



USCA AGREEMENT FOR FINANCIAL ADVISORY SERVICES

THIS AGREEMENT is made as of the ____ day of _____, 2013, by and between the **West Orange-Cove Consolidated Independent School District (“Issuer”)** and USCA Municipal Advisors LLC, a wholly owned subsidiary of U.S Capital Advisors LLC (“USCA” or “Financial Advisor”), located at 1330 Post Oak Blvd, Suite 900, Houston, Texas 77056, for municipal finance consulting services to be performed pursuant to the terms and provisions set out below. This Agreement pertains to all debt obligations authorized by Issuer during its effective term.

A. Financial Advisor’s Transaction Services.

During the term of this Agreement the Financial Advisor shall provide the following financial advisory services as requested by authorized Issuer staff:

1. Work with Issuer to review financial resources and develop a financing plan to meet Issuer’s financing goals, taking into account Issuer’s existing debt, maturity schedules, options for prepayments, and striving to achieve any issuance of new debt offering under terms and conditions favorable to Issuer while achieving a minimum effective interest rate.
2. Provide information on current bond market conditions, anticipated bond issuances, general market conditions and other economic factors that could reasonably be expected to impact any proposed financing plan and new debt offering.
3. Assist the Issuer in assembling a financing team, as necessary, including but not limited to Bond/Tax Counsel, Disclosure Counsel (generally “Counsel”), Paying Agent Registrar, Escrow Agent and Underwriters. It is agreed that Issuer will retain qualified Counsel to prepare any required proceedings and provide legal advice regarding any proposed security issuance, delivery and that appropriate Counsel will issue an opinion approving the legality of any debt offering.
4. Assist the Issuer in coordination of financing activities between representatives of Issuer offices as appropriate.
5. Prepare a time table and distribution list and update as necessary.
6. Assist with the Issuer’s preparation and analysis of cash flow statements, including conference calls with Counsel.
7. Recommend appropriate financing structure.
8. Recommend a method of sale (competitive sale, negotiated sale or private placement) and, if necessary, conduct Request for Proposals process for underwriter for a negotiated sale.

9. As necessary, prepare and/or assist with financial loan applications to local, state or federal lending agencies.
10. Assist with the preparation, coordination and review of all bond and disclosure documents, subject to final review and approval by Issuer.
11. Recommend whether credit rating should be pursued and, if advisable, prepare the necessary materials and apply for a rating from the respective rating agency. Manage the Issuer's oral presentation or telephone conference interviews with the rating analysts.
12. Coordinate direct communication between Issuer staff and prospective bidding underwriters (in the case of a competitive sale) and key institutional investors.
13. Direct the advertisement and outreach for bids for a competitive sale.
14. Review tax-exempt market supply and demand variables in connection with any issue; make recommendations regarding the timing of the pricing.
15. Conduct the bid opening and verify the lowest bidder (i.e., lowest True Interest Cost) in the case of competitive sale.
16. Conduct pricing oversight and market comparables analysis for negotiated sale. Assist the Issuer in pricing negotiations on day of sale.
17. Oversee the closing process on behalf of the Issuer. Coordinate with Counsel for delivery of securities to purchasers. Be available to the Issuer staff after the closing to answer questions regarding the issue.

B. Compensation

1. For transaction services specified in Section A above, Financial Advisor shall be paid the following financial advisory fees:

<u>Principal Amount</u>	<u>Fee Per Series of Bonds</u>
\$5,000,000 or less	\$15,000 plus \$2.75 per \$1,000
Over \$5,000,000	\$28,750 plus \$1.75 per \$1,000 for all over \$5,000,000

When the Issuer is refunding outstanding debt or issuing any form of tax credit bond or note, an additional structuring fee of \$7,500 will be added.



2. Unless otherwise provided, Issuer shall reimburse Financial Advisor for expenses incurred by Financial Advisor in performing its services under this Agreement. Reimbursable expenses shall include, but are not limited to, the following:
 - a. Courier and delivery services; postage; laser, color, photographic or offset printing and reproduction costs; use of company materials and supplies; document production, copying and binding; facsimile transmission; telephone and conference calls; online posting and distribution of the POS and FOS; statistical data; data processing; and data information services. (Facsimile and calls will only be charged to Issuer when Financial Advisor incurs a separate charge for them, e.g. when traveling or when third party services are required for certain conference calls.)
 - b. Other reasonable expenses directly related to the satisfactory performance of requested work, including but not limited to third party consultants and vendors hired by Financial Advisor with Issuer approval.
3. Financial advisory fees and reimbursable expenses will be paid by Issuer to Financial Advisor when the securities are issued and delivered. There is no financial advisory fee due unless the securities are delivered. If securities are not delivered or contract is canceled all reimbursable expenses incurred are due in full within 30 days. If an election is required to authorize a bond issuance and the election is unsuccessful the Financial Advisor will not be paid the financial advisory fee, however all incurred reimbursable expenses must be paid by Issuer.
4. Compensation to Financial Advisor does not include Counsel fees and expenses, rating fees, insurance premiums, paying agent and escrow charges, underwriting/placement agent fees, attorney general fees, and similar costs incurred in connection with the Issuer's financing program, such costs shall be paid directly by the Issuer.

C. Effective Date and Termination

1. The term of the Agreement shall be effective at the date of acceptance by the Issuer as indicated below. At any time and without cause, this Agreement may be canceled by either party by giving thirty (30) days written notice to the other.
2. In the event of termination reimbursable expenses incurred prior to the effective date of termination will be due and must be paid by Issuer within 30 days of receipt of a final invoice from USCA. In the event of termination only the amount due to USCA for services provided and expenses incurred prior to the effective date of termination will be due. No penalty will be charged for termination.

D. Equal Employment Opportunity The Financial Advisor does not discriminate in its employment practice against any employee or applicant for employment because of the employee's or applicant's race, religion, national origin, ancestry, sex, age, or physical handicap. Any subcontract entered into by the Financial Advisor pursuant to, or in furtherance



of, this Agreement shall contain a similar provision requiring the Financial Advisor's subcontractor to not discriminate in its employment and hiring practices.

E. Conflict of Interest The parties to this Agreement have read and are aware of the provisions of Chapter 171 of the Texas Local Government Code relating to conflict of interest of public officers and employees. All parties hereto agree that they are unaware of any financial or economic interest of any public officer or employee of the Issuer relating to this Agreement. It is further understood and agreed that if such a financial interest does exist at the inception of this Agreement, the Issuer may immediately terminate this Agreement by giving written notice. Other than as pertains to bona fide employees working solely for USCA, Financial Advisor has not employed or retained any person or firm or provided any consideration contingent upon or resulting from the making of this Agreement and it has not agreed, as an express or implied condition for obtaining this Agreement, to employ or retain the services of any individual or firm in connection with carrying out this Agreement.

F. Modification This Agreement may only be modified by written agreement executed by Issuer and Financial Advisor.

G. Complete Agreement This Agreement constitutes the complete statement of the terms and conditions of the Agreement between Issuer and Financial Advisor and it supersedes all prior representations, understandings and communications with respect to the subject matter hereof.

H. Governing Law, Waiver of Jury Trial This agreement is governed by and shall be construed in accordance with the laws of the State of Texas, with venue in Jasper County, Texas. The parties irrevocably waive all right to trial by jury in any action, proceeding or counterclaim arising out of or relating to this agreement.

I. Notices All notices and communications related to this Agreement shall be in writing delivered as follows:

To the Issuer:
West Orange-Cove CISD
James Colbert
P.O. Box 1107
Orange, Texas 77631-1107
Phone: (409) 882-5500
Facsimile: (409) 882-5467

To Financial Advisor:
USCA Municipal Advisors, LLC
Attn: David Holland
1330 Post Oak Blvd., Suite 900
Houston, Texas 77056
Telephone: (713) 366-0566
Facsimile: (713) 588-8882



U.S. Capital Advisors®

ACCEPTED AND AGREED TO:

West Orange-Cove CISD:

By: _____

Title _____

Date Accepted By Issuer:

USCA Municipal Advisors LLC:

David Holland
Senior Managing Director
Head of Municipal Securities

Lewis A. Wilks
Managing Director
Public Finance