Agreement are true and correct as of the Closing Date.
- (c) The City shall have delivered a no-litigation certificate.
- (d) Bracewell LLP shall have received an executed Federal Tax Certificate and an executed Issue Price Certificate in such forms as are sufficient to support its opinion described in paragraph 5(e), below.
- (e) Bracewell LLP shall have issued its approving legal opinion as to the due authorization, issuance and delivery of the Note and as to the exemption of the interest thereon from federal income taxation.
- (f) The Note shall have been approved by the Attorney General of the State of Texas and shall have been registered by the Comptroller of Public Accounts of the State of Texas.
- (g) The Transaction Documents (as defined herein) shall have been executed by all of the parties thereto.
- (h) There shall have been executed and delivered such additional legal opinions, certificates, proceedings, instruments and other documents as Bracewell LLP or the Purchaser may reasonably request to evidence compliance with all legal requirements, the truth and accuracy, as of the Closing, of the representations herein and the due performance or satisfaction of all agreements then to be performed and all conditions then to be satisfied.

6. Representations and Warranties of the City. The City hereby represents and warrants to the Purchaser that:

- (a) the City is a home rule municipality organized under the Constitution and the laws of the State of Texas (the “State”), has complied with all provisions of the Constitution and laws of the State and the City has full power and authority to adopt the Ordinance and to execute and deliver this Agreement, the Paying Agent/Registrar Agreement (collectively, the “Transaction Documents”) to which it is a party and to issue, sell and deliver the Note pursuant to the laws of the State.
- (b) The City has duly adopted the Ordinance at a meeting of the City Council of the City duly called and held in accordance with applicable law and procedures of the City Council of the City, and since that time the Ordinance has not been rescinded, amended or modified.
- (c) The City Council of the City has duly authorized the (i) execution and delivery of this Agreement, the Note and the other Transaction Documents to which the City is a party; (ii) performance by the City of the obligations contained in the Ordinance and in the other Transaction Documents to which it is a party; and (iii) consummation by the City of all of the transactions contemplated by this Agreement and by the other Transaction Documents to which they are a party.

7. Acknowledgements and Representations of the Purchaser.

- (a) The Purchaser is a “bank” as defined in Section 3(a)(2) of the Securities Act of 1933 (the “1933 Act”) or an “accredited investor “within the meaning of Section 2(a)(15) of the 1933 Act and/or a “qualified institutional buyer” as defined in Rule 144A under the 1933 Act, as amended.
- (b) The Purchaser has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations of a nature similar to the Note to be able to evaluate the risks and merits of the purchase of the Note.
- (c) The Purchaser is acquiring the Note for its own account as evidence of a loan or for the account of a permitted transferee, and not with a view to, or for present sale in connection with, any distribution of the Note or any part thereof.
- (d) The Purchaser has made its own credit inquiry and analysis with respect to the City and the Note and has made an independent credit decision based upon such inquiry and analysis. The City has furnished to the Purchaser all the information that the Purchaser, as a reasonable lender, has requested of the City as a result of the Purchaser having attached significance thereto in making the decision to purchase the Note, and the Purchaser has had the opportunity to ask questions of and receive answers from knowledgeable individuals concerning the City and the Note. The Purchaser is able and willing to bear the economic risk of the purchase and ownership of the Note.
- (e) The Purchaser understands that the Note has not been registered with any federal or state securities agency or commission.
- (f) The Purchaser acknowledges that transfer of the Note is subject to the following conditions:
 - (i) the transferring holder thereof shall first have complied with any then applicable state and federal securities laws and regulations;
 - (ii) the transferring holder thereof can transfer the Note only to:
 - (A) a transferee who executes and delivers to the City a letter of the transferee containing substantially the representations set forth in this Section 7; or
 - (B) a transferee who qualifies as a Qualified Institutional Buyer as defined in Regulation D under the 1933 Act; or
 - (C) a transferee who qualifies as an “accredited investor” within the meaning of Section 2(a)(15) of the 1933 Act, including a transferee who qualifies as a national bank or banking institution organized

under the laws of any state acting in its individual or fiduciary capacity; and

- (iii) the transferring holder thereof will not prepare or furnish, or cause to be prepared or furnished, any disclosure regarding the City or the City's finances without the prior review and written consent of the City, in the City's sole discretion. However, the transferring holder will be permitted to disclose any of the City's publicly available financial information and will be permitted to disclose to a potential transferee any of the contents of its credit file relating to the Note, including financial statements, covenant compliance certificates, credit write-ups, payment histories and other matters relating to the administration of the loan represented by its purchase of the Note.

Subject to the provisions and restrictions in this Section 7(f) hereof, the Purchaser may without limitation at any time sell, assign, pledge or transfer the Note or the Purchaser's rights and obligations under the Note to one or more affiliates of the Purchaser.

- 8. Financial Reporting. The City agrees to provide to Purchaser with the following:

A copy of the audited financial statements of the City within 270 days of the end of each fiscal year. The City may satisfy such obligation by posting such statements on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system, or its successor.

- 9. Survival and Severability: For so long as the Note remains outstanding, the covenants made in paragraphs 7 and 8 above shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of any party hereto or (ii) delivery of and payment for the Note hereunder.

- 10. No Oral Agreements: To the extent allowed by law, the parties hereto agree to be bound by the terms of the following notice: NOTICE: THIS AGREEMENT, THE ORDINANCE, AND THE NOTE TOGETHER REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES REGARDING THIS TRANSACTION AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES RELATING TO THIS TRANSACTION.

- 11. Verifications of Statutory Representations and Covenants. The Purchaser makes the following representations, verifications and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code (the "Government Code"), as heretofore amended, in entering into this Agreement. As used herein, "affiliate" means an entity that controls, is controlled by, or is under common control with the Purchaser within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for

breach of any such verification during the term of this Agreement shall survive until barred by the applicable statute of limitations and shall not be liquidated or otherwise limited by any provision of this Agreement, notwithstanding anything in this Agreement to the contrary.

- (a) Not a Sanctioned Company. The Purchaser 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, Government Code, or Section 2270.0201, Government Code. The foregoing representation excludes the Purchaser 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.
 - (b) No Boycott of Israel. The Purchaser hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. As used in the foregoing verification, “boycott Israel” has the meaning provided in Section 2271.001, Government Code.
 - (c) No Discrimination Against Firearm Entities. The Purchaser 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 during the term of this Agreement. As used in the foregoing verification, “discriminate against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.
 - (d) No Boycott of Energy Companies. The Purchaser 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 during the term of this Agreement. As used in the foregoing verification, “boycott energy companies” has the meaning provided in Section 2276.001(1), Government Code.
12. Representation Regarding Texas Attorney General Standing Letter and Bringdown Verification. The Purchaser represents and verifies that it is aware of the Texas Office of the Attorney General’s (the “Texas Attorney General”) All Bond Counsel Letter, dated November 1, 2023, that is available on the website of the Texas Attorney General using the following link: (<https://www.texasattorneygeneral.gov/sites/default/files/files/divisions/public-finance/ABCLetter-11-01-2023.pdf>) and the Texas Attorney General’s supplemental All Bond Counsel Letter, dated November 16, 2023, that is available on the website of the Texas Attorney General using the following link: (<https://texasattorneygeneral.gov/sites/default/files/files/divisions/public-finance>

[/ABCLetter-11-06-2023.pdf](#)). The Purchaser represents and verifies that the Purchaser has (i) on file a standing letter (“Standing Letter”) acceptable to the Texas Attorney General addressing the representations and verifications in Section 11 (a) through (d) hereof, and (ii) will, upon request of the City or Bond Counsel on behalf of the City, provide the City and Bond Counsel with a copy of its Standing Letter. The Purchaser further represents and verifies that its Standing Letter remains in effect as of the date of this Agreement and that the Texas Attorney General has not notified the Purchaser that a determination has been made that the Purchaser boycotts energy companies or has a policy that discriminates against firearm entities or firearm trade associations under the laws of the State of Texas. Upon request of the City or Bond Counsel on the City’s behalf, Purchaser shall provide additional written certifications to the Issuer and Bond Counsel (which may be by email) to the effect that the Texas Attorney General may continue to rely on its Standing Letter and the statutory representations and covenants contained in this Agreement through the Closing Date (the “Bringdown Verification”). The City reserves the right, and the Purchaser hereby expressly authorize the City, to provide such Bringdown Verifications to the Texas Attorney General.

13. Successors and Assigns. This Agreement is made for the benefit of the City and the Purchaser (including the successors or assigns of the Purchaser) and no other person shall acquire or have any rights hereunder or by virtue hereof.
14. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State.
15. Counterparts. This Agreement may be executed in any number of counterparts, each of which so executed and delivered shall constitute an original and all together shall constitute but one and the same instrument.
16. Miscellaneous. The Purchaser will purchase the Note under the following additional conditions: (i) the Note is not being registered under the 1933 Act and are not being registered or otherwise qualified for sale under the “Blue Sky” laws and regulations of any state; (ii) the Purchaser will hold the Note as one single debt instrument; (iii) no CUSIP numbers will be obtained for the Note; (iv) no official statement has been or will be prepared in connection with the issuance of the Note; (v) the Note will not close through the DTC or any similar repository and will not be in book entry form; and (vi) the Note not listed on any stock or other securities exchange.
17. Captions. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Section of this Agreement.

[Execution Pages to Follow]

If this purchase agreement meets with your approval, please execute it in the place provided below.

By: _____

Name: _____

Title: _____

ACCEPTED BY:

CITY OF ANGLETON, TEXAS

By: _____
Mayor