



KEN PAXTON
ATTORNEY GENERAL OF TEXAS

November 16, 2023

To All Bond Counsel:

RE: Additional Requirements for Statutory Representations and Covenants and Standing Letters – Deadline Extension and Clarifications

This letter supplements our letter of November 1, 2023, in which we imposed additional requirements for statutory representations and covenants in covered contracts and related standing letters.

First, we are extending the deadline for required changes to standing letters and statutory representations and covenants from December 1, 2023, to December 16, 2023. These requirements will now apply to covered contracts executed by issuers on or after December 16, 2023.

Second, as the required changes to statutory representations and covenants will not apply to contracts executed by the Issuer on or before December 15, we will not require a new standing letter if the bonds to which the contracts relate close within a reasonable period of time after December 15.¹ In other words, the language in the standing letter may match the language in the statutory representations and covenants.

Third, when a company is required to provide a bring-down certification, the company is certifying as to the standing letter upon which we are relying. If we are relying on the current standing letter for our approving opinion, then the bring-down certification is with respect to that letter.

Fourth, company verifications as to whether the company or any of its affiliates is a net zero alliance member may be included in the email accompanying the standing letter; it is not required to be contained in the standing letter.

Lastly, we welcome any written legal analysis you would like to provide on matters we are reevaluating with respect to paying agent agreements, escrow agreements, and similar agreements, including trust indentures, as set forth in part 1(d) of our letter dated November 1, 2023.

¹ Please note that for contracts that the issuer cannot enter into until closing, such as credit agreements, if the bonds close after December 15, statutory representations and covenants in the credit agreement must comply with the additional requirements in our letter of November 1, 2023, and a new standing letter will need to be provided. *See* Gov't Code § 1372.057(b) (providing that after approval, the credit agreement may be executed and delivered).

We have provided this letter pursuant to our authority under section 402.044 of the Government Code, which requires that we advise the proper legal authorities regarding the issuance of bonds that by law require the Attorney General's approval. However, please note that this letter does not dictate how a court may rule in a legal proceeding.

Sincerely,

A handwritten signature in cursive script that reads "Leslie Brock".

Leslie Brock
Assistant Attorney General
Chief, Public Finance Division