

\$20,000,000
ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT
TAX AND REVENUE ANTICIPATION NOTE
TAXABLE SERIES 2017

NOTE PURCHASE AGREEMENT

June 20, 2017

Superintendent and Board of Trustees of
Ector County Independent School District
802 N. Sam Houston
Odessa, Texas 79761

Ladies and Gentlemen:

Frost Bank (the "*Lender*") hereby offers and agrees to buy the Ector County Independent School District (the "*District*") Tax and Revenue Anticipation Note, Taxable Series 2017 (the "*Note*") from the District, in any number of installments from the date hereof until March 31, 2018, in an aggregate sum not exceeding \$20,000,000 (the "*Commitment*") to enable the District, along with other available funds, to pay its current maintenance expenses on a timely basis. On March 31, 2018, any remaining unissued portion of the Commitment shall terminate and the Lender shall no longer be obligated to make any further Installments hereunder. Terms not otherwise defined in this Agreement shall have the same meanings set forth in the Resolution (as defined herein).

If your Board of Trustees accepts this offer where indicated below, the Lender will make installment purchases of the Note (the "*Installments*") from the District from time to time on the date that is not later than the fifth (5th) Business Day after receipt from the District of a request for funds ("*Request for Funds*"), in the form and content attached hereto as Exhibit A, properly executed by an Authorized Officer, as defined in the resolution of the Board of Trustees authorizing the issuance of the Note (the "*Resolution*") and upon satisfaction of the other conditions stated herein.

1. *Initial Installment.* Subject to the conditions to Installments described below, the first Installment (the "*Initial Installment*") will be made from you upon receipt by the Lender of the following:

(a) A certified copy of the Resolution in the form and substance attached hereto as Exhibit B, finally adopted, in full force and effect and without amendments to the date of such Installment;

(b) This Note Purchase Agreement, fully executed by the manual signature of the President or Vice President of the Board of Trustees, and attested by its Secretary;

(c) a certificate, dated the Date of Delivery, of the Superintendent and Chief Financial Officer of the District, to the effect that (a) other than the Note, no other obligation has been authorized by the District to be issued pursuant to Section 45.108, Texas Education Code, and no other such obligation is outstanding as of the Date of Delivery; (b) the Maximum Principal Amount of the Note does not exceed in aggregate amount seventy-five percent (75%) of the District's previous year's income; and (c) the Board of Trustees of the District has finally adopted a budget for the Fiscal Year 2018;

(d) The original Note (as defined in, and in the form and substance set forth in, the Resolution) fully executed by the manual signature of the President or Vice President of the Board of Trustees and attested by the manual signature of its Secretary;

(e) An executed approving opinion, in form and substance satisfactory to the Lender of McCall, Parkhurst & Horton L.L.P. ("*Bond Counsel*"), Dallas, Texas;

(f) Evidence satisfactory to the Lender of the approval of the District's Fiscal Year 2018 budget.

(g) There shall not have occurred any event or condition that has had or could be reasonably expected, either individually or in the aggregate to have a Material Adverse Effect.

(h) Such additional certificates and documents as may be required by Bond Counsel to enable it to render the opinion required above; and

(i) A Request for Funds executed by an Authorized Officer, completed in all respects, and specifying the amount of the first Installment.

If the Request for Funds is not in good form and order, the Lender shall notify the District of same at least one (1) Business Day prior to the scheduled Installment Date (as defined in the Resolution).

2. *Additional Installments.* Subject to the conditions to Installments described below, after the Initial Installment, the Lender may make additional Installments (each, an "*Additional Installment*") from the District prior to March 31, 2018, upon receipt of:

(a) A properly completed and executed Request for Funds; and

(b) Such additional certificates and documents as may be required by Bond Counsel, if any.

3. *Conditions to Installments.* The obligations of the Lender to make the Installments is expressly conditioned upon (i) the truth and accuracy of the District's representations and warranties contained in the Resolution and reconfirmed in each Request for Funds, (ii) the performance by the District of all of its covenants and obligations in the Resolution, (iii) no Default or Event of Default (each as defined in the Resolution) shall have occurred and be

continuing, and (iv) the public debt rating of the District being at least investment grade by Moody's Investor Services.

4. *Miscellaneous.* (a) The terms of the Note, including the sources of payment, security, maturity, prepayment provisions and interest rate provisions shall be as set forth in the Resolution.

(b) The fees and expenses of Bond Counsel and counsel to the Lender shall be paid by the District.

(c) This Note Purchase Agreement must be accepted not later than 11:59 p.m. on the date hereof and if not so accepted may be withdrawn.

(d) THIS NOTE PURCHASE AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS AND APPLICABLE FEDERAL LAW.

(e) The Lender represents that (1) the Note will be acquired in installments pursuant to the terms of the Resolution and the terms hereof, (2) the acquisition of the Note and the Installments will be for such Lender's own account as evidence of a loan and not with a present view to distribution or resale, (3) the Installments will be made in private transactions, (4) the Lender is a sophisticated investor, having such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its purchase of the Note, (5) such Lender has reviewed such information concerning the District and its financial affairs as it has deemed necessary and has satisfied itself as to the financial condition of the District, and (6) the receipt of an official statement is not required by the Lender and the Lender acknowledges that no offering document has been or will be prepared by the District.

This Note Purchase Agreement may be executed in several counterparts each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document) and all of which shall constitute one and the same document.

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It is the Lender's pleasure to extend this offer to the District, and if your Board of Trustees finds its terms acceptable, please adopt the Resolution at an appropriate public meeting of the Board after posting the notice required by law, and execute a copy of this Agreement where indicated below and return the same to us at the appropriate address.

Respectfully yours,

FROST BANK

By: _____

Name: _____

Title: _____

BOARD OF TRUSTEES
ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT

By: _____
President

ATTEST:

By: _____
Secretary

[SEAL]

EXHIBIT A

FORM OF REQUEST FOR FUNDS

NOTE LENDER: FROST BANK

DATE OF NOTICE: _____

ISSUER: Ector County Independent School District

PERTAINING TO: \$20,000,000 Ector Independent School District Tax and Revenue Anticipation Note, Taxable Series 2017, Note Purchase Agreement dated July 1, 2017 (the "Note Purchase Agreement")

This Request for Funds is delivered pursuant to the Note Purchase Agreement between the District and the Lender bearing the date and full title stated above. All capitalized terms used and not otherwise defined herein shall have the same meaning as those set forth in the Resolution adopted by the Board of Trustees of the District on June 20, 2017 and the Note Purchase Agreement.

The District hereby requests an Installment (the "Requested Installment") as follows:

(1) The aggregate principal amount of the Requested Installment is \$_____.

(2) The date on which the Requested Installment is to be made is _____ being a date that is not earlier than the fifth (5th) Business Day after the date hereof.

(3) The amount of all outstanding Installments is \$_____, and the Requested Installment is \$_____, which amounts in the aggregate are equal to or less than \$20,000,000, which is the Maximum Principal Amount of the Note.

(4) The Requested Installment is to be deposited, in immediately available funds by wire transfer, in Account No. **[insert account number]** maintained by the District with **[insert bank or financial institution]**, Odessa, Texas, ABA Routing **[insert routing number]**, Attention: **[insert account contact]**.

(5) By execution hereof the undersigned certifies that (a) he/she is an Authorized Officer as defined in the Resolution, (b) the Resolution has not been amended, rescinded, supplemented or otherwise modified since the date thereof and (c) that no resolution conflicting with the terms of the Resolution has been adopted by the Board of Trustees since such date.

(6) On and as of the date hereof the undersigned hereby certifies that (a) each and every one of the representations and warranties of the District contained in the Resolution is true, correct, and accurate in all respects, and each such representation and warranty is hereby affirmatively made and restated on and as of the date of this Request for Funds, (b) since **[insert date]**, no Material Adverse Effect has occurred or would result as a result of this Request for Funds, (c) no Default or Event of Default has occurred or is continuing and (d) the conditions precedent contained in Section 1 (with respect to the Initial Installment) and Section 2 (with respect to Additional Installments) of the Note Purchase Agreement are true and correct.

ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT

By: _____

Name: _____

Title: _____

EXHIBIT B

[INSERT FINAL RESOLUTION]