

PURCHASE LETTER

March 27, 2017

City of North Richland Hills, Texas
4301 City Point Drive, 2nd Floor
North Richland Hills, Texas 76180

Re: \$1,900,000 “City of North Richland Hills, Texas, General Obligation Refunding Bonds, Series 2017” (the “Bonds”)

Ladies and Gentlemen:

JPMorgan Chase Bank, N.A. (the “Purchaser”) hereby offers to purchase from the City of North Richland Hills, Texas (the “City”) the above referenced Bonds and, upon acceptance of this offer by 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., North Richland Hills, Texas, time, March 27, 2017, and if not so accepted will be subject to withdrawal.

1. Purchase Price: The purchase price for the Bonds is par, \$1,900,000.
2. Terms of Bonds: The Bonds shall be issued in the principal amounts, shall bear interest at such rates, mature on such dates and in such amounts and have such other terms and conditions as are set forth in the ordinance adopted by the City Council of the City on March 27, 2017 (the “Ordinance”) authorizing the issuance of the Bonds, a copy of which has been provided to the Purchaser. Pursuant to and as more fully described in the Ordinance, the Bonds shall be payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the City.
3. Closing: The City shall deliver the Initial Bond to, or for the account of, the Purchaser and the Purchaser shall purchase the Bonds at 10:00 a.m. Dallas, Texas, time, on May 2, 2017, 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 Norton Rose Fulbright US LLP, Dallas, Texas, or such other location as may be mutually agreed upon. The City will also deliver a signed copy of the Ordinance to the Purchaser.
4. Form 1295: The Purchaser has delivered a Certificate of Interested Parties Form 1295 (“Form 1295”) and certification of filing generated by the Texas Ethics Commission’s electronic portal, signed by an authorized agent of the Purchaser, prior to the execution of this Agreement by the City and the Purchaser. The Purchaser understands and agrees that, with the exception of information identifying the City and the contract identification number in the Form 1295, neither the City nor its consultants are responsible for the information contained in the Form 1295 and neither the City nor its consultants have

verified such information.

5. Conditions to Closing: The Purchaser shall not have any obligation to consummate the purchase of the Bonds unless the following requirements have been satisfied prior to Closing:
 - (a) The City shall have adopted the Ordinance authorizing the issuance of the Bonds with both the Bonds and the Ordinance being in form and substance acceptable to the Purchaser.
 - (b) Norton Rose Fulbright US LLP, Bond Counsel shall have issued its approving legal opinion as to the due authorization, issuance and delivery of the Bonds and as to the exemption of the interest thereon from federal income taxation, upon which the Purchaser shall be entitled to rely in form and substance acceptable to the Purchaser.
 - (c) The Bonds 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.
 - (d) The City shall have executed its Certificate as to Tax Exemption and IRS Form 8038-G in the form provided by Bond Counsel.
 - (e) The City shall have executed a General Certificate and a Signature and No-Litigation Certificate.
6. Nature of Purchase as Private Placement: The Purchaser acknowledges that no official statement or other disclosure or offering document has been prepared in connection with the issuance and sale of the Bonds. The Bonds will not be registered to participate in the book-entry only system of The Depository Trust Company of New York, New York and the City will not secure identification numbers through the CUSIP Service Bureau Division of Standard & Poor's Corporation, New York, New York. The Purchaser is a financial institution or other accredited investor as defined in the Securities Act of 1933, Regulation D, 17 C.F.R. § 230.501(a), accustomed to purchasing tax-exempt obligations such as the Bonds. Norton Rose Fulbright US LLP, Bond Counsel, does not represent the Purchaser in its purchase of the Bonds and has not undertaken steps to ascertain the accuracy or completeness of information furnished to the Purchaser with respect to the City or the Bonds, and the Purchaser has not looked to that firm for, nor has that firm made, any representations to the Purchaser with respect to that information. The Purchaser has satisfied itself that it may lawfully purchase the Bonds. The Bonds (i) are not being registered under the Securities Act of 1933 and are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state; (ii) will not be listed on any stock or other securities exchange; and (iii) will not carry any rating from any rating service. The Purchaser is familiar with the financial condition and affairs of the City, particularly with respect to its ability to pay its ad valorem tax-supported obligations such as the Bonds. The Purchaser has received from the City all information that it has requested, as a result of the Purchaser

having attached significance thereto, in order for it to assess and evaluate the security and source of payment for the Bonds. The Purchaser is purchasing the Bonds for its own account or for that of an affiliate as evidence of a loan to the City and has no present intention to make a public distribution or sale of the Bonds. In no event will the Purchaser sell the Bonds to purchasers who are not sophisticated investors unless an official statement or other disclosure document is prepared with respect to such sale of the Bonds.

7. Reporting Covenants. In consideration of the purchase of the Bonds by the Purchaser, and so long as the Purchaser is the 100% owner of the Bonds, the City agrees to deliver to the Purchaser:
 - (a) within 180 days after the end of its fiscal year, its comprehensive annual financial report (CAFR); and
 - (b) such other financial information that the Purchaser may reasonably request from time to time.

The delivery of the City's CAFR may be made by its filing of such information with the Municipal Securities Rulemaking Board on a publicly accessible website such as the Electronic Municipal Market Access (EMMA).

8. No Material Adverse Change. From the time of the execution and delivery of this Purchase Letter to the date of Closing, there shall not have been, in the reasonable judgment of the Purchaser, any (i) material adverse change in the financial condition or general affairs of the City; (ii) event, court decision, proposed law or rule that may have a material adverse effect on the contemplated transactions; or (iii) any other material market disruption, including but not limited to international or national crisis, suspension of stock exchange trading, or banking moratorium materially affecting, in the Purchaser's opinion, the market price of the Bonds.
9. Issue Price Certifications: Furthermore, the Purchaser hereby certifies and represents that (1) the Bonds were issued for cash and were not publicly offered, (2) the price paid by the undersigned for the Bonds is \$1,900,000, and (3) the undersigned understands that the statements contained herein will be relied upon by the City in its effort to comply with the conditions imposed by the Internal Revenue Code of 1986, as amended to the date of initial delivery of the Bonds, and Bond Counsel in rendering their opinion that the interest on the Bonds is excludable from the gross income of the owners thereof.
10. Non-Bank Qualified. The City will NOT designate the Bonds as a "qualified tax-exempt obligation" within the meaning of section 265(b) of the Internal Revenue Code of 1986, as amended.
11. Municipal Advisor Disclosure. The City acknowledges and agrees that (i) the transaction contemplated herein is an arm's length commercial transaction between the City and the Purchaser and its affiliates, (ii) in connection with such transaction, the Purchaser and its affiliates are acting solely as a principal and not as an advisor including, without

limitation, a "Municipal Advisor" as such term is defined in Section 15B of the Securities and Exchange Act of 1934, as amended, and the related final rules (the "Municipal Advisor Rules"), agent or a fiduciary of the City, (iii) the Purchaser and its affiliates are relying on the Purchaser exemption in the Municipal Advisor Rules, (iv) the Purchaser and its affiliates have not provided any advice or assumed any advisory or fiduciary responsibility in favor of the City with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (whether or not the Purchaser, or any affiliate of the Purchaser, has provided other services or advised, or is currently providing other services or advising the City on other matters), (v) the Purchaser and its affiliates have financial and other interests that differ from those of the City, and (vi) the City has consulted with its own financial, legal, accounting, tax and other advisors, as applicable, to the extent it deemed appropriate.

12. Closing Costs of Purchaser. To the extent permitted by applicable law, the City will pay or reimburse the Purchaser for its reasonable out-of-pocket costs and expenses and reasonable attorneys' fees incurred in connection with the development, preparation and execution of the transactions contemplated by this Purchase Letter and the Bonds; provided however, that such amount to be reimbursed by the Purchaser shall be capped at \$3500.
13. Waiver of Jury Trial. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE CITY AND THE PURCHASER EACH HEREBY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE IN ANY WAY RELATED TO THE BOND OR THE ORDINANCE OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.
14. No Oral Agreements: To the extent allowed by law, the parties hereto agree to be bound by the terms of the following notice: THIS PURCHASE LETTER, THE ORDINANCE OF THE CITY AUTHORIZING THE BONDS, THE ATTORNEY GENERAL OPINION, THE OPINION OF BOND COUNSEL AND THE BONDS 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.

[Signatures begin on next page.]

If the City agrees with the foregoing, please sign the enclosed counterpart of this Purchase Letter and return it to the Purchaser. This Purchase Letter shall become a binding agreement between the City and the Purchaser when at least the counterpart of this Purchase Letter shall have been signed by or on behalf of each of the parties hereto.

Very truly yours.

JPMORGAN CHASE BANK, N.A.

By: _____

Title: _____

[signatures continue on next page]

[signature page of Purchaser]

ACCEPTED BY THE CITY OF NORTH RICHLAND
HILLS, TEXAS

MAYOR

ATTEST:

CITY SECRETARY